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# **Monitoring the Impact of Welfare Reform in Cambridgeshire**

**September 2013**

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## **Monitoring the Impact of Welfare Reform in Cambridgeshire – September 2013**

*“The biggest change since Beveridge introduced the welfare system”* – Iain Duncan Smith 2010

### **Background**

The Coalition Government has initiated a series of changes to the welfare benefits system, with the following aims:

- Managing an escalating and unaffordable welfare bill
- Devolving decisions on support to more local levels
- Encouraging people back to work, and
- Making work pay

Partners across Cambridgeshire are keen to implement a system which enables us to monitor the impact of the benefit changes on an ongoing basis, so that we can ensure our respective service provision continues to meet the needs of the people of Cambridgeshire.

The District Councils and the Citizens Advice Bureaux have provided data to enable us to begin the process of monitoring impact. For information, we have also drawn economic impact data from a report from Sheffield Hallam University and local impact data from the Local Government Association.

### **Executive Summary**

#### The impact on households

In Cambridgeshire, we are not as yet experiencing a crisis in housing and homelessness. Levels of need are rising – there are rising numbers of households presenting as homeless and it is becoming noticeably harder to prevent or relieve homelessness across all districts – but this rise is small overall and revised housing and homelessness strategies at district level are in the main working to prevent crisis. This is particularly the case in terms of bed and breakfast use, which has decreased across all districts during the last quarter.

Impact varies considerably across districts. South Cambridgeshire has double the number of homeless households with children than it had at the same time last year, whereas numbers are now falling in East Cambridgeshire.

But we cannot be complacent. In very many cases it is discretionary housing payments which are enabling people to stay in their own homes, and expenditure on DHP has risen dramatically. Demand on DHP budgets is likely to exceed supply. And sources of support and advice from the voluntary sector are decreasing as funding streams are squeezed due to Government austerity measures. Levels of rent arrears are rising and once action commences against those in arrears later in the year we are likely to see further impact.

Many families are moving voluntarily to avoid the under-occupation charge, and schools in communities with significant social housing are likely to be experiencing a relatively high turnover of pupils on roll.

It appears that most households are attempting to manage on their reduced benefits. Levels of poverty and vulnerability are likely to be rising, but behind closed doors. There are dramatically rising numbers of households turning to food banks in order to eat.

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### The impact on the local economy

People on low income tend to spend their money in the local area. With people on benefits losing an average of one pound in every seven, this will have an impact upon the local economy. The impact will be most intense in Fenland where a total of £492 will be lost per year per working age adult.

In total over £130million per annum will be removed from the Cambridgeshire economy by the benefit changes. £8.5 million reductions from the private sector rental market – supposed to drive rental prices down but this is not in evidence in Cambridgeshire – are likely to be carried by individuals in receipt of benefits. The £3.6 million from the public sector housing market may be mitigated by enabling families to move to smaller accommodation. Much of this loss may be carried by the public sector housing providers.

### Universal Credit

Implementation of Universal Credit is proceeding slowly and carefully, with small pilots taking place in most regions. In our region, Rugby will be the pilot area. Whilst Lord Freud has written to district Chief Executives to inform them that implementation of Universal Credit remains on track for 2017, we are unlikely to see any rollout elsewhere in the region for some time.

### **Summary Points**

#### Housing Benefit:

1. Numbers of housing benefit claimants have been increasing over the past year. However, the first quarter of 2013/14 showed a slight decrease in Cambridge City and in Huntingdonshire.
2. There are signs that the number of housing benefit claimants with dependent children is increasing slightly across most districts, with East Cambridgeshire the only district to have fewer claimants with children at the end of June 13 than in June 2012. The decrease has been quite marked here. Numbers in Fenland have increased most significantly.
3. In the first quarter of 2013 there was a decrease across all districts in the number of claimants in private rented accommodation, particularly in East Cambridgeshire. The percentage of claimant households in private rented accommodation dipped this quarter in both East Cambs and South Cambs, even though the total number of claimants is rising overall. This indicates that in both of these districts it is becoming harder for housing benefit claimants to rent in the private sector. Cambridge City has the lowest percentage of private rented sector claimants, reflecting the lack of affordable rented accommodation in the City.

#### Homelessness:

4. The numbers of households presenting as homeless has risen considerably in all districts over the past year. Numbers accepted as homeless have varied considerably; however, only Huntingdonshire had a lower number of homeless acceptances in the first quarter of this year compared to last year – overall there is a rise in all other districts. After April 2013 it has become noticeably harder to prevent or relieve homelessness across all districts.
5. The numbers of homelessness acceptances where children are involved has also varied considerably this year. In South Cambridgeshire however, it is clear that there

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are rising number of families with children being accepted as homeless, with the numbers this year double that of the same period last year.

6. There are rising numbers of children in temporary accommodation in Fenland, whereas numbers are now falling in East Cambs. There has been a steady rise in South Cambridgeshire.  
Overall, there were 300 children in temporary accommodation in Cambridgeshire in the first quarter of 2012, and there has been no change in these figures, with 301 children in temporary accommodation at the end of the first quarter 2013.
7. There are rising numbers of households in temporary accommodation across most districts, although numbers are relatively stable in both East Cambs and Huntingdonshire. Both Huntingdonshire and Cambridge City have high numbers of households in temporary accommodation compared to the other districts in Cambridgeshire. Numbers are rising steadily in Fenland and South Cambridgeshire. Overall there are fewer households in temporary accommodation at the end of the first quarter this year than there were last year.
8. These data sets present snapshot figures at the end of each quarter. District housing officers are aware that there are increasing numbers of households entering temporary accommodation, and those in temporary accommodation are staying for longer. Cases are becoming more complicated, often due to the level of household debt, and therefore are taking longer to determine. Moving out of temporary accommodation is also constrained by the slow throughput of more affordable housing.
9. The use of bed and breakfast accommodation has varied this year, but has decreased across all districts in the first quarter of 2013/14. Use is low but rising in South Cambs, and Fenland has avoided use completely. Cambridge City relies increasingly on bed and breakfast accommodation, and together with South Cambs are the only two districts that retain their own housing stock. There are rising numbers in hostels or women's refuges in Huntingdonshire and East Cambridgeshire. Huntingdonshire makes significant use of private sector accommodation for temporary housing through its private sector leasing scheme.

### Housing Need:

- 10 A major review of housing needs registers has resulted in numbers on the register falling across all districts except East Cambridgeshire. Many households failed to re-register as part of this review and so were removed from the housing registers. Anecdotal evidence is suggesting that some of these household are reapplying to the registers and so numbers are likely to rise again.

### Council income and expenditure:

11. The Council Tax collection rate appears to have fallen significantly in Huntingdonshire this year. However, 2012 figures measure collection to end September, and 2013 figures measure to end August, so figures are not directly comparable.
12. The numbers of applicants for DHP has risen dramatically across all districts over the last year, as has the committed spend. Cambridgeshire districts have seen between a three- and five-fold increase in the numbers of applicants. Some districts saw more applications for DHP in the first quarter of this year than they had through the whole of last year. Committed spend is greatest in Huntingdonshire, although there have been higher numbers of applicants in South Cambridgeshire and Fenland.

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It is likely that the total DHP requirement may exceed budget in some districts this year, and additional funds may be required.

13. Fenland and South Cambridgeshire spend relatively small amounts on temporary accommodation, whereas expenditure was rising rapidly through 2012/13 across the other districts. Cambridge City had particularly high expenditure in the final quarter of 2012/13. However, all districts have spent less in the first quarter of 2013-14.

### Citizens Advice Bureaux data:

14. The CABs across Cambridgeshire saw an increased number of clients in the last quarter of 2012-13. However, there has been a noticeable decrease this quarter. This is not necessarily due to decreasing need. CABs across Cambridgeshire have had decreasing capacity this year, with opening times in some cases less than half that expected. The number of clients seeking advice via the CAB touch screen kiosks has almost tripled in the last year, indicating an increasing rather than decreasing need for advice.
15. Again, there was a rise across all districts in the numbers of clients seeking advice about benefits in the last quarter of 2012-13. This was particularly in evidence in South Cambridgeshire. Numbers fell again during the first quarter of 2013/14. Many districts have increased the level and availability of their own advice provision, and this may impact upon the need for clients to seek external advice.
16. There were rising numbers of people receiving debt advice across all districts last year, with a particularly significant increase in Fenland. However, numbers are now falling. This is likely to be due to the loss of advice staff due to the closure of the legal aid contracts. Fenland closed a significant debt contract and this may explain the sharp fall in the numbers receiving debt advice this quarter.
17. Again, there were increases in people receiving housing advice in all districts last year, particularly in South Cambridgeshire and Cambridge City where the spike in quarter 4 was due to concerns about the under-occupation charge. Numbers have decreased this year. However, levels of rent arrears are rising across all districts and it is likely that there will be significant numbers seeking advice once action against those in arrears commences later in the year.

### Cambridge City Food Bank data:

18. In Cambridge, the number of households needing food banks in order to eat has more than doubled in the last year. Anecdotally, this reflects the picture across the county. This increase has been mainly due to benefit changes, and as such the impact has been on working age people, including many with children.

### Qualitative evidence from frontline staff:

19. Qualitative evidence shows that the under-occupation charges are impacting in several ways – families are voluntarily moving house, and others are struggling to live on their reduced income. Rent arrears are increasing, and there remains a need to continue to communicate with and support families affected

### From the Local Government Association report “The local impacts of welfare reforms”:

20. Reforms to the welfare benefit system will have both individual and economic impacts within the region. People who receive benefits, already on a low income, will lose an average of one pound in every seven – an average of £31 per week. This will not

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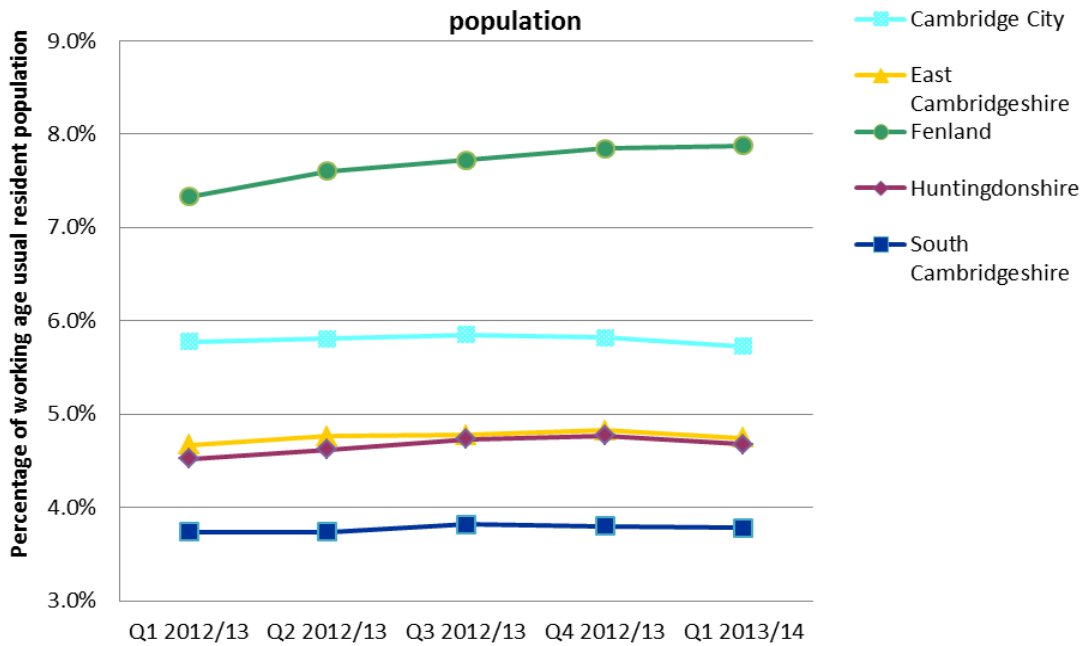
affect only out of work households – nationally, 59% of all welfare reform reductions fall on households where someone works, although in Cambridgeshire this figure ranges from 44% in Cambridge City to 59% in South and East Cambs. Simply moving into work will not be the answer for many people - the Local Government Association estimates that “four out of every five households are likely to need further assistance in order to deal with the impacts of welfare reform”.

