

# Somerset Welfare Reform Impact Monitoring 2017/18

The Welfare Reform Act 2012 introduced a wide range of changes to the benefits system, implementation of which began in April 2013. This is the fifth annual snapshot report produced by Somerset Intelligence looking at the impact in the county. It is based on a range of key indicators, sourced largely from government statistical releases.

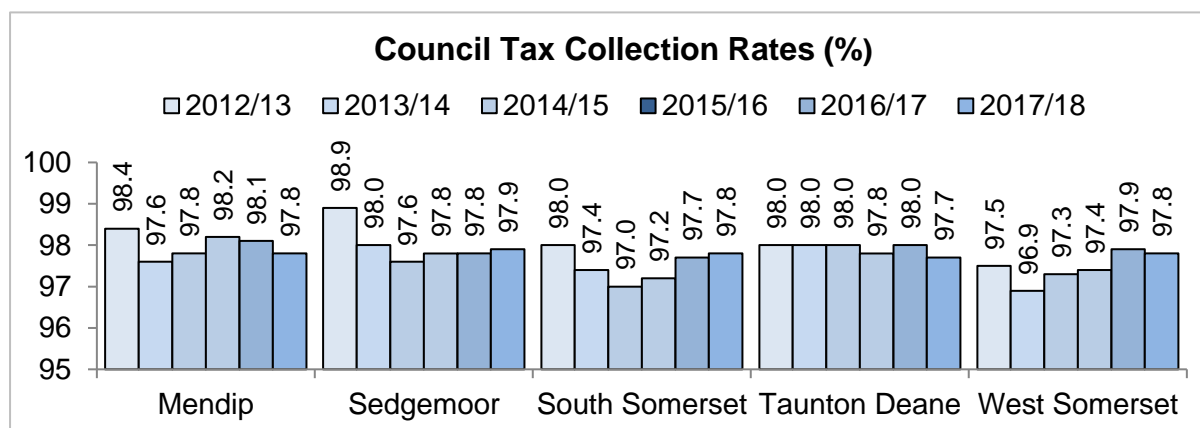
## Summary of Findings

- Reform of the welfare benefits system continues to impact on thousands of Somerset residents. However, latest annual data indicates a reduction of negative impacts in many issues, offset by some areas of increasing concern.
- As last year, there remain some geographical variations, with some district areas bucking general countywide trends.
- Council Tax collection rates declined in three of five Somerset districts in 2017/18, however, rates in all districts remain above the national average.
- Overall numbers of households subject to the Benefit Cap have fallen, following significant increases in 2017 (after the introduction of lower threshold levels).
- Numbers of households subject to the Spare Room Subsidy Reduction (SRSR) continue to decline. Nevertheless the SRSR accounts for the highest proportion of expenditure in terms of extra help for households through local authority Discretionary Housing Payments.
- Homelessness acceptances declined in three of five district areas in the last year.
- Numbers of possession claims issued by landlords and mortgage lenders have increased.
- The overall size of the Homefinder social housing register continues to decline, although numbers of households categorised as high need (Gold band) increased in the last year.
- Universal Credit continues to roll-out in Somerset. Nationally, Citizens Advice report that delays of payments, of up to six weeks and longer, are causing people serious financial insecurity, with many being forced into debt.
- With Universal Credit requiring a broader span of claimants to look for work, the out-of-work Claimant Count continues to rise. Somerset's Claimant Count rate exceeded the national average rate for the very first time in February 2018.
- Levels of demand for foodbanks run by the Trussell Trust in the South West have remained consistently high.
- Low income, benefit delays and benefit changes are cited as the most common reasons for foodbank use.

# 1. Council Tax

## 1.1. Council Tax Collection Rates

- Council Tax collection rates declined in three of five Somerset districts in 2017/18, though rates in all districts remained above the national average of 97.1%.
- With the exception of West Somerset, collection rates in 2017/18 were below 2012/13 ('pre-welfare reform') levels.



