

Evidence Paper: Welfare Reform

Local impact of under occupation of social housing and the benefit cap.

Produced by Corporate Research, Corporate Strategy and Communications Team, Borough of Poole. March 2013



Introduction

The Borough of Poole is amending the Discretionary Housing Payment (DHP) policy to accommodate changes in benefit rules that are being introduced by Central Government as part of the Welfare Reform Agenda from April 2013.¹

The changes to housing benefit rules and the introduction of the benefit cap have been specified by Central Government. Although the Borough of Poole can not give blanket protection to any particular groups, an understanding of impacts on different groups will help with targeting mitigating actions.

This paper provides information on the local impact of reductions in housing benefit for households under occupying social housing and the benefit cap. A separate paper is available that provides information on the impacts of the [Local Council Tax Support Scheme for Poole](#) that will also to be introduced from April 2013.

Originally prepared to inform the revision of the Borough's DHP policy, this paper will also inform a range of related local policies, services and strategies. For example, the Employment and Worklessness plan, Children and Young People Plan and the Health and Well-being Strategy.

Impact Assessments and Equality Impact Assessments have been published at a national level by the [Department of Work and Pensions \(DWP\)](#).

In this report the term 'vulnerable groups' refers to those groups the Borough chose to protect when it established the Local Council Tax Support Scheme.

Summary

Under occupation of social housing

730 households will have a reduction in housing benefit because they are under occupying a socially rented property.²

About 1 in 4 (178) meet the definition of vulnerable groups used when preparing the Borough's Council Tax Support Scheme. Vulnerable claimant households are those with a disability or recognised caring responsibilities.

The average weekly financial impact for affected claimant households will be £15.77 per week, £820.04 per annum.

Benefit cap

78 households will be affected by the benefit cap.³

¹ Under occupancy of social housing introduced from 1st April 2013 and benefit cap expected to be introduced from September 2013.

² Data for January 2013

³ Data for February 2013

About 2 in 5 (29) meet the definition of vulnerable groups.

The average weekly financial impact for affected claimant households will be £76.73 per week, £3,989.96 per annum.

In total 806 claimant households are expected to be affected by the introduction of either housing benefit reductions for under occupation of social housing and/or the benefit cap. Two claimant households are affected by both changes.

Half of those affected by these changes live in the four wards of Alderney, Newtown, Hamworthy West and Poole Town.

About £900,000 per annum will be removed from Poole's local economy as a result of these two changes.

The intended effects of under occupation of social housing are to;

*“contain Housing Benefit expenditure in the social rented sector...free up accommodation for households living in overcrowded accommodation, or enable accommodation to be offered to other people on the waiting list for social housing....also create improved work incentives for working age claimants”.*⁴

The intended effects of the benefit cap are to;

*“improve working incentives for those on benefits, deliver fiscal savings, and....make the system fair and affordable....”*⁵

The initial impact of both changes will be a reduction in disposable income for households where income is already sufficiently low to entitle them to claim benefit(s).

The mitigations for those under occupying social housing will be to move to a smaller property. The mitigation for all benefit reductions is for affected households to increase income by obtaining paid employment, working increased hours or obtaining higher paid employment.

As the responsible local authority for Poole, the Council is already working with local social housing providers including Poole Housing Partnership (PHP) to support households wanting to move to smaller properties. These agencies are working within the constraints of available suitable housing.

The Council will also seek to mitigate the effects of reducing disposable income by providing support for those who want to find paid employment, helping to develop the local economy and the creation of new jobs and supporting those communities where the impact of these changes are concentrated. The Council continues to support the provision of services designed to help people manage on low incomes.

Equalities Characteristics

We have analysed our administrative data to help us understand local impacts. Administrative data is not currently available to assess the impact of people by age, ethnicity, faith or sexuality. Pensioner households are protected from the changes.

⁴ Impact Assessment. Housing Benefit: Under occupation of social housing. [Department of Work and Pensions](#). Updated June 2012.

⁵ Impact Assessment. Benefit Cap (Housing Benefit) Regulation 2012: Impact assessment for the benefit cap. [Department of Work and Pensions](#). 12th July 2012.

Therefore the focus for this impact assessment is on working age claimants, social inequalities including local area impacts, gender and claimant households with a recognised disability.