From the Sheffield Hallam report:

21. In total over £130million per annum will be removed from the Cambridgeshire economy by the benefit changes.
22. £8.5million per annum has been lost from the private sector rental market in Cambridgeshire though in many places landlords will be able to re-let properties to tenants not in receipt of benefits. This amount is likely to be mostly lost to individuals in receipt of benefits, though some may be carried by landlords in the private sector.
23. £3.6million per annum will be lost from the public sector housing market. Where possible this may be mitigated by enabling families to move to smaller accommodation, but this is not always possible. Much of this loss may be carried by the public sector housing providers.
24. The impact will be most intense in Fenland, where a total of £492 will be lost per year per working age adult. Huntingdonshire and East Cambridgeshire are estimated to lose about £325 per working age adult.

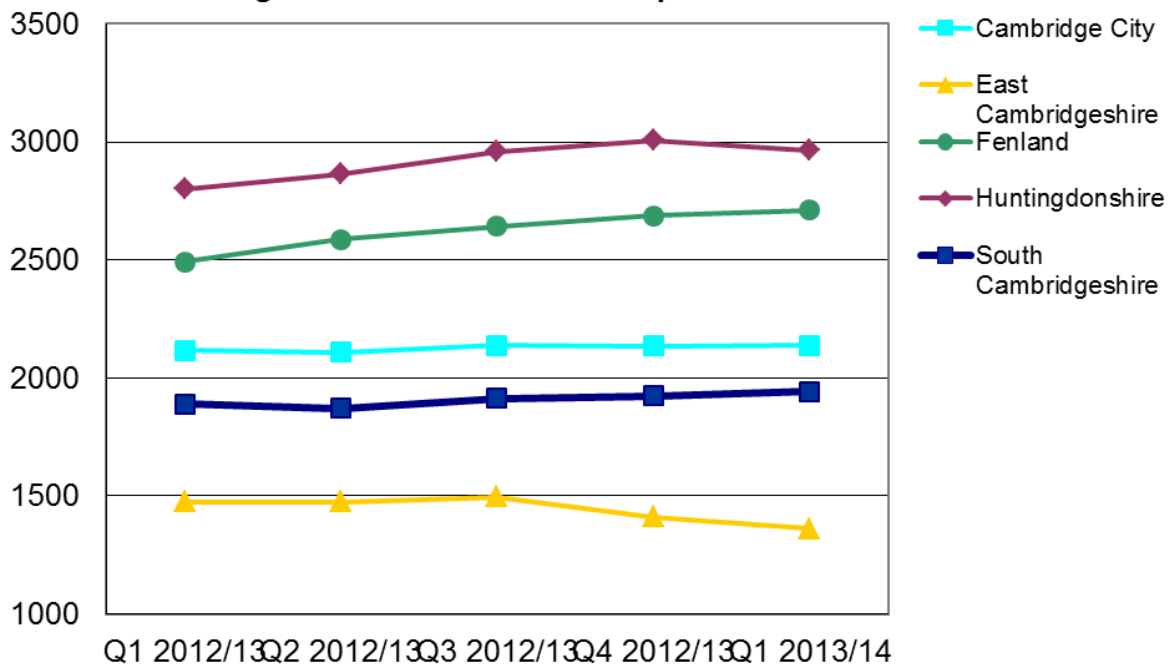
**Monitoring Information – Information from District Councils**

**1. House benefit claimants excluding pensioners as % of working age population**



Numbers of housing benefit claimants have been increasing over the past year. However, the first quarter of 2013/14 showed a slight decrease in Cambridge City and in Huntingdonshire.

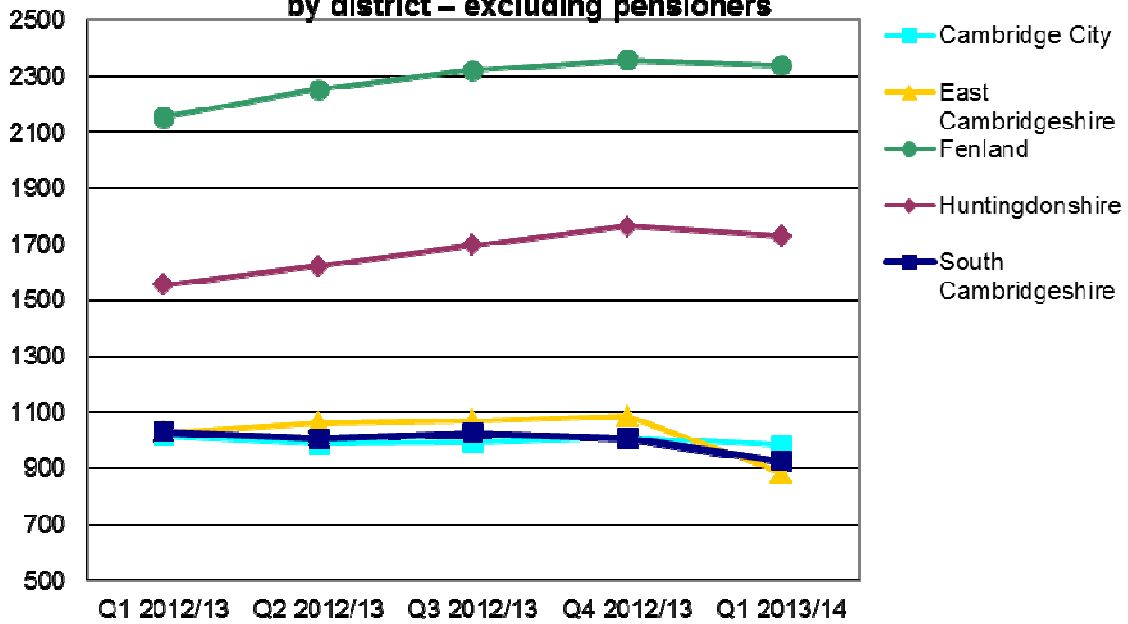
**2. Housing Benefit claimants with dependant children**



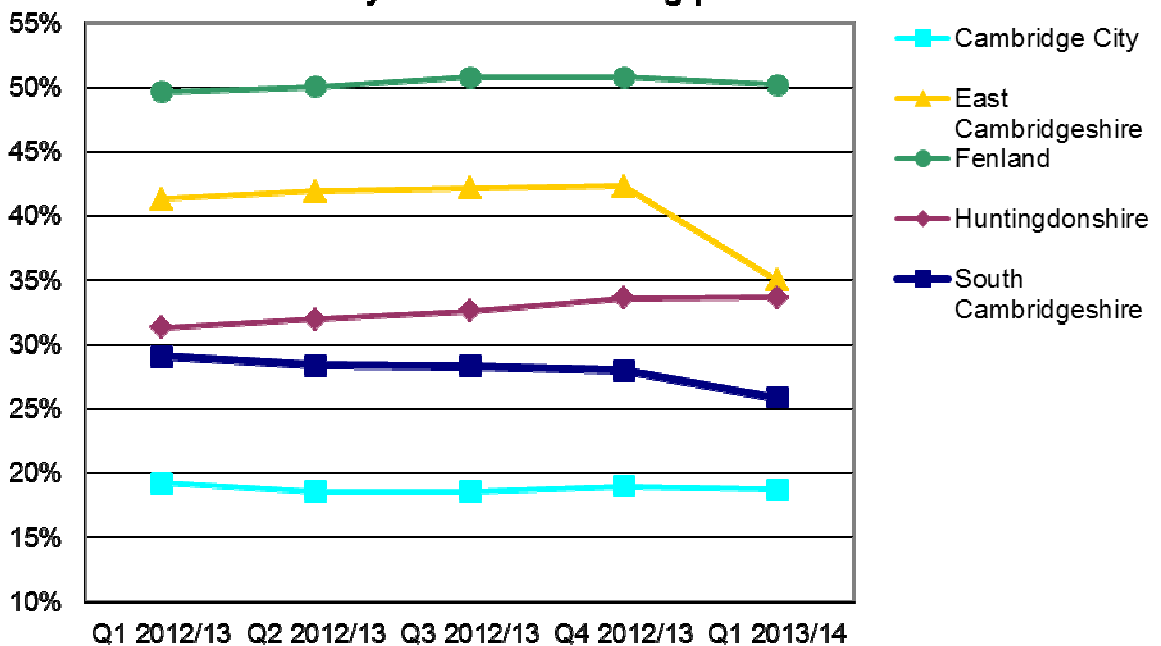
There are signs that the number of housing benefit claimants with dependent children is increasing slightly across most districts, with East Cambridgeshire the only district to have fewer claimants with children at the end of June 13 than in June 2012. The decrease has been quite marked here. Numbers in Fenland have increased most significantly.