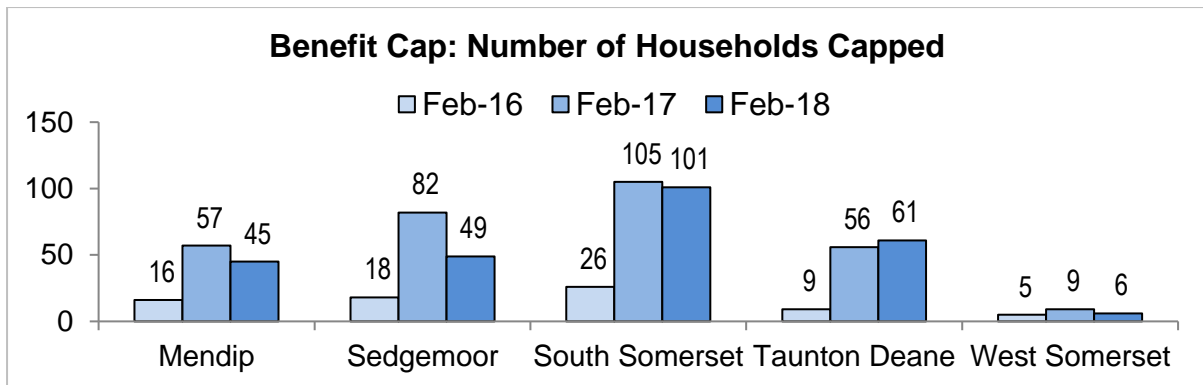
Source: DCLG

## 1.2. Local Council Tax Support (LCTS) claimants

- At the end of 2017/18 (Q4), a total of 18,108 **working-age** people in Somerset received help with their council tax due to being on a low income, an increase of 1% on the previous year.
- Numbers of **pensioners** receiving a reduction in their council tax bill declined by 4% over the same period (from 16,903 to 16,209).
- Nationally, numbers of LCTS claimants fell by 3% and 5% respectively.

# 2. The Benefit Cap

- The number of Somerset households subject to the benefit cap has fallen in most districts. This followed marked increases in numbers of capped households in 2017, as lower benefit cap thresholds were introduced in November 2016.

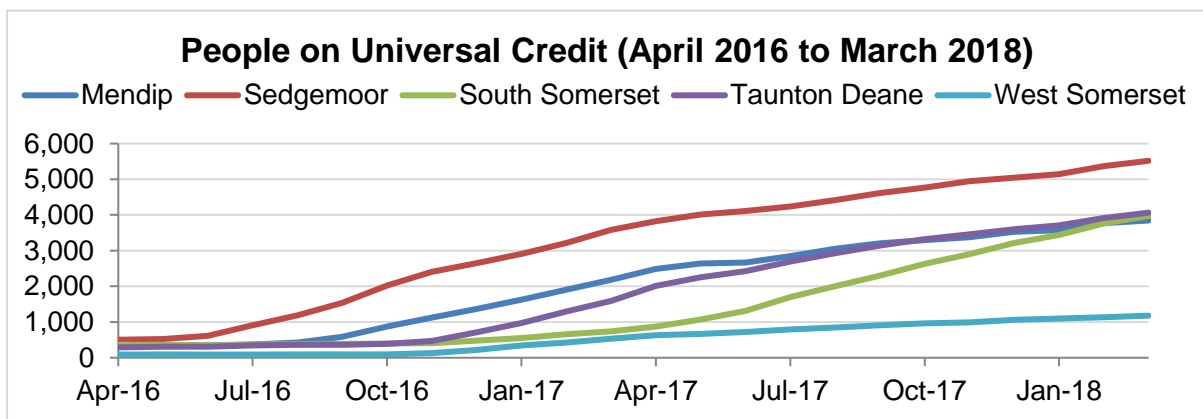


Source: DWP. In November 2016 the total amount a family could claim reduced from £500 per week to £385 per week. The total amount a single person could claim declined from £350 per week to £258 per week.

- Nationally, the number of capped households declined by 9% between February 2017 and February 2018.
- According to a [government impact assessment](#) households affected by the cap in 2017/18 would lose an average of £63 per week.

### 3. Universal Credit (UC) roll out

- ‘Full’ Service Universal Credit (UC) commenced rollout in Somerset in 2016, beginning in Sedgemoor, followed by Mendip, Taunton Deane and West Somerset and South Somerset.
- Universal Credit replaces six working-age benefits: Housing Benefit; Child Tax Credit; Working Tax Credit; Income-based Employment and Support Allowance (ESA); Income Support; and Income-based Jobseekers Allowance (JSA).
- Payment is made monthly, in arrears, and to a single household member.
- By March 2018 there were 18,580 claimants of Universal Credit in Somerset, more than double the number a year earlier.
- Sedgemoor continues to see the highest numbers of claimants.