The Borough of Poole has previously published and maintains a series of [Equalities Reviews](#) that will inform the mitigating actions.

Financial Impact

Under Occupancy of Social Housing

The average weekly financial impact for all households who are under occupying social housing will be £15.77. The average impact is higher for those with Severe Disability or Disabled Child Premium at £16.87 but highest for those with a War Pension at £21.88.

Table 1: Average Financial Impact: Under Occupancy of Social Housing

	Number	Weekly	Annual
All Households	730	15.77	820.04
Vulnerable Groups ⁶	178	15.94	828.88
Disability	97	15.53	807.56
Severe Disability	36	16.87	877.24
Disabled Child Premium	13	16.87	877.24
War Pensioner	2	21.88	1,137.76
Lone Parent Child Under 5	30	15.37	799.24

The total annual impact for all households is £598,629.

The total annual impact for vulnerable groups is £147,541.

The level of housing benefit reduction will be 14% where there is under occupation by one bedroom and 25% where there is under occupation of two or more bedrooms.

About 1 in 4 of the vulnerable groups will have their housing benefit reduced by 25% because they have two or more spare bedrooms. The mean impact for each of these 34 households will be £25.17 per week (£1,308.84 per annum). The total annual impact for all 34 households will be £44,501.

Two households will be impacted by both under occupation and the benefit cap.

⁶ It should be noted that the vulnerable group figures are calculated from 640 of the 730 working age cases that could be matched between the Registered Social Landlord – Under Occupation list of January 2013 and the Council Tax Benefit file July/August 2012.

Benefit Cap

The average weekly financial impact for all households affected by the benefit cap will be £76.73. The average impact is higher for those with a Disabled Child Premium at £141.50.

Table 2: Average Financial Impact: Benefit Cap

	Number	Weekly	Annual
All Households	78	76.73	3,989.96
Vulnerable Group ⁷	29	73.08	3,800.16
Disability	1	35.92	1,867.84
Severe Disability	0		
Disabled Child Premium	2	141.50	7,358.00
War Pensioner	0		
Lone Parent Child Under 5	26	69.25	3,601.00

The total annual impact for all households is £311,217.

The total annual impact for vulnerable groups is £110,205.

Poole's DHP fund for 2013/14 is £275,652. This amount would fund the annual shortfall for the Vulnerable Groups affected by both under occupation and the benefit cap (£257,746) in 2013/14. This would leave less than £10,000 in 2013/14 to support the remaining 601 affected claimant households.

Families with Children

At least 239 children live in claimant households affected by under occupation of social housing. There will be at least 96 children affected by the benefit cap. In total more than 330 children live in households that will be affected by both these changes.

There are 30 lone parent households under occupying who have at least one child aged less than five years. This accounts for 1 in 20 under occupying households. 29 lone parent households will be affected by the benefit cap, 2 in every 5 households affected by the benefit cap.⁸

7 out of 10 claimants in under occupied households are women and all single parent claimants are women. The cost of child care combined with low pay especially for women will make it a difficult choice to take up paid employment.⁹

The Council currently has 89 families which meet Government criteria for 'troubled families' (locally referred to as 'families with futures'). Of this cohort, 8 are under occupying social housing and a further 5 will be affected by the benefit cap.

Families with futures are those that meet at least two of the following criteria:

⁷ It should be noted that the vulnerable groups figures are calculated from 70 of the 78 working age cases that could be matched between the DWP Benefit Cap list of February 2013 and the Council Tax Benefit file July/August 2012.

⁸ Proportions are calculated from the cases that could be matched across data bases.

⁹ [Childcare Sufficiency Study 2010](#) Corporate Research Team, Borough of Poole, on behalf of Children's Services.

Young people involved in crime or anti-social behaviour
Household affected by truancy or exclusion from school
Have an adult on Department of Work and Pensions (DWP) out of work benefits
Have a child with assessed emotional or behavioural difficulties

The average financial impact for families with futures who are under occupying is £13.49 per week.

The average financial impact for families with futures who are affected by the benefit cap is £82.20 per week.

Area impacts

For both under occupation of social housing and the benefit cap half the affected claimant households are located in the four Wards of Alderney, Poole Town, Hamworthy West and Newtown. These four Wards also accounted for nearly half the claimant households affected by the change from Council Tax Benefit to Local Council Tax Support.¹⁰

Broadstone, Canford Cliffs, and Penn Hill had the lowest number of affected households (13).