**3. Housing Benefit claimants in private rented accommodation by district – excluding pensioners**



**4. Percentage of Housing Benefit claimants in private rented accommodation by district – excluding pensioners**



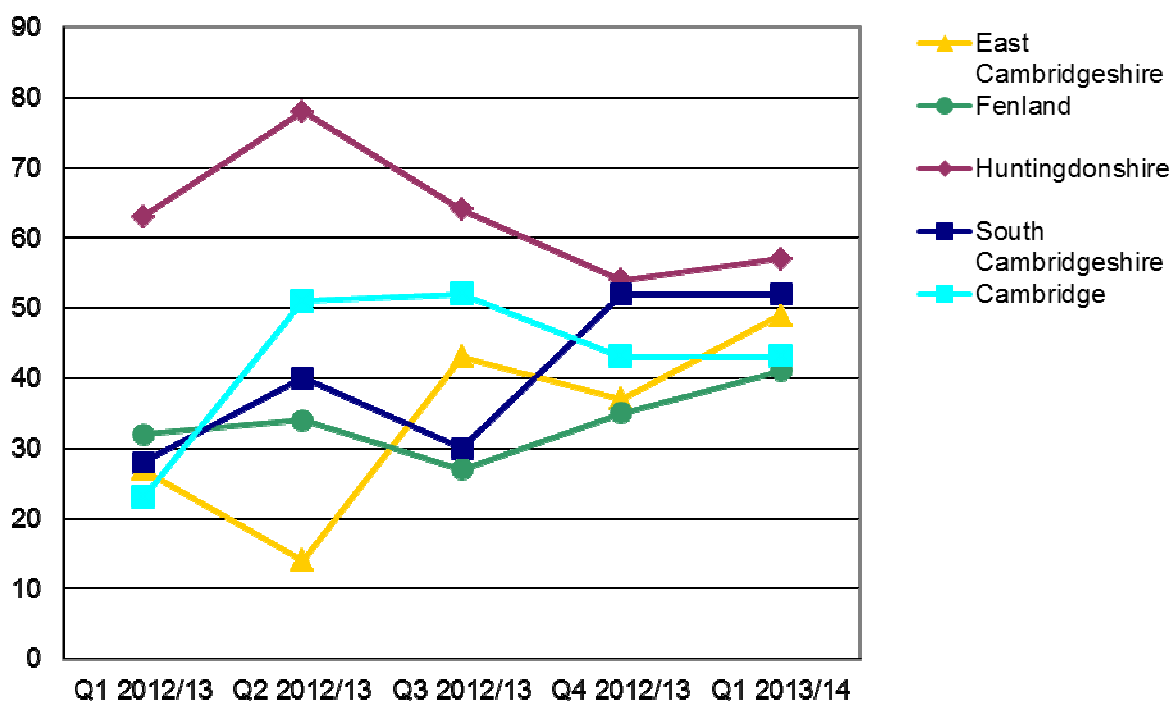
first quarter of 2013 there was a decrease across all districts in the number of claimants in private rented accommodation, particularly in East Cambridgeshire. The percentage of households in private rented accommodation dipped this quarter in both East Cambs in South Cambs, indicating that in both of these districts it is becoming harder to housing benefit claimants to rent in the private sector. Cambridge City has the lowest percentage of private rented sector claimants, reflecting the lack of affordable rented accommodation in the City.

**5. Estimate of the Numbers of households affected by under-occupation reductions:**  
 (Source: Cambridgeshire District Councils estimate, 2013)

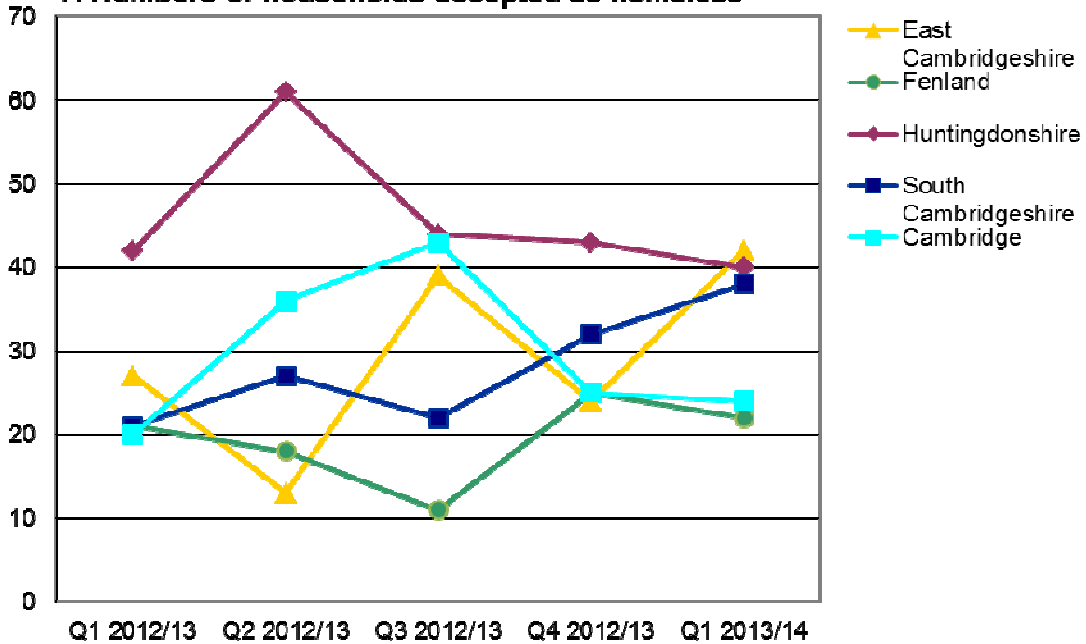
	Under-occupying by 1 bedroom		Under-occupying by 2 bedrooms		Total Under occupying	
	Jan 13	Aug 13	Jan 13	Aug 13	Jan 13	Aug 13
<b>Cambridge</b>	679	580	187	101	866	681
<b>East Cambridgeshire</b>		310		89	399	399
<b>Fenland</b>	330	425	76	98	406	523
<b>Huntingdonshire</b>	822	683	164	133	986	816
<b>South Cambridgeshire</b>	532	534	99	60	631	594
<b>Cambridgeshire</b>						

In most districts, the numbers of households under-occupying has reduced.