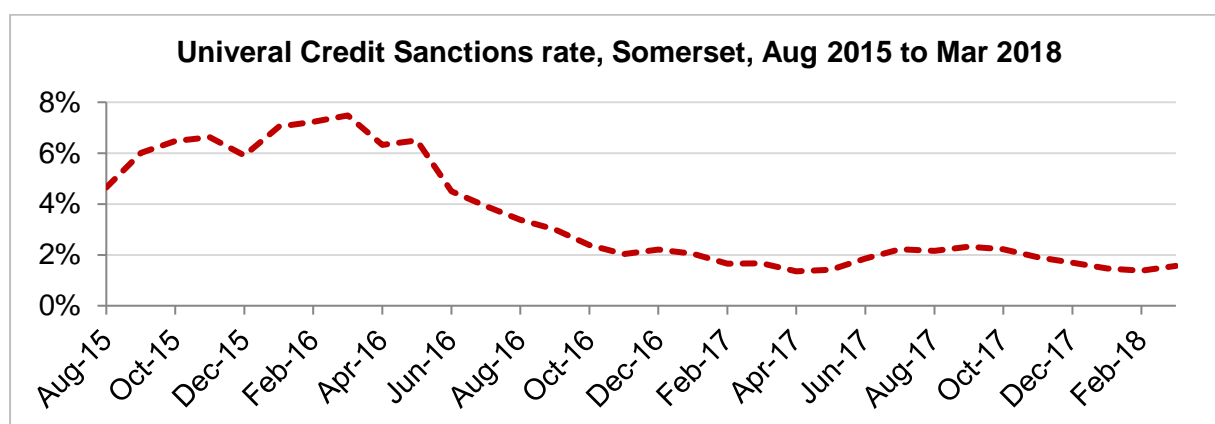


Source: DWP

- In its report [Delivering on Universal Credit](#) (July 2017), Citizens Advice reported that delays in Universal Credit payments, of up to six weeks and longer, were causing people serious financial insecurity, with many being forced into debt.
- Ad-hoc analysis published by the DWP (for February 2018) found that 83% of new claims to Universal Credit Full Service received full payment on time; 94% received payment within 4 weeks of the due date; and 97% within 8 weeks.

### 3.1. Universal Credit (UC) Sanctions

- In February 2018, 250 UC claimants in Somerset were subject to a sanction (a cut in benefit for failing to meet the claimant commitment). This represented 1.6% of all claimants, down from a peak of 7.5% of claimants in March 2016

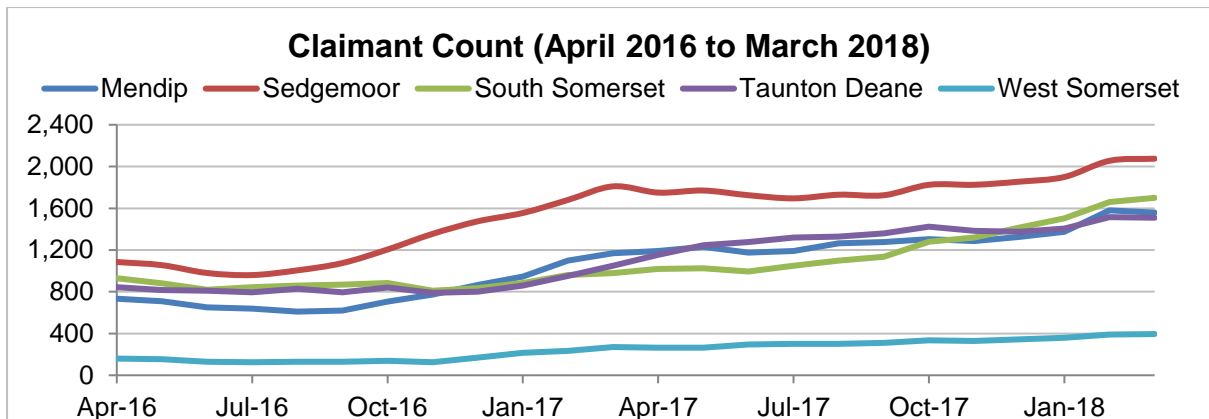


Source: DWP

- Nationally (England), the average UC sanction rate in February 2018 was 4.0%. Within Somerset, sanction rates ranged from 1.1% in Mendip to 1.9% in West Somerset.

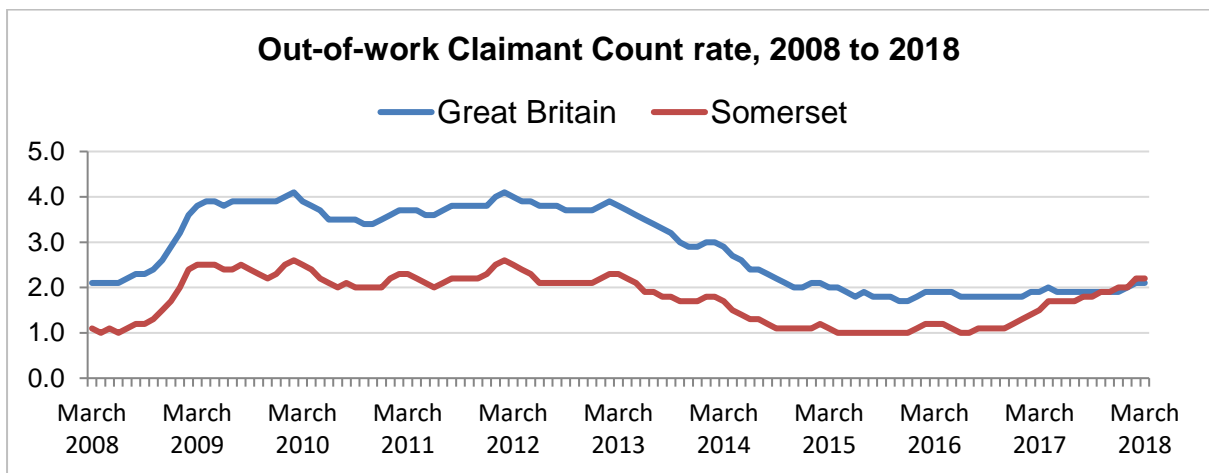
## 4. Jobseekers Allowance (JSA) and the out-of-work Claimant Count

