

Welfare Reform – Overview of the changes

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Welfare Reform Act - Overview

- Most fundamental reforms to the social security system for 60 years
- Changes began in 2010, still happening now and continue in 2013 and beyond
- Changes in:
 - Housing and Council tax Benefit
 - Disability related benefits
 - “Out of work” related benefits

Headline Changes to the current welfare system – 2013

April 2013

Council Tax Benefit abolished

Social Fund abolished

Working age benefits uprated by 1%, not linked to prices (CPI)

DWP changes that Councils have to implement:

Housing Benefit under-occupancy changes take effect (for working age and social rented sector)

Benefit cap rolled out incrementally

Other DWP changes

Disability Living Allowance replaced by Personal Independence Payments

October 2013

Universal Credit begins

Welfare Reform: Localisation Discretionary Social Fund

NCC has approved the use of the full £1.8million to create an Emergency Hardship Scheme which includes:

- **Emergency Support** - critical short term financial help as a result of unavoidable emergency or disaster e.g. vouchers or cash to provide essential food or heating
- **Household Support** - support to establish or maintain independent living e.g. white goods and furniture

And

Emergency Loan Scheme – to provide support to those that do not directly meet the eligibility criteria.

Welfare Reform: Housing Benefit – Under-occupancy

Rules changing for Housing Benefit from April 2013 for people who live in social housing.

Reduces the amount of help with rent for working age people who under occupy their home

- 1 “extra bedroom” = Eligible rent reduced by 14%
- 2 or more “extra bedrooms” = Eligible rent reduced by 25%

Welfare Reform – Universal Credit

Universal Credit, to begin being introduced **October 2013**

Transition to Universal Credit in 3 phases:

- Phase 1 (**2013-14**) – new claims/ change in circumstances
- Phase 2 (**2014-15**) – households who will 'benefit most'
- Phase 3 (**2015-17**) - remaining households

Awaiting National Roll out plan

What are we doing to prepare?

Discretionary Housing Payments

- Policy being amended to prioritise need
 - Care Leavers up to age 25
 - People with disability who live in specifically adapted properties
 - Preventing Homelessness
- Identifying Households affected:
 - Data matching with Registered Social Landlords and NCH
 - Identifying young people in care on pathways to plan effectively.

Build financial literacy and advice support

- Provide a dedicated welfare rights referral support for organised drop in sessions for ALL care leavers in independent living prior to April 2013
- Ensure that all our young people have access to suitable bank accounts and / or Credit Union support / Debt Management
- Income and outgoings planning

What are we doing to prepare?

Build awareness of changes

- Sessions being organised for:
 - 15+ year old young people “Personal Advisors”
 - Social Workers
 - Foster Carers Business Meeting (Jan 2013)

Build financial literacy and advice support

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 - Ensure that all our young people have access to suitable bank accounts and / or Credit Union support
 - Income and outgoings planning
 - Debt management