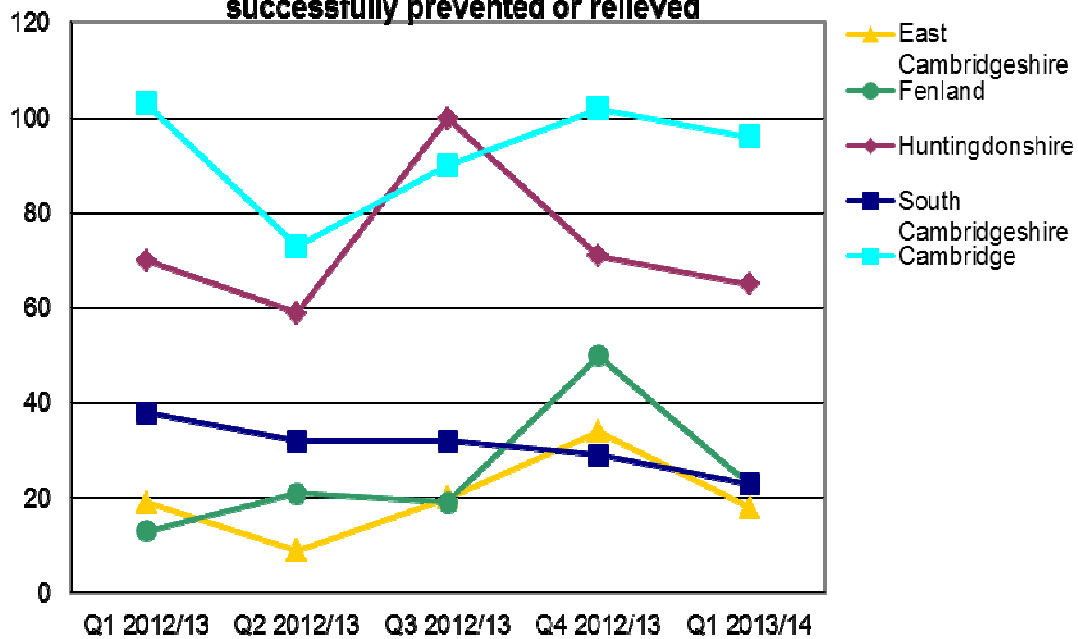
**6. Number of homelessness decisions**



**7. Numbers of households accepted as homeless**

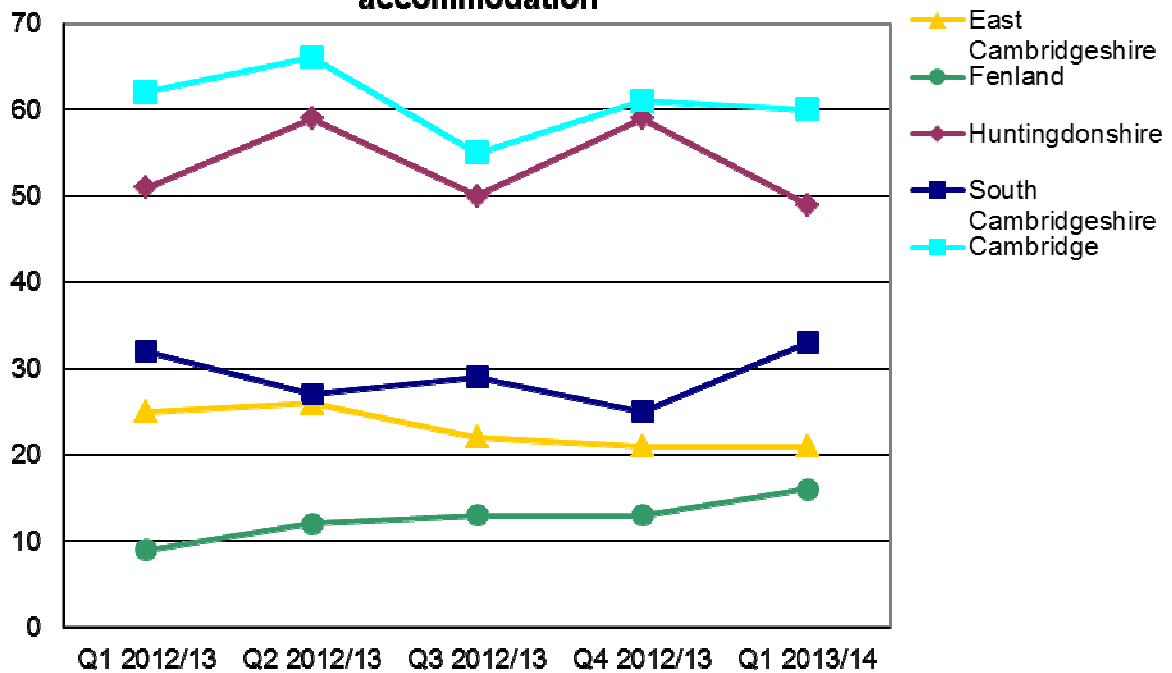


**7a. Numbers households where homelessness has been successfully prevented or relieved**

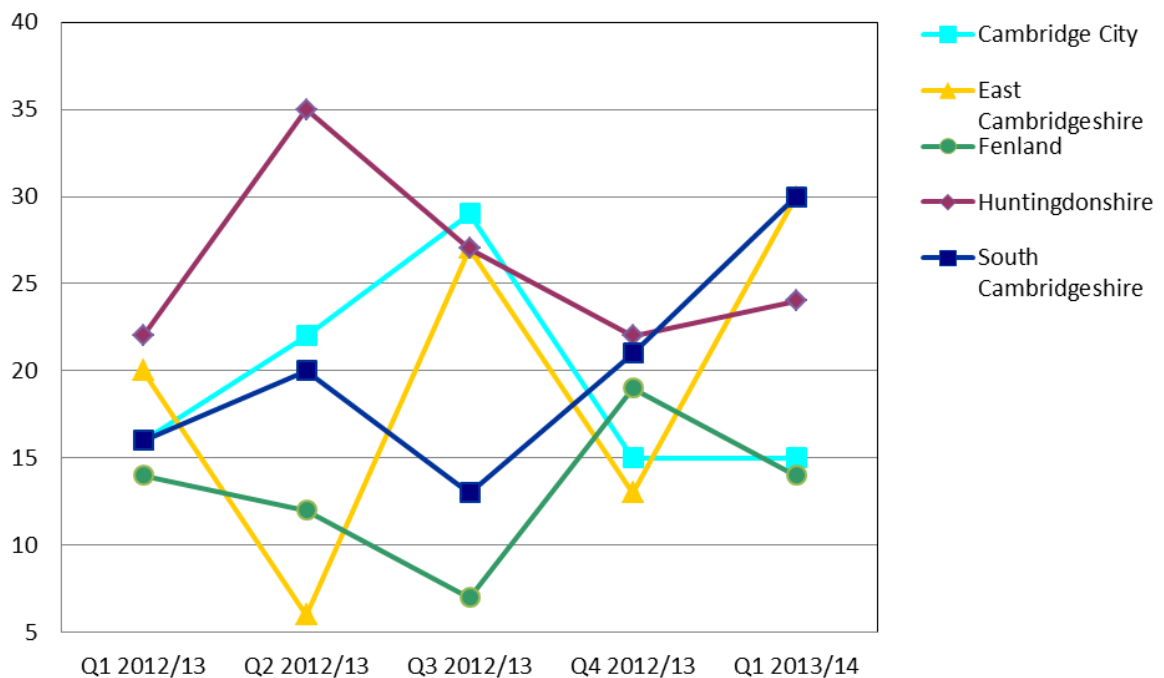


The numbers of households presenting as homeless has risen considerably in all districts over the past year. Numbers accepted as homeless have varied considerably; however, only Huntingdonshire had a lower number of homeless acceptances in the first quarter of this year compared to last year – overall there is a rise in all other districts. After April 2013 it has become noticeably harder to prevent or relieve homelessness across all districts.

### 8. Numbers of households with children in temporary accommodation

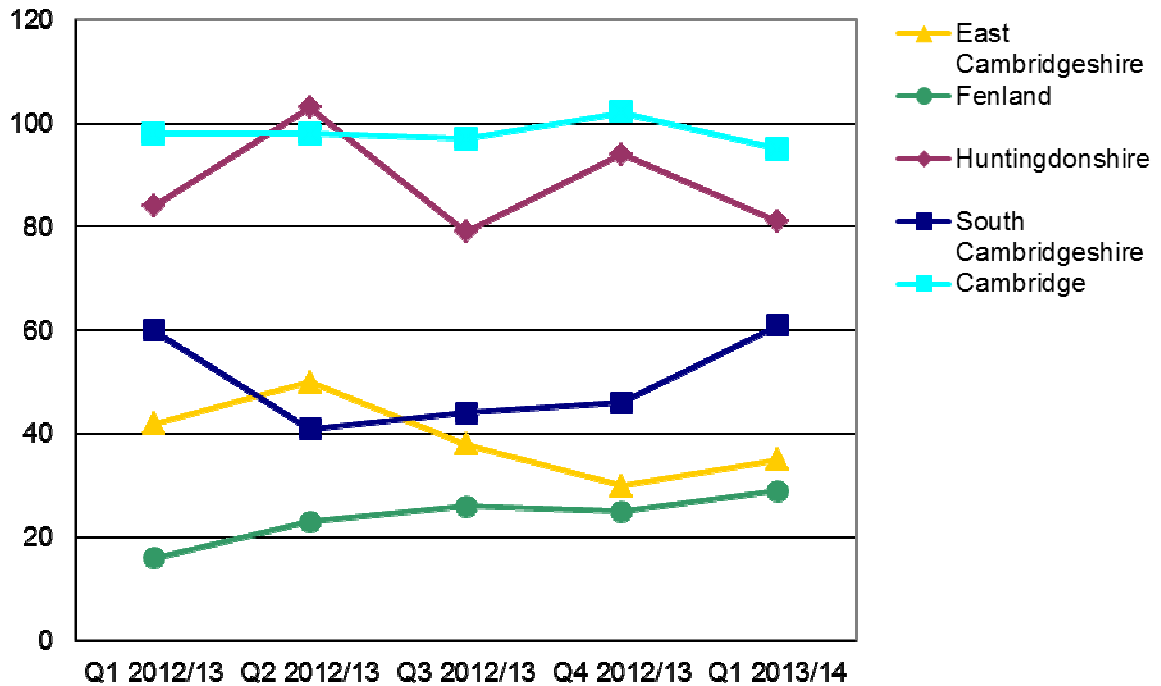


### 9 Numbers of households accepted as homeless - Applicants whose household includes dependent children



The numbers of homelessness acceptances where children are involved has also varied considerably this year. In South Cambridgeshire however, it is clear that there are rising number of families with children being accepted as homeless, with the numbers this year double that of the same period last year.

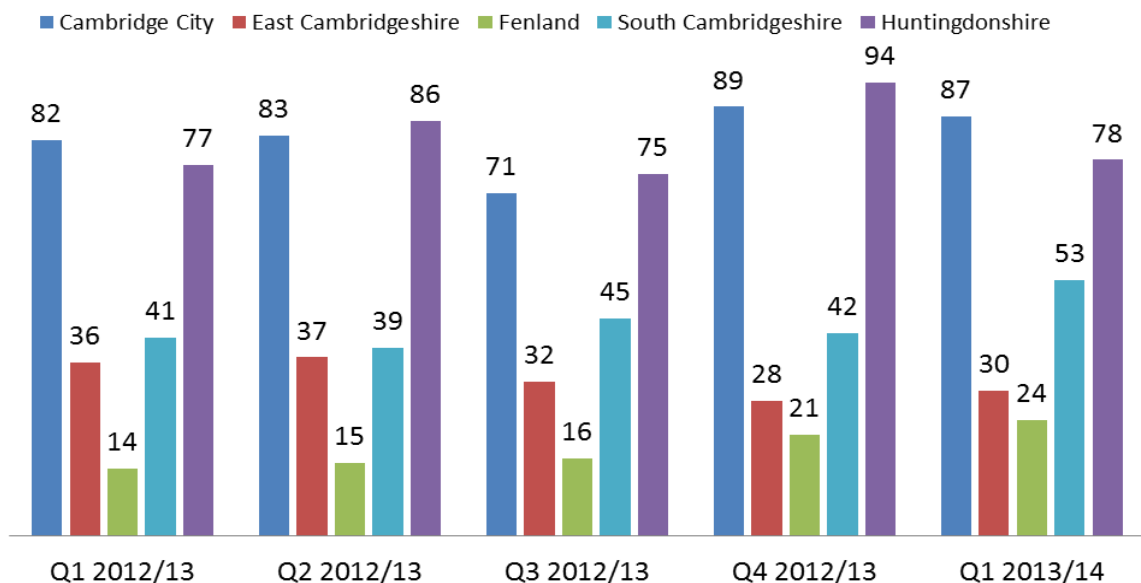
### 10. Numbers of children in temporary accommodation



There are rising numbers of children in temporary accommodation in Fenland, whereas numbers are now falling in East Cambs. There has been a steady rise in South Cambridgeshire.

Overall, there were 300 children in temporary accommodation in Cambridgeshire in the first quarter of 2012, and there has been no change in these figures, with 301 children in temporary accommodation at the end of the first quarter 2013.

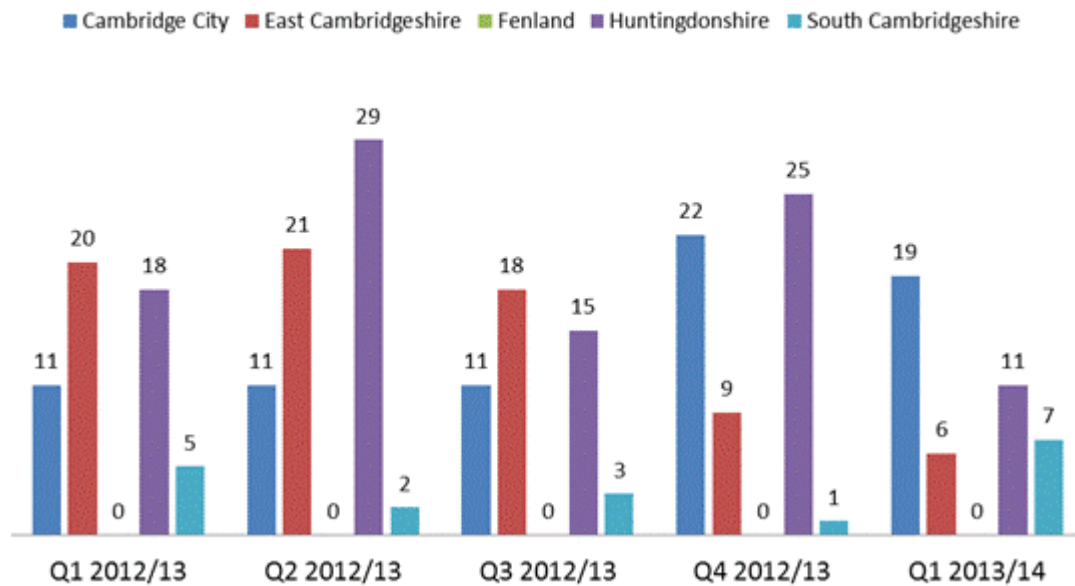
### 11. Total number of households placed in temporary accommodation at the end of the quarter