- Under Universal Credit a broader span of claimants are required to look for work than under existing Jobseeker's Allowance rules. As a consequence, the official DWP out-of-work 'Claimant Count' (comprising JSA and out-of-work UC claimants) has been rising steadily in all districts.



Source: DWP

- A House of Commons briefing paper, [Universal Credit and the claimant count \(April 2017\)](#) reported “a marked increase in the Claimant Count over the last year in areas operating Universal Credit Full Service. The claimant count increased by 29.0% in the year to February 2017 in jobcentre areas operating Full Service, compared to a fall of 1.6% across the rest of the UK.”
- As a likely consequence of the advanced rollout of Universal Credit in Somerset, the county’s Claimant Count rate exceeded the national (Great Britain) average for the very first time in February 2018.

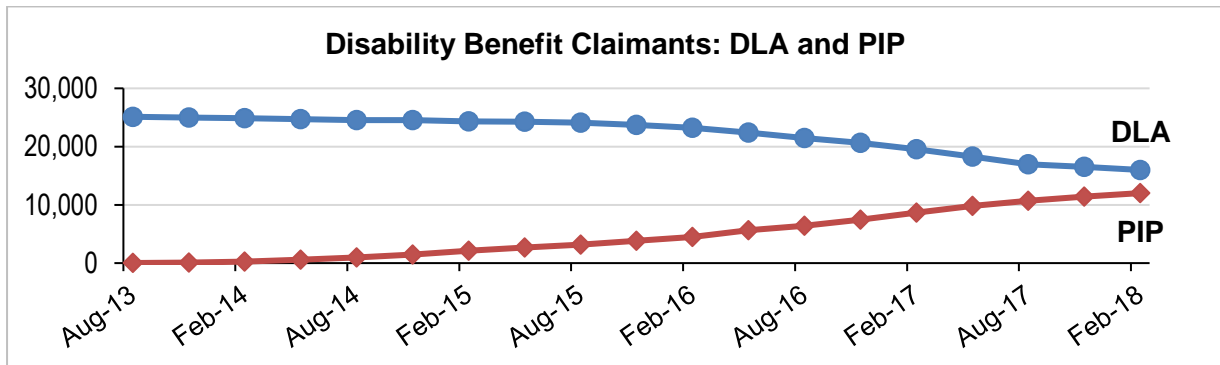


Source: Office for National Statistics

## 5. Personal Independence Payment (PIP) migration

- Personal Independence Payment (PIP) continues to replace Disability Living Allowance (DLA), for people aged 16 to 64. By February 2018 the number of PIP claimants in Somerset had risen to 12,017. At the same point there were 15,990 DLA claimants in the county.
- The Department for Work and Pensions states that most people who are getting DLA should qualify for PIP. However, the two benefits have different qualifying

conditions, so it's possible that individuals may be entitled to a higher or lower rate of payment, or have no entitlement.