Poole's three most deprived 'small areas' are located within Hamworthy West Ward, Poole Town Ward and Alderney Ward.¹¹ We know that children with the poorest outcomes and the most complex needs are concentrated in some of the same small areas of the Borough¹².

Health Impacts

Two recent local studies undertaken by the Borough of Poole highlight the potential health impacts for claimant households affected by these changes.

The 2010 report 'Improving Access to Psychological Therapies (IAPT)' found that 'Families in low-rise social housing with high levels of benefit need' and 'Lower income workers in urban terraces' are over-represented in the IAPT service referrals compared to the proportions in the Poole population. These groups are the most deprived, and amongst the worst for Hospital Episodes for Depression.¹³

A consultation with 1,583 responses undertaken for the localisation of Council Tax Support found that;

"Potential impacts on health were mentioned by 94 claimants. Several of these claimants mentioned stress and worry over the changes (45) and effects on mental health (14). Other claimants mentioned health implications of having to cut back on food (13) or heating (11). Fifteen claimants felt that

¹⁰ Local Council Tax Support – Impact and Mitigations, Corporate Research Team Borough of Poole. October 2012.

¹¹ [Deprivation Report, 2011, Corporate Research Team, Borough of Poole](#)

¹² Children and Young Peoples Needs Analysis 2008/09 Report
<http://www.boroughofpoole.com/your-council/how-the-council-works/research/children-and-young-peoples-needs-analysis-2008-09/>

¹³ Improving Access to Psychological Therapies (IAPT), Corporate Research Team Borough of Poole. 2010

the changes, and having to cut back on other things, would impact on an existing health condition.”¹⁴

Impact Mitigations

The mitigations for the impact of welfare reforms fall under the two main headings of, ‘supporting people to obtain employment’ and ‘supporting people with low incomes’. There are additional actions being taken to mitigate the financial impact of under occupation of social housing by helping people identify and move to accommodation with the appropriate number of bedrooms.

Supporting People to Obtain Employment

Welfare to Work Schemes

There are a number of ‘welfare to work’ schemes operating in Poole which aim to help people who have been living on benefits to move into sustainable employment. These range from ‘Get Britain Working’ which is managed by Job Centre Plus, to the ‘Work Programme’ which is a ‘payment by results’ programme managed by Bournemouth and Poole College. Through the Employment and Skills Board of the Local Enterprise Partnership, a mapping exercise is being completed to ensure that the various schemes are meeting needs in the area and that specific groups are receiving effective support. In addition, the Council is now working on creating pathways to ensure it is easy for people who need support to navigate through what is a complex range of services in a way which most effectively meets their needs.

The Department for Work and Pensions launches ‘Universal Jobmatch’ in November. This new free online service matches jobseekers CVs and skills to jobs. The system includes a number features to speed up the job search and recruitment processes, including a notification process for employers to see jobseekers that match their requirements.

Families with Futures

Families with Futures will work with the most complex families in the Borough to help them to address their own difficulties in a positive and sustainable way. Accessing employment is a key outcome identified by Government and will attract a results payment. The Council, along with its partners on the Poole Partnership, has given this programme a high priority and additional funding. The programme is focused on helping families find and keep jobs – ‘Working Families Everywhere’ assigns assertive key workers to families to help remove barriers to employment and a European Social Fund project run in Poole by a private sector company will support families to develop employability skills through training. Families impacted by welfare changes have been identified and will be prioritised through the programme.

Families with Children

Poole Partnership and Poole Children’s Trust have produced a Child Poverty Strategy¹⁵. The aim of Poole Child Poverty Strategy is to reduce the effects of child poverty in targeted areas and among targeted vulnerable groups. The strategy tasks identified agencies including the Borough of Poole with specific actions that will

¹⁴ Council Tax Support Consultation 2012, Corporate Research team Borough of Poole. December 2012.

¹⁵ [Reducing the Impact of Child Poverty in Poole 2011 to 2014](#).

support people to obtain skills and employment, maximise income and improve family and life chances.