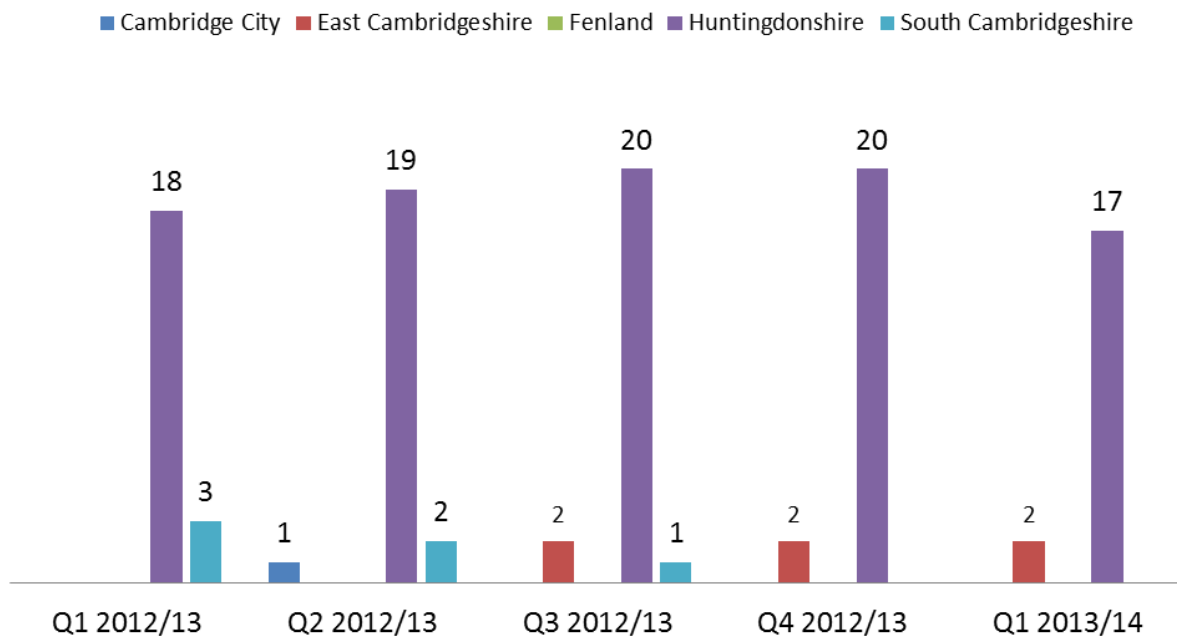
There are rising numbers of households in temporary accommodation across most districts, although numbers are relatively stable in both East Cambs and Huntingdonshire. Both Huntingdonshire and Cambridge City have high numbers of households in temporary accommodation compared to the other districts in Cambridgeshire. Numbers are rising steadily in Fenland and South Cambridgeshire. Overall there are fewer households in temporary accommodation at the end of the first quarter this year than there were last year.

These data sets present snapshot figures at the end of each quarter. District housing officers are aware that there are increasing numbers of households entering temporary accommodation, and those in temporary accommodation are staying for longer. Cases are becoming more complicated, often due to the level of household debt, and therefore are taking longer to determine. Moving out of temporary accommodation is also constrained by the slow throughput of more affordable housing.

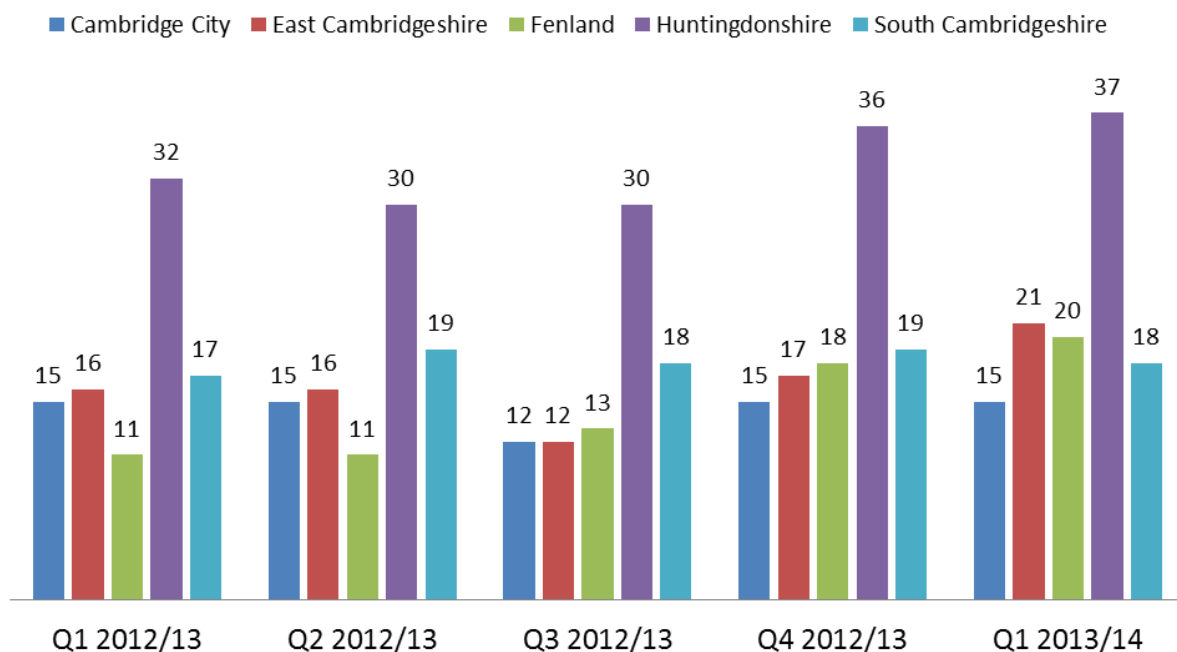
**11a Total number of households placed in Bed & Breakfast at the end of the quarter**



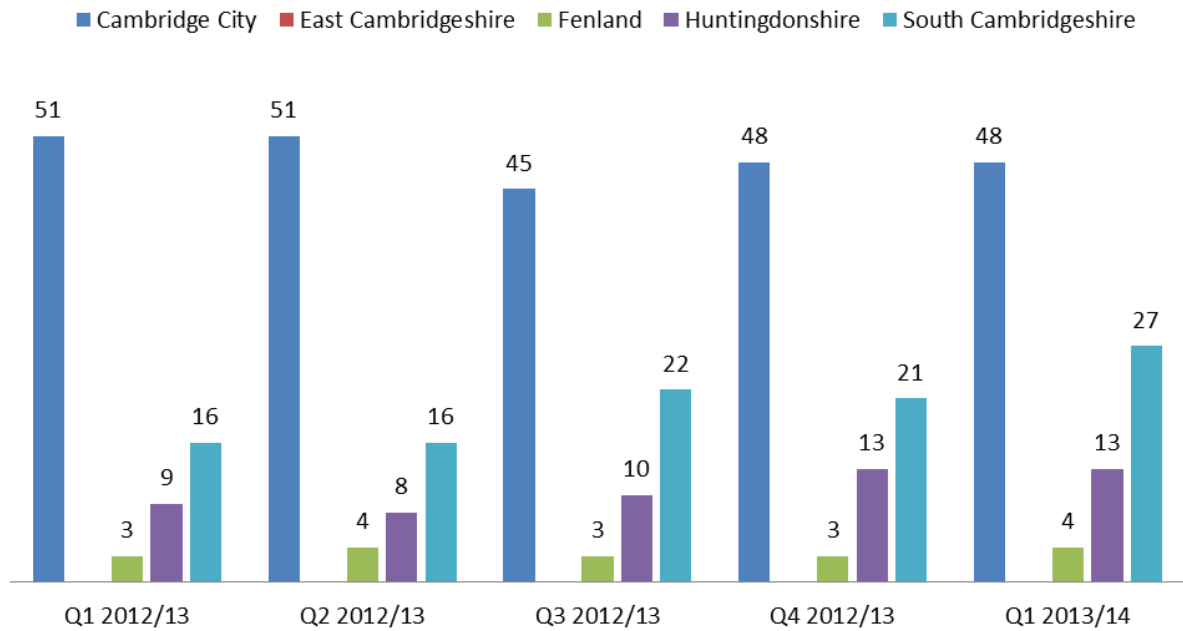
**11b. Total number of households placed in accomodation under leasing agreement at the end of the quarter**



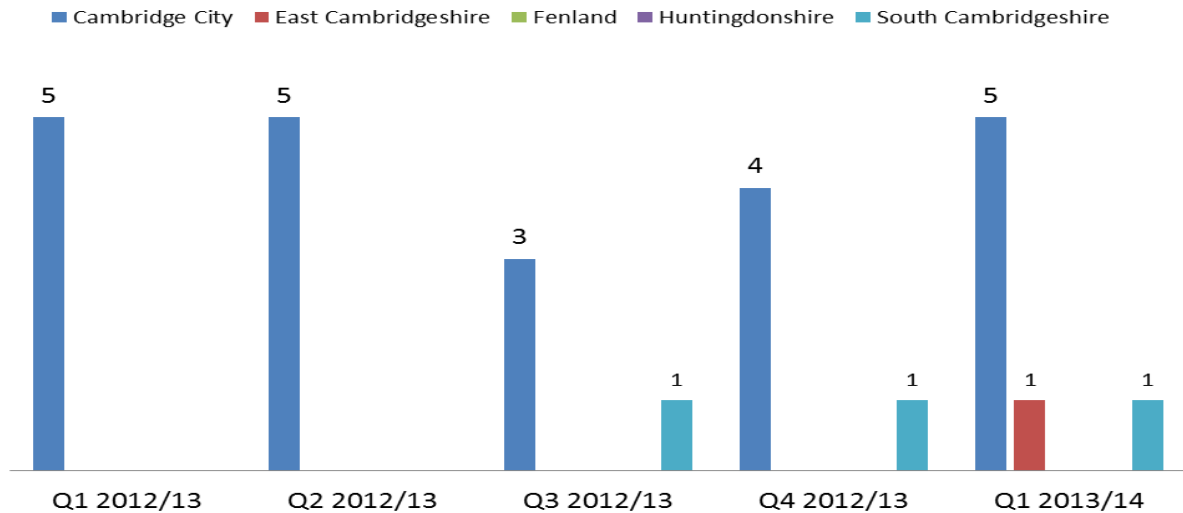
**11c. Total number of households placed in hostels/womens' refugees at the end of the quarter**