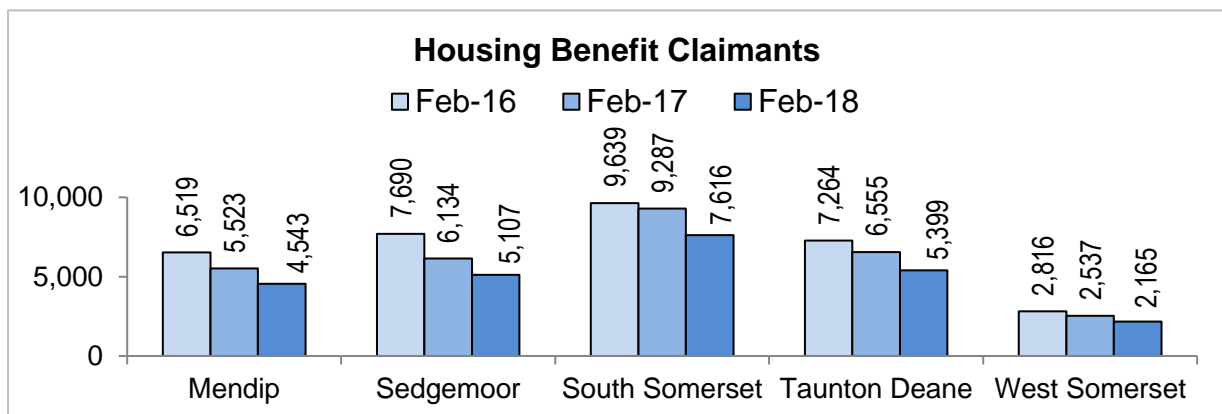


Source: DWP

## 6. Housing Benefit

### 6.1. Housing Benefit Caseload

- Numbers of housing benefit claimants continue to decline in all Somerset districts as Universal Credit is rolled out. As at February 2018 there were a total of 24,832 housing benefit claimants.



Source: DWP

- A total of 17,618 claimants/households are in the social rented sector and 7,202 are in the private rented sector.

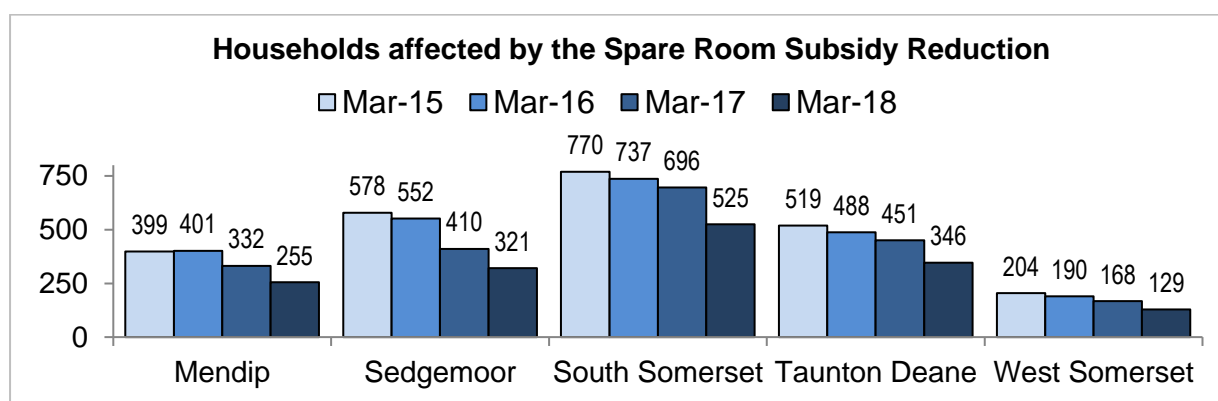
### 6.2. Local Housing Allowance (LHA)

- Local Housing Allowance rates (used to determine housing benefit payments for tenants renting from private landlords) remain frozen until 2020, leading to potential shortfalls between actual costs of rent and support available.
- Nationally, landlord survey evidence suggests an increase in the proportion of private landlords who are unwilling to let to housing benefit claimants, due in part to the introduction of the LHA, as reported in a House of Commons briefing

paper, [Can private landlords refuse to let to Housing Benefit claimants?](#) (April 2018)

### 6.3. Spare Room Subsidy Reduction

- Numbers of social housing tenants receiving reduced housing benefit as a result of the Spare Room Subsidy Reduction (also known as the 'bedroom tax') continue to decline, linked to downsizing and changes in eligibility criteria for new tenants.
- As at March 2018, there were 1,576 Somerset households subject to a reduction, down from 2,057 households a year earlier.