One of the Borough of Poole actions within the Child Poverty Strategy is to support parent's return to work by maintaining sufficient childcare provision to meet the needs of families returning to employment. The Poole Childcare Sufficiency Action Plan 2011- 2014¹⁶ details progress against delivery of specific actions designed to ensure there is sufficient childcare of right type and quality to meet the needs of Poole residents. This includes the provision of funded childcare places. The priorities and action plan are informed by a comprehensive assessment of childcare supply and demand¹⁷.

Children and Young People Integrated Services are developing the web based Family Information Directory to include a section on money and welfare. This will be used by family outreach, pastoral care, special educational needs coordinators and parent champions to support families affected by welfare reforms. All these front line staff are being made aware of the welfare reforms and their likely impacts and will ensure this knowledge is shared with others working with children and families. The web based Directory will be available to those who have access to the internet.

Employment and Worklessness Action Group

There is a significant amount of activity designed to help Poole residents into employment. To ensure the various actions, services and initiatives have maximum possible effect a task and finish group of senior Borough of Poole Officer and relevant external agencies has been established to;

- Develop a better coordinated approach to helping people obtain support to access employment.

- Build a sound understanding of gaps in service provision and produce proposals to address these gaps.

Supporting People with Low Incomes

In addition to supporting people to find employment, Poole Housing Partnership (PHP) has led on a financial inclusion project which has supported people living on a low income. Through the 'Your Money' project they have helped more than 1,200 households in Poole to maximise their income and reduce outgoings. The project helps ensure people are claiming their entitlement to benefits, including improving access to financial products through, for example, promoting the Credit Union. The estimated annual gain to Poole residents from the 'Your Money' project is £113,470. The Council also invested with PHP in solar panels which provide practical cost savings on energy bills for people on limited incomes on their energy costs. The Council has continued to support the Citizens' Advice Bureau which has seen demand for its services rise significantly over the past few years with additional funding provided this year to support people impacted by changes to their benefits.

Under occupation of Social Housing and Benefit cap

Central Government has increased grant funding to Poole's DHP budget by £150,132. The DHP budget for 2013/14 is £275,652. This additional funding will help

¹⁶ [Childcare Sufficiency Action Plan](#), Borough of Poole. 2011

¹⁷ [Childcare Sufficiency Assessment](#), Borough of Poole. 2011

meet the extra demand for DHPs expected as a result of under occupation of social housing and the benefit cap.

As the local administrator of the DHP fund the Borough is revising its DHP Policy to accommodate these welfare reforms and to ensure effective targeting of information and monitoring the take up of support.

The Borough's Benefits Service has notified all customers potentially affected and their landlords. Affected claimant households have been informed that they may apply for DHP's and landlords including Poole Housing Partnership (PHP) are in communication with their tenants to offer assistance.

Targeted work on moving under occupying households to smaller properties began in January 12. At the time of writing 24 households have moved releasing 67 bedrooms. A further 18 have committed to move which will release a further 56 bedrooms.

PHP, with financial support from Housing Services, employ a Tenancy Support Officer. Their role is to support all social housing tenants who are under-occupying within the Poole area by providing practical support and information to find and move into more suitable accommodation. They also Work with social housing landlords creatively to incentivise house moves to release family accommodation.

Area Impacts

In addition to the support provide to individuals and families, the Council recognise the need to support communities where the impact of these changes is concentrated. The Council and Poole Partnership have been proactive in funding a neighbourhood management project in one of the most deprived community in Poole. The Bourne Estate Neighbourhood Management Project has encouraged community members to become more active and built confidence and resilience within the community. The Council continues to invest in community development support for other areas of deprivation including Poole Town and Turlin Moor.

Monitoring and further analysis

To ensure the Council can respond effectively with the right support to the right people at the right time, ongoing monitoring will be required. The Borough will need to understand the local impacts of Welfare Reforms and the effectiveness of our mitigations for all our residents especially the most vulnerable.

In addition to the monitoring of the specific actions referred to in this report, the Borough will need an understanding of the multiple impacts of welfare reforms combined with fiscal constraints on public service provision and the difficult economic situation.

The Borough's various administrative data will be analysed and reported to support evidence based decision making. With this evidence we will know if our mitigation actions are effective. Sharing this evidence with our partners will facilitate the joined up actions required to ensure vulnerable residents are supported through these changes.