**11d. Total number of households placed in own stock/RP stock at the end of the quarter**



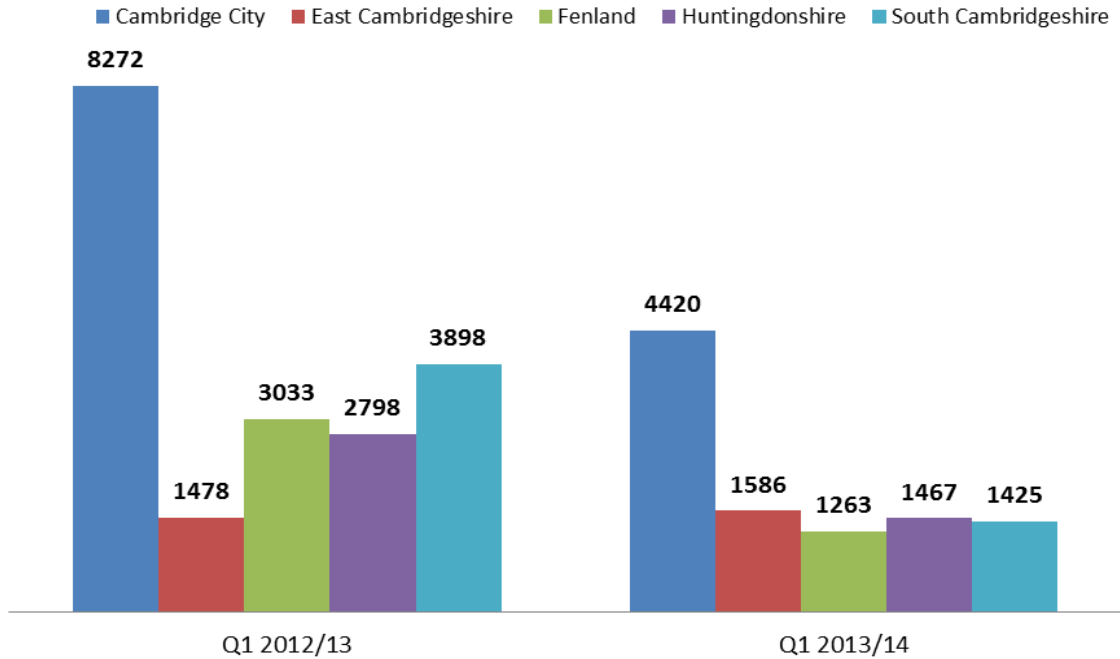
**11e. Total number of households placed in other type of accommodation at the end of the quarter**



The use of bed and breakfast accommodation has varied this year, but has decreased across all districts in the first quarter of 2013/14. Use is low but rising in South Cambs, and Fenland has avoided use completely. Cambridge City relies increasingly on bed and breakfast accommodation, and together with South Cambs are the only two districts that retain their own housing stock. There are rising numbers in hostels or women’s refuges in Huntingdonshire and East Cambridgeshire. Huntingdonshire makes significant use of private sector accommodation for temporary housing through its private sector leasing scheme.

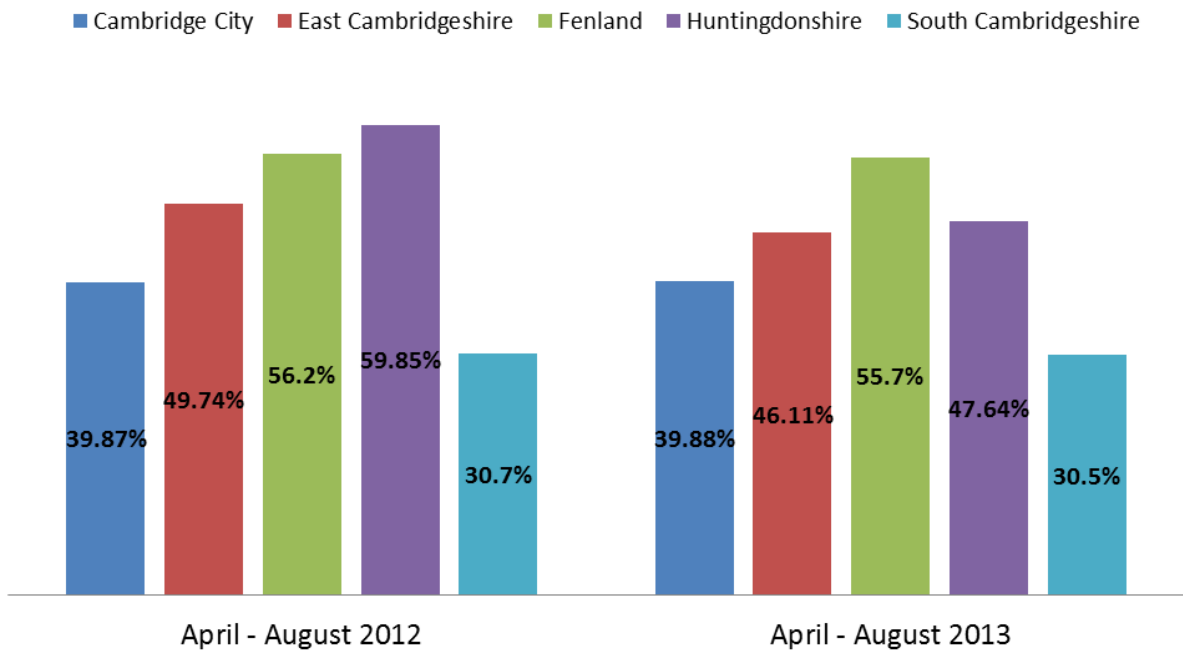


**13. Number of people on the housing needs register at the beginning of Q1 each year**



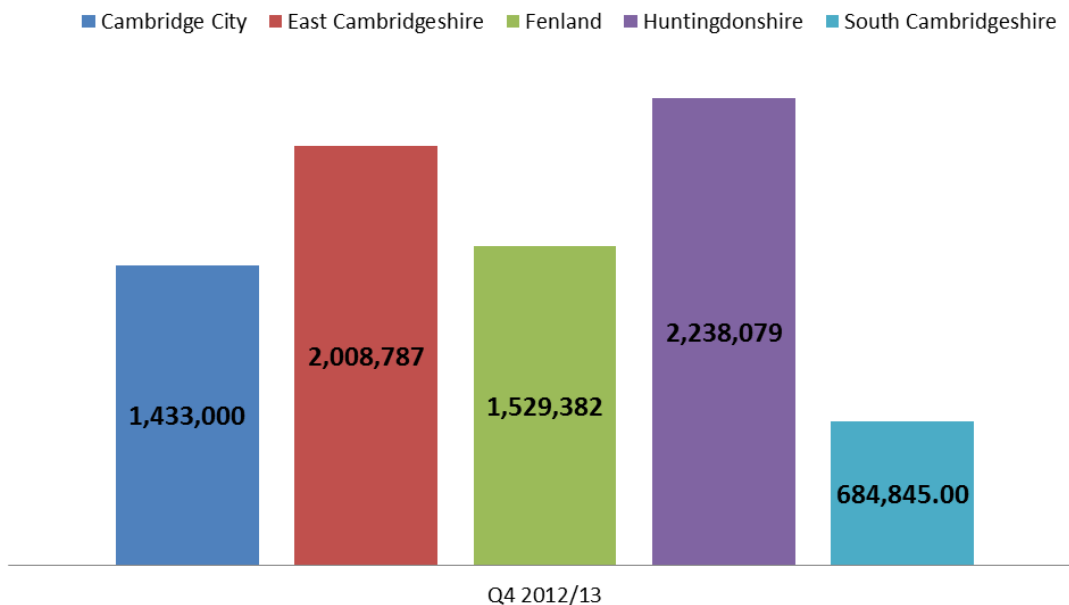
A major review of housing needs registers has resulted in numbers on the register falling across all districts except East Cambridgeshire. Many households failed to re-register as part of this review and so were removed from the housing registers. Anecdotal evidence is suggesting that some of these household are reapplying to the registers and so numbers are likely to rise again.

**14. Council Tax collection rate % Apr - Aug 2012, and Apr - Aug 2013**

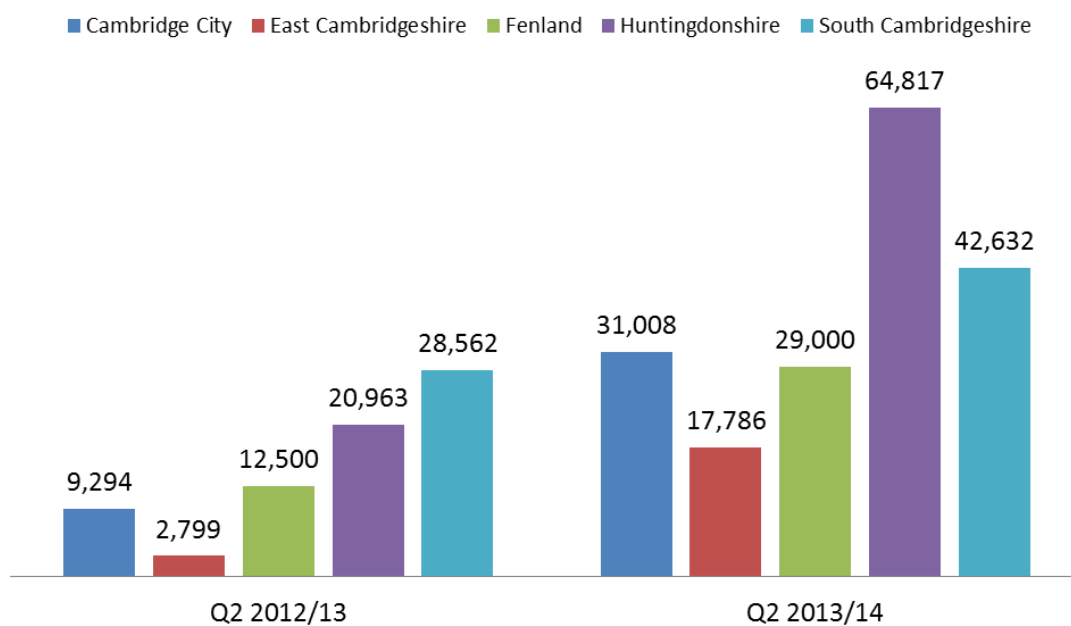


The Council Tax collection rate appears to have fallen significantly in Huntingdonshire this year. However, 2012 figures measure collection to end September, and 2013 figures measure to end August, so figures are not directly comparable.