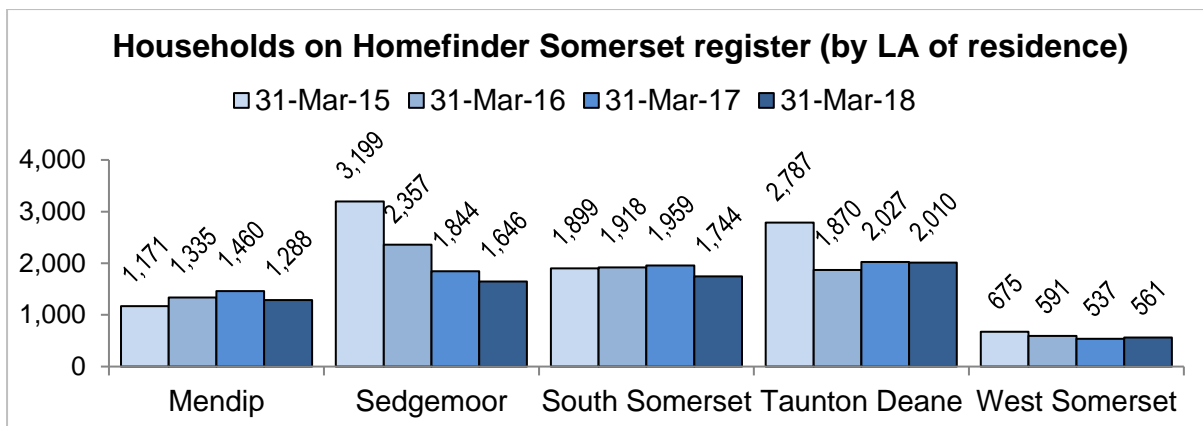
Source: MHCLG

## 7. Discretionary Housing Payments

- During 2017/18, local authorities in Somerset distributed a total of £945,977 in extra help to households who were having difficulty paying their rent, through Discretionary Housing Payments.
- Reasons for help were as follows:
  - Removal of the spare room subsidy (30% of total expenditure)
  - The Benefit Cap (15%)
  - Local Housing Allowance (LHA) reforms (9%)
  - Combination of reforms (10%)
  - Non-welfare reform related (36%)
- Compared to the previous year, the proportion of expenditure relating to the Spare Room Subsidy and the Benefit Cap increased, while the proportion relating to Local Housing Allowance reforms declined.

## 8. Homefinder Social Housing Register

- There were 7,249 Somerset households on the Somerset Homefinder letting system as at 31 March 2018. This was around 600 fewer households than at the same time the previous year.



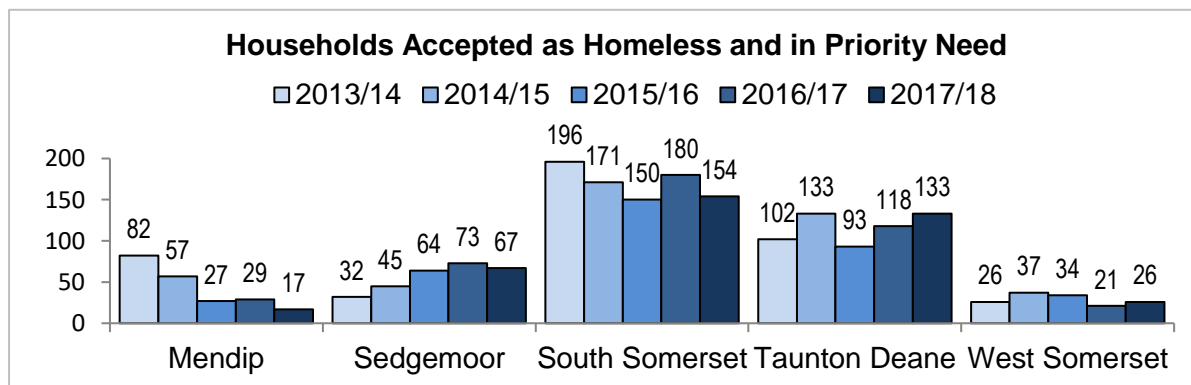
Source: Homefinder Somerset. Note that year-on-year declines (notably in Sedgemoor and Taunton Deane) may be the result of improved data maintenance rather than a sudden drop in demand for social housing.

- A total of 616 Somerset households on the register on 31 March 2018 were in high need (categorised as Gold Band), a slight increase on the 557 households a year earlier.
- The most common reasons stated for Gold Band households to be rehoused were:
  - Reasons of poor health/disability (80 households)
  - Move-on from supported accommodation (73)
  - Present accommodation too small (58)
- One and two-bedroom properties continue to be in highest demand overall, accounting for 82% of applicants on the register.

## 9. Homelessness

### 9.1 Homelessness Acceptances

- Numbers of households accepted as homeless (and in priority need) in 2017/18 decreased in three of Somerset's districts compared to the previous year but increased in Taunton Deane and West Somerset.



Source: DCLG

- Nationally, homelessness acceptances fell by 4% between 2016/17 and 2017/18.



## 9.2. Rough Sleepers

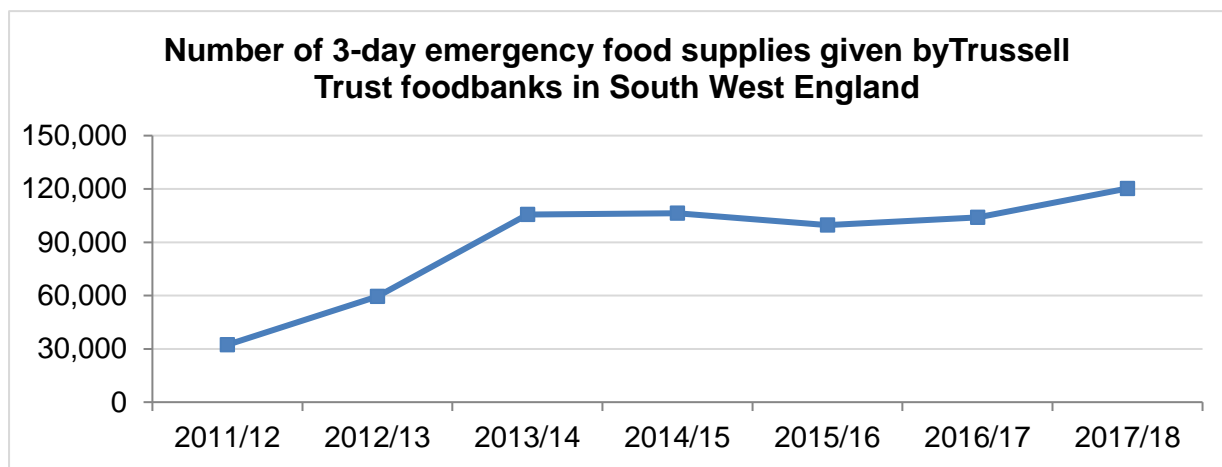
- The estimated number of rough sleepers in Somerset rose to 57 in 2017 (as of autumn that year), up from an estimated 48 in 2016.
- Highest numbers of rough sleepers continue to be in Mendip and Taunton Deane.
- Of the estimated 57 rough sleepers in 2017; two were female, two were aged 18-25, and one was a non-UK national from an EU country.

## 9.3. Possession Claims

- Possession claims issued by landlords in Somerset increased by 23% in 2017/18, while possession claims issued by mortgage lenders rose by 13%.
- There were a total of 879 claims submitted by landlords to repossess a property, and 135 claims submitted by mortgage lenders. Taunton Deane and Sedgemoor saw the highest rates of possession claims made (per household).

## 10. Use of Foodbanks

- Demand for foodbanks run by the Trussell Trust in the South West has remained consistently high. The Trussell Trust operates four foodbanks within Somerset.
- There was a marked increase in use of foodbanks in 2013/14; at the time welfare benefit changes began to be implemented.



Source: Trussell Trust

- Available data indicates that the Trussell Trust foodbank in Taunton distributed a total of 4,900 three-day emergency food supplies to people in crisis last year. The Bridgwater foodbank distributed a total of 3,510 packages.

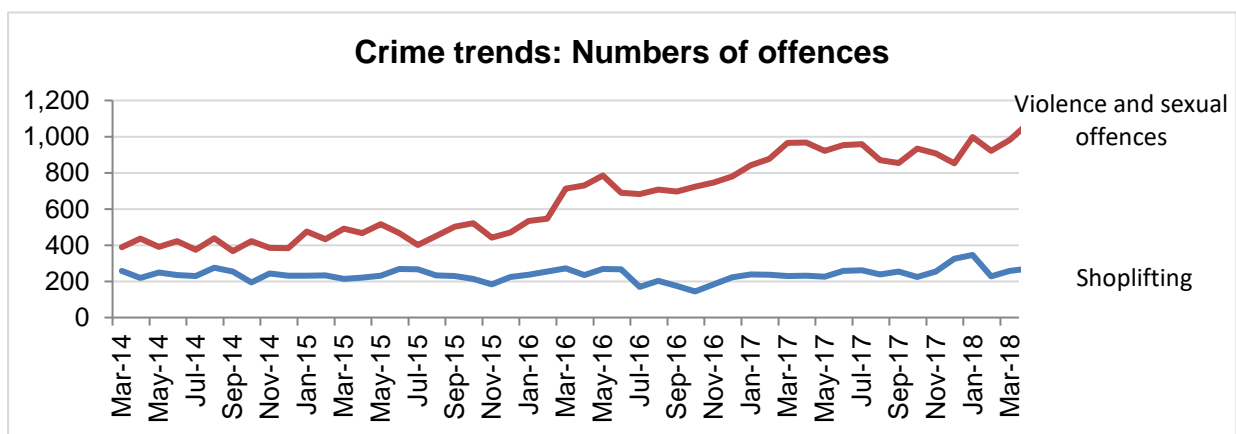
- Nationally, the most common primary reasons for referrals to Trussell Trust foodbanks in 2017/18 were:
  - Low income (28% of referrals)
  - Benefit delays (24%)
  - Benefit changes (18%)
  - Debt (9%)
  - Homelessness (5%)

## 11. Demand on Citizens Advice services

- 'Benefits and Tax Credits' continues to be the most common category of issue presented to Citizens Advice services in the South West, representing around one third of all issues presented.
- In terms of individual benefits, the most common issues in 2017/18 related to:
  - Personal Independence Payments (22%)
  - Employment and Support Allowance (16%)
  - Universal Credit (13%)
  - Housing Benefit (12%)