**14a. Council Tax arrears carried down as at 31.03.2013**



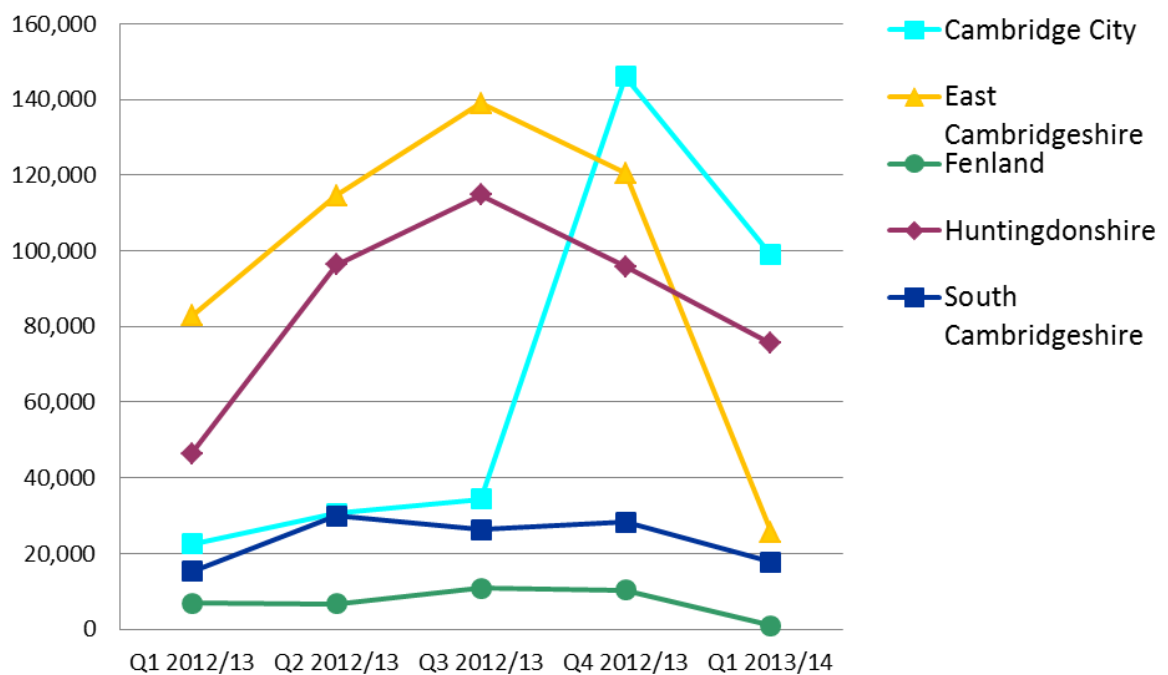
**15. DHP committed spend**



The numbers of applicants for DHP has risen dramatically across all districts over the last year, as has the committed spend. Cambridgeshire districts have seen between a three- and five-fold increase in the numbers of applicants. Some districts saw more applications for DHP in the first quarter of this year than they had through the whole of last year. Committed spend is greatest in Huntingdonshire, although there have been higher numbers of applicants in South Cambridgeshire and Fenland.

It is likely that the total DHP requirement may exceed budget in some districts this year, and additional funds may be required.

**16. Expenditure on Bed and Breakfast**

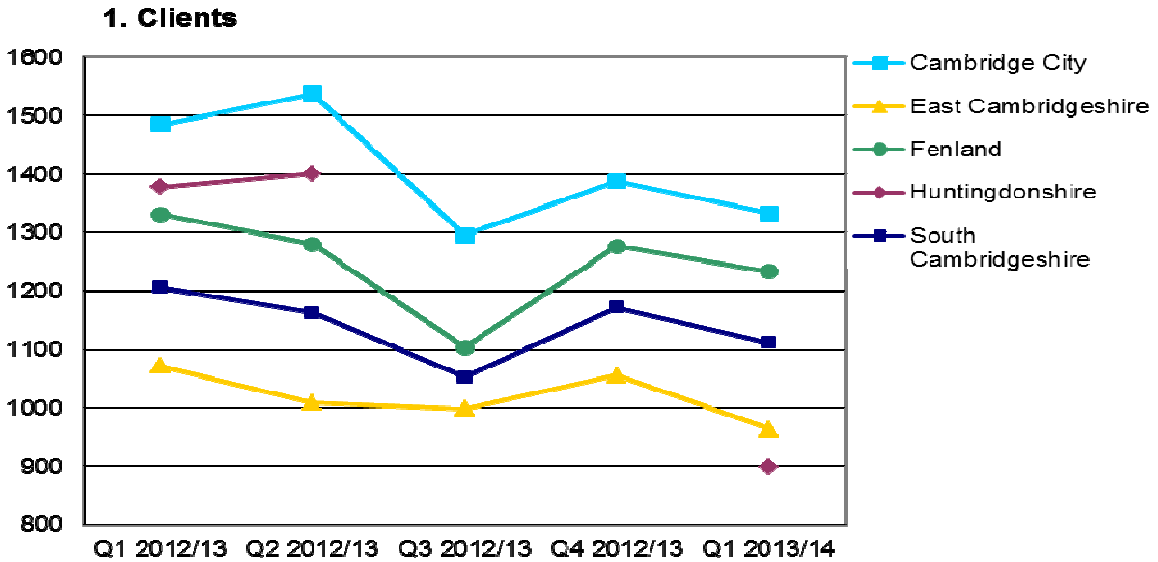


Fenland and South Cambridgeshire spend relatively small amounts on temporary accommodation, whereas expenditure was rising rapidly through 2012/13 across the other districts. Cambridge City had particularly high expenditure in the final quarter of 2012/13. However, all districts have spent less in the first quarter of 2013-14.

**16. Additional Information from the Citizen’s Advice Bureau**

*NB: Information for Huntingdonshire is shown only for Q1 & Q2 as Huntingdon CAB closed during Q3. A new centre has recently reopened.*

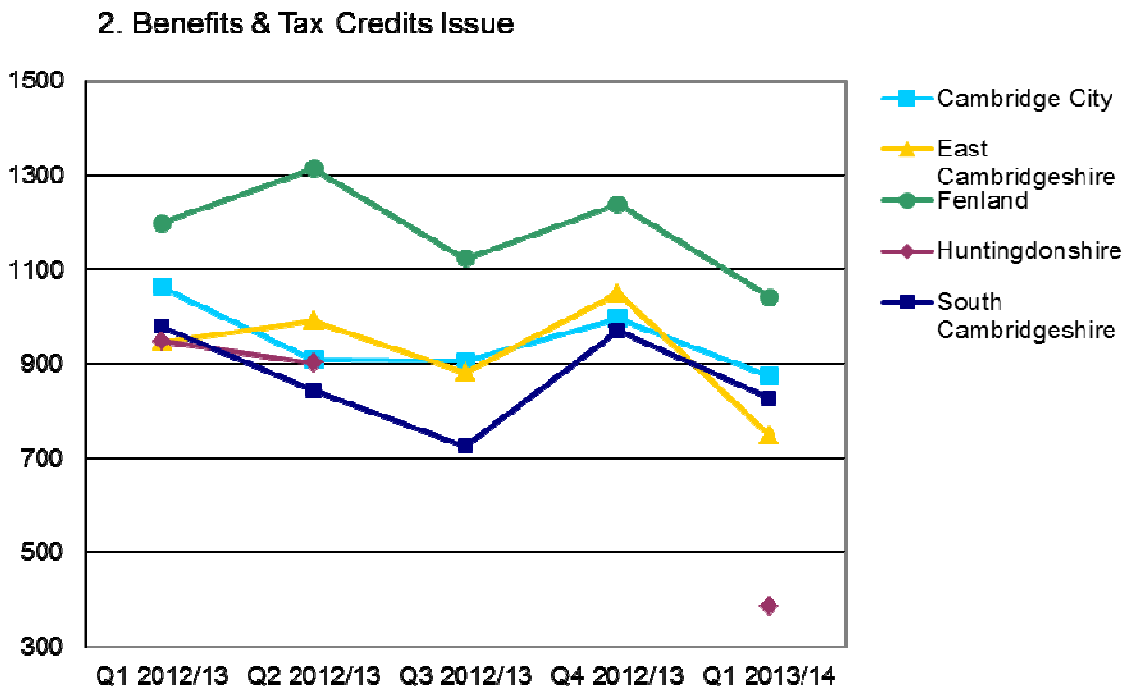
**Total number of clients seen – by district**



The CABs across Cambridgeshire saw an increased number of clients in the last quarter of 2012-13. However, there has been a noticeable decrease this quarter.

This is not necessarily due to decreasing need. CABs across Cambridgeshire have had decreasing capacity this year, with opening times in some cases less than half that expected. The number of clients seeking advice via the CAB touch screen kiosks has almost tripled in the last year, indicating an increasing rather than decreasing need for advice.

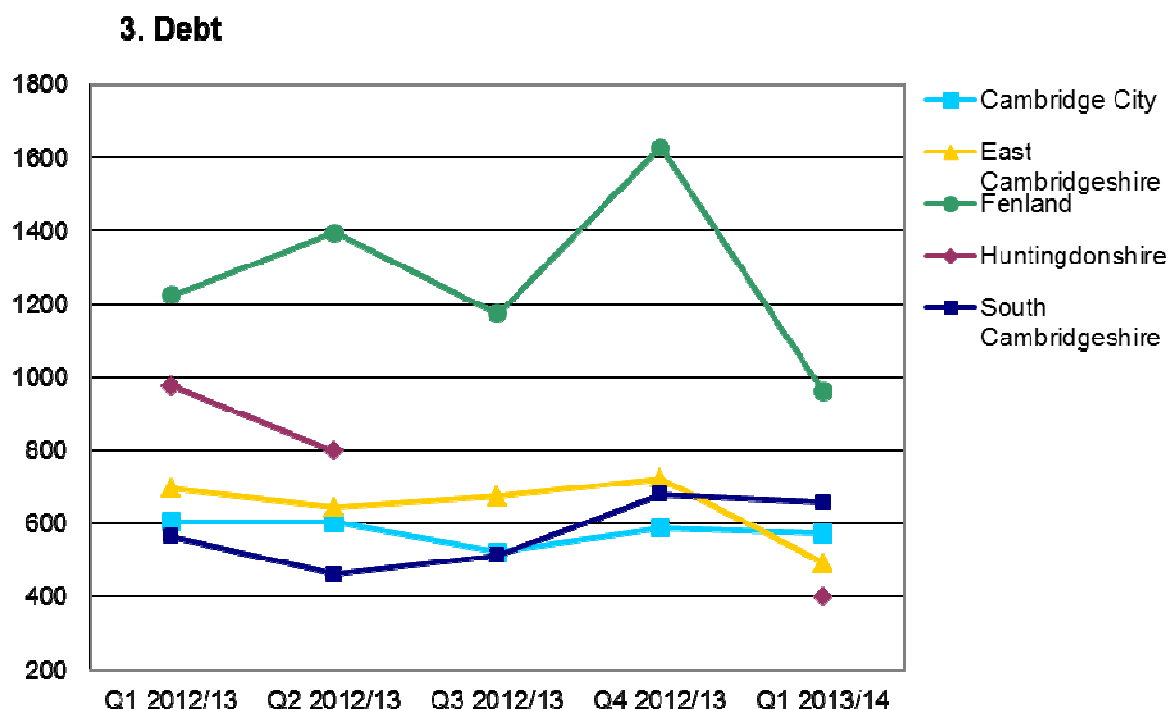
**Clients seeking advice about benefits and tax credits – by district**



Again, there was a rise across all districts in the numbers of clients seeking advice about benefits in the last quarter of 2012-13. This was particularly in evidence in South Cambridgeshire. Numbers fell again during the first quarter of 2013/14.