## 12. Community Safety

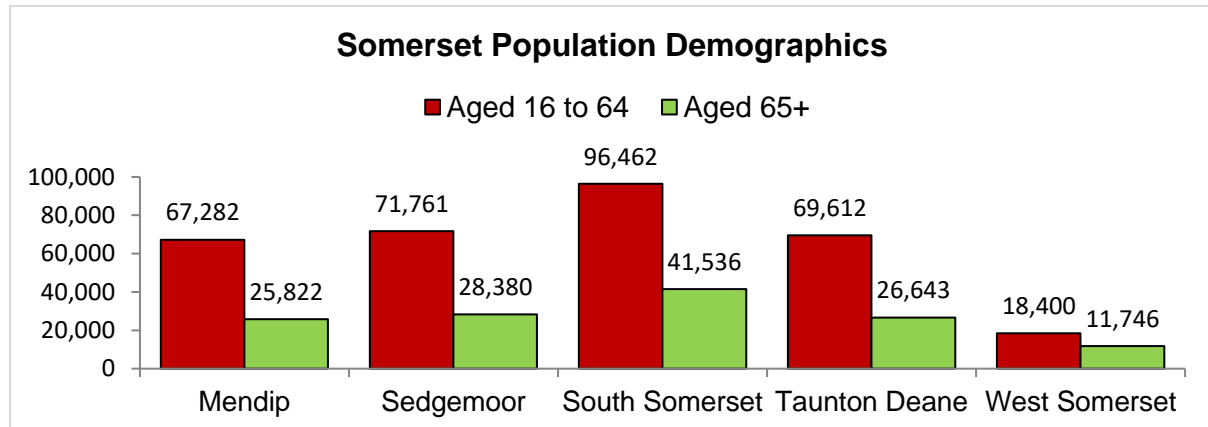
- A Commons Select Committee report, [Universal Credit and domestic abuse](#) in July 2018, warned that single household payments of Universal Credit could put claimants living with domestic abuse at risk of harm, by allowing perpetrators to take charge of household budgets.
- Anecdotal evidence has also suggested that a squeeze on household income would see rises in shoplifting (particularly of essential items).
- Police data indicates that violent offences have increased in Somerset in recent years, while levels of shoplifting have remained generally static.



*Source: Police.co.uk. It should be acknowledged that recorded crime can be influenced by a number of factors, including the willingness of victims to come forward and local police priorities and campaigns.*

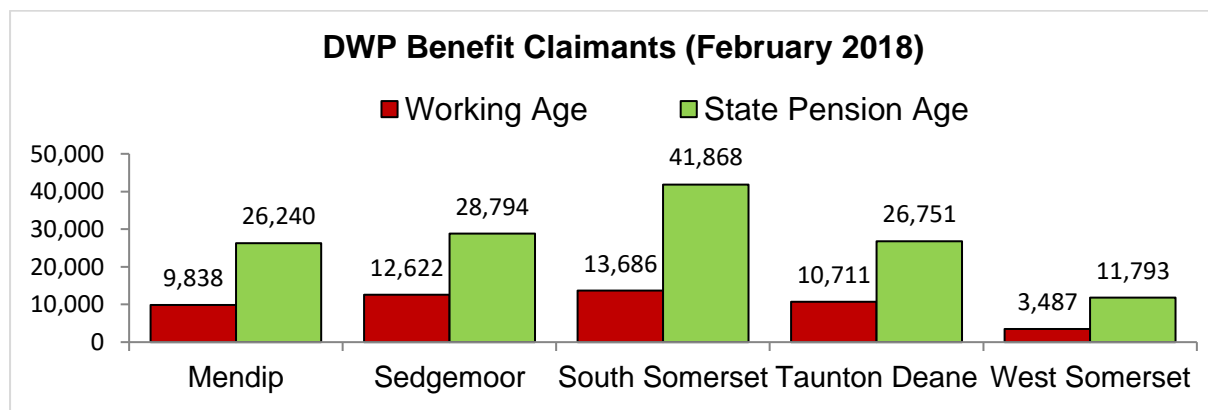
## Appendix - Context: Population demographics

- Somerset's latest population estimate is 555,195, of which 323,517 are of 'working age' (aged 16 to 64).



Source: ONS Mid-2017 Population Estimates

- A snapshot in February 2018 indicated a total of 185,972 people in Somerset claiming some form of welfare benefit from the Department for Work and Pensions (DWP), of which 50,399 were working age claimants.
- Around one in seven working age people in Somerset therefore claim some form of DWP benefit.



Source: DWP. Note that these caseloads exclude benefits administered by HMRC, e.g., Tax Credit and Child Benefit.