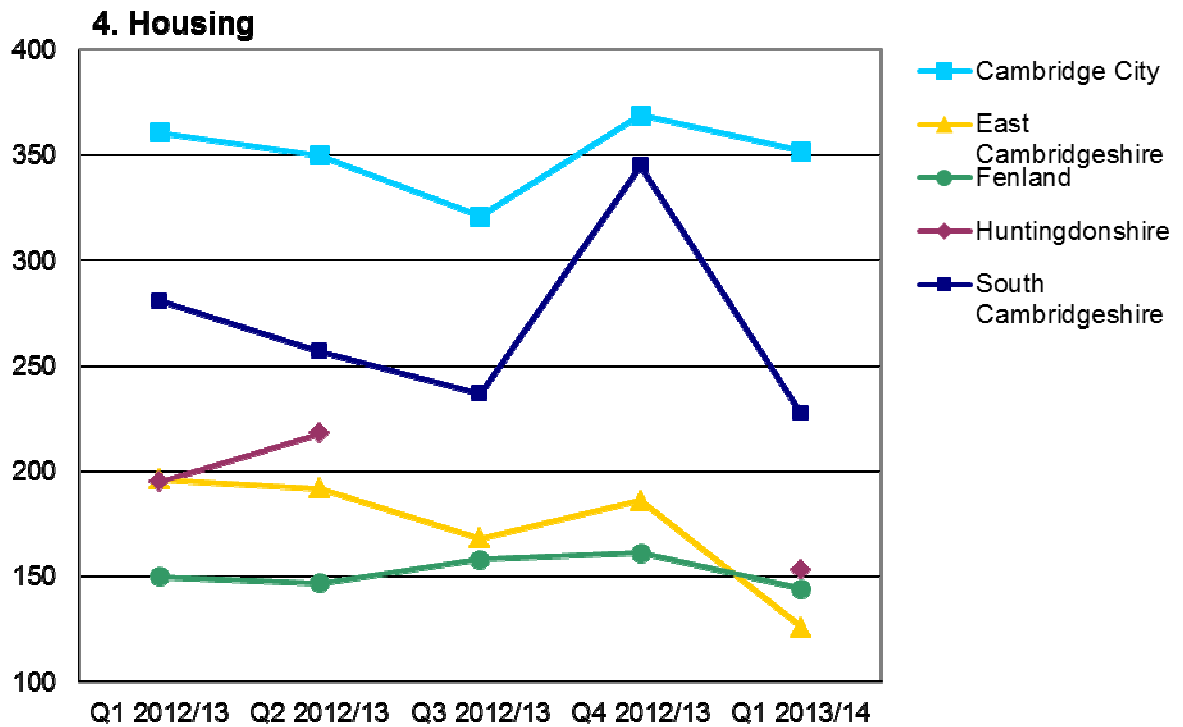
Many districts have increased the level and availability of their own advice provision, and this may impact upon the need for clients to seek external advice.

**Clients seeking debt advice – by district**



There were rising numbers of people receiving debt advice across all districts last year, with a particularly significant increase in Fenland. However, numbers are now falling. This is likely to be due to the loss of advice staff due to the closure of the legal aid contracts. Fenland closed a significant debt contract and this may explain the sharp fall in the numbers receiving debt advice this quarter.

Clients seeking housing advice – by district



Again, there were increases in people receiving housing advice in all districts last year, particularly in South Cambridgeshire and Cambridge City where the spike in quarter 4 was due to concerns about the under-occupation charge. Numbers have decreased this year.

However, levels of rent arrears are rising across all districts and it is likely that there will be significant numbers seeking advice once action against those in arrears commences later in the year.

**Cambridge Foodbank Data**

	<b>April – June 2012</b>	<b>April – June 2013</b>	<b>% Increase</b>
Number of vouchers redeemed	247	531	115
Number of adults on vouchers	300	685	128
Number of children (under 16 yrs)	159	310	95
<b>CRISIS TYPE:</b>			
Benefit Changes	24	82	242
Benefit Delays	90	216	140
Child Holiday Meals		2	
Debt	26	28	7.7
Delayed Wages	3	4	33
Domestic Violence	5	2	- 60
Homeless	13	30	131
Low Income	56	94	68
Other	10	46	360
Refused Crisis Loan	8	13	62
Sickness	1	5	400
Unemployed	11	9	-18
<b>AGE GROUP:</b>			
16 – 24	21	122	481
25 -64	31	202	552
Not disclosed	194	204	5
Over 65	1	3	300
<b>FAMILY TYPES</b>			
Couple	22 (8.91%)	69 (12.99%)	
Family	33 (13.36%)	76 (14.31%)	
Other	11 (4.45%)	4 (0.75%)	
Single	128 (51.82%)	313 (58.95%)	
Single Parent	53 (21.46%)	69 (12.99%)	

In Cambridge, the number of households needing food banks in order to eat has more than doubled in the last year. Anecdotally, this reflects the picture across the county. This increase has been mainly due to benefit changes, and as such the impact has been on working age people, including many with children.

### **Qualitative Evidence – what are frontline staff seeing?**

The Roundhouse School in St Neots say 14 new children have started (and as many have left suddenly) in the last few weeks due to people doing mutual exchanges because of the bedroom tax. (Neighbourhood Manager)

*“People are asking schools to support a DLA claim for their child, even though their child may have had this condition for some time.”* (School Inclusion Workers)

Metropolitan Housing is seeing a high number of mutual exchanges due to under-occupation charges.

*“People are trying really hard to find money and are genuinely struggling; many just don’t have enough money to live off.”* (Housing Association)

*“Between 15 April and 13 May our 539 Huntingdonshire tenants who are affected by the bedroom tax showed a 14% increase in arrears. If that trend continues month-by-month this could have a considerable impact on our performance”* (Housing Association)

*“There appears still to be much confusion to overcome. Some still believe that they pay no rent and so are unaffected, despite us writing to each twice/ making personal contact/ setting up a dedicated e-mail address and hotline/ sending out a booklet on Welfare Reform; and Huntingdonshire District Council also writing separately to affected tenants. Some still also believe that they are unaffected if one of their bedrooms is below 70 sq. ft. as publicised on the internet.”* (Housing Association)

Whilst the data does not yet show significant impact, qualitative evidence shows that the under-occupation charges are impacting in several ways – families are voluntarily moving house, and others are struggling to live on their reduced income. Rent arrears are increasing, and there remains a need to continue to communicate with and support families affected.

### **Social Care Expenditure**

Cambridgeshire County Council’s Children in Need (Social Care) expenditure was £155,000 for the first quarter of 2013, which is the same as for the first quarter of 2012. However, budget management and spending reductions will have contributed, and this does not necessarily indicate that need remains at the same level.

### **Cambridgeshire Local Assistance Scheme**

The use of this scheme (the replacement for the Social Fund) has been relatively low, with 67 applications in the first quarter of 2013 and a total expenditure of £29,702. However, this is likely to be due to a lack of knowledge about the scheme, and a low number of referring agents, rather than indicating low levels of need.



## The local impacts of welfare reform <sup>1</sup> – a report from the Local Government Association

The LGA estimate that the income of households claiming benefit will be in average lower by £1,615 a year, or £31 per week. This is equivalent to around £1 in every £7 of households income for these households.

Nationally, 59% of welfare reform reductions fall on households where someone works. Figures for Cambridgeshire are as follows:

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs
Total claimants	10,256	8,012	14,776	17,577	11,492
Employed	4,481	4,690	7,651	10,095	6,819
Unemployed	5,775	3,322	7,125	7,482	4,673
% in employment	<b>44%</b>	<b>59%</b>	<b>52%</b>	<b>57%</b>	<b>59%</b>

## The local and regional impact of welfare reform – a report from Sheffield Hallam University

Sheffield Hallam University have recently published an analysis<sup>2</sup> of the cumulative financial impact of the welfare reforms on the economy. The report finds that nationally £19bn will be taken out of the economy due to the reductions in benefits.

The impacts are modelled down to a district level. They show that in total over £130million per annum will be removed from the Cambridgeshire economy by the benefit changes.

### Benefit changes – estimated loss to districts (£m per annum)

<b>District</b>	<i>Local Housing Allowance</i>	<i>Under-occupation (bedroom tax)</i>	<i>Household Benefit Cap</i>	<i>Council Tax Benefit</i>	<i>Other</i>	<i>Total</i>
Cambridge	1.6	1.0	0.2	0.0	19.78	22.6
East Cambridgeshire	1.2	0.5	0.1	0.2	14.66	16.7
Fenland	1.9	0.6	0.2	0.4	25.97	29.1
Huntingdonshire	2.3	0.9	0.2	1.0	32.22	36.6
South Cambridgeshire	1.4	0.7	0.2	0.0	23.18	25.4
Cambridgeshire	8.5	3.6	0.9	1.5	115.82	130.4

<sup>1</sup> The local impacts of welfare reform – an assessment of cumulative impacts and mitigations, Wilson et al 2013

<sup>2</sup> Hitting the Poorest Places Hardest, Beatty & Fothergill, Sheffield Hallam, 2013

## FINAL

*'Other' includes changes to child benefit / tax credits / incapacity benefits and the method of 'uprating' for benefits.*

### Local Housing Allowance

£8.5million per annum has been lost from the private sector rental market in Cambridgeshire, though in many places landlords will be able to re-let properties to tenants not in receipt of benefits. This amount is likely to be mostly lost to individuals in receipt of benefits, though some may be carried by landlords in the private sector.

### Under-occupation

£3.6million per annum will be lost from the public sector housing market. Where possible this may be mitigated by enabling families to move to smaller accommodation, but this is not always possible. Some of this loss may be carried by the public sector housing providers.

### The intensity of impact

The impact will be most intense in Fenland, with a total of £492 being lost per year per working age adult. Huntingdonshire and East Cambridgeshire are estimated to lose about £325 per working age adult.

Both Cambridge (£250 per working age adult) and South Cambridgeshire (£270 per working age adult) are in the bottom (least affected) 20 districts nationally in terms of the amount lost per working age adult.

## **Universal Credit**

Universal credit is an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work, replacing working tax credit, child tax credit, housing benefit, income support, income-based jobseeker's allowance and income-related employment and support allowance.

Public sector organisations need to be mindful of the impact of this new system. It will be "digital by default" – applications will need to be completed and managed online – and benefits will be paid in one lump sum on a monthly basis into a bank account. Clearly this will present problems for some claimants. The Government recognises that additional support will be required, and intends that local authorities will work in partnership with private and voluntary sector organisations to provide this support. Guidance on the delivery of this Local Support Partnership was due this Autumn but has been delayed until Autumn 2014.

Implementation of Universal Credit is proceeding slowly and carefully, with small pilots taking place in most regions. In our region, Rugby will be the pilot area. Whilst Lord Freud has written to district Chief Executives to inform them that implementation of Universal Credit remains on track for 2017, we are unlikely to see any rollout elsewhere in the region for some time.