Briefing Paper

Welfare Reform and Housing Benefit in Wales

May 2013

Introduction

Housing Benefit is designed to give financial support to people who would otherwise have difficulty in affording a home. Tenants of local authorities, housing associations and private landlords on low incomes are eligible to apply for Housing Benefit, and can receive a payment that meets either all or part of their housing costs. In some circumstances service charges are also eligible for housing benefit.

The amount of Housing Benefit payable depends on the circumstances of the claimant, and their housing costs. The Housing Benefit rules and regulations are complex. To be eligible to receive Housing Benefit, a person's income must be below a certain level and they must pay a reasonable level of rent regarding the needs of their household and the area in which they live (if the rent is considered to be too high it is not eligible for benefit). The level of savings held by the claimant is also taken into account.

Housing Benefits that are available include:

- Rent Allowances
- Rent Rebates
- Non-HRA Rent Rebates
- Local Housing Allowance (LHA)

Rent Allowances and Rebates

Rent Allowances are available for housing association tenants while rent rebates are available for council tenants. Prior to April 2008 rent allowances were also available for private tenants but since then private tenants have been able to claim the local housing allowance. Rent allowances and rent rebates are governed by the Social Security Contributions and Benefits Act 1992, Social Security Administration Act 1992 and the Housing Benefit Regulations 2006.

Rent allowance and rent rebate claimants who are on income support, jobseeker's allowance (income based) and pension credit (guarantee or guarantee and savings credit) are eligible for full benefit. Partial benefit is paid to claimants whose income exceeds the threshold with the assumption made that 65% of 'excess income' is applied to pay the rent. There is also a capital threshold which means that people with savings of over £10,000 are not eligible for housing benefits.
In the case of Rent allowances, rent must not be unreasonably high and there must not be over accommodation. However, this requirement does not apply to rent rebates.

Service charges are also eligible for rent allowances or rebates as long as they are related to the accommodation and must be paid under the tenancy.

Non-HRA Rent Rebates

Local authorities will sometimes provide temporary accommodation under homelessness legislation. In these cases, tenants will pay rent net of any rent rebate. These rent rebates are calculated in the same way as described above. Each year the Department for Work & Pensions establishes a 'cap' for each authority that represents a limit above which they reduce the amount of subsidy that they will contribute towards the cost of the benefits.

Local Housing Allowance

Local Housing Allowance was introduced under the Welfare Reform Act of 2007 and came into operation in April 2008. Since then it has replaced rent allowances for private sector tenants for all new claims and in instances where there is a change of circumstances in a rent allowance claim.

Local Housing Allowance is based on 'Broad Market Rental Areas'. Within each Broad Market Rental Area there is a set of standard rents and benefit entitlement is based on these rather than on actual rents. Local Housing Allowance is therefore dependent on the claimant's accommodation needs and average rents in the area. The introduction of the Local Housing Allowance represented a simplification of the system and enabled the Department for Work & Pensions to exercise better control over housing benefit costs.

Claimants who are on income support, jobseeker's allowance (income based) and pension credit (guarantee or guarantee and savings credit) are eligible for Local Housing Allowance. Partial benefit is paid to claimants whose income exceeds the threshold with the assumption made that 65% of 'excess income' is applied to pay the rent.

Discretionary Housing Payments

Councils have discretion to make discretionary housing payments to claimants who they consider are facing extreme hardship. The Department for Work & Pensions limits the amount that councils can spend under this scheme and makes a financial contribution. In 2010/11 the total that councils were allowed to spend across the United Kingdom was £20million compared with the total cost of housing benefits of £19billion although the budget has recently been increased as described below.

Councils can top-up their discretionary payments budget using their own resources. Authorities that do this can see their grant increase as the amount of grant is partly dependent on recent levels of expenditure.

Housing Benefit Subsidy

Councils claim housing benefit subsidy from the Department for Work and Pensions. The sums involved are significant and, over time, have increased considerably. Housing benefit costs are also difficult to predict and control both at local and national level.

The United Kingdom government funds 100% of rent rebates and rent allowances from subsidy. However, the cost of penalties for mistakes such as overpayments is met by the Council. Subsidy paid by the Department for Work & Pensions is adjusted if average actual rent exceeds the limit rent. The Housing Revenue Account makes the shortfall in the General Fund good. The government also meets the cost of administering Housing Benefit.

Budget 2010

The United Kingdom government has made reform of benefits a priority. Their objectives are to create incentives for people to return to work and to control and reduce the costs of benefits. The Budget of June 2010 introduced some restrictions on housing benefits. They estimated that the reforms would save nearly £2billion in the financial year 2014/15, whilst making benefits fairer and better targeted.

Local Housing Allowance was restricted to a maximum of four bedrooms for new and existing claimants. Alongside this, weekly Local Housing Allowance rates were capped at £250 for a one bedroom property, £290 for two, £340 for three and £400 for a four bedroom property. Local Housing Allowance rates became based on the thirtieth percentile of rents of the local area. From April 2013 Local Housing Allowances was uprated by the Cost and Prices Index.

There were staged increases in the rates of non-dependant deductions in the income-related benefits from April 2011. By April 2014, these increases will bring the rates to the level they would have been had they been fully uprated since 2001 to reflect growth in rents and council tax. From April 2013, people who have been on Jobseeker's Allowance for twelve months or more have a 10% reduction in their Housing Benefit.

21st Century Welfare

In July 2010, Iain Duncan-Smith, Secretary of State for Work & Pensions launched a Green Paper entitled '21st Century Welfare'. This paper proposed a unified benefits system. The paper included proposals that focussed on ensuring work always pays and is clearly seen to pay. They included allowing people to keep more of what they earn as they move into work whilst withdrawing benefits at a single, more reasonable rate as people start to earn more money. Iain Duncan Smith said:

"A system developed to help the most vulnerable and support people in times of need is trapping people in a cycle of dependency. We now have children growing up in households where neither parent works and where the only future is one stuck on benefits. This is a tragedy that we must bring to an end.

"We are proposing to change forever how the system works. Not tinkering around the edges but a fundamental change from the top to bottom. Making it easier to help people into work, fairer to those who pay for the welfare state and continuing to provide unconditional support to those who need it.

"This will affect everybody which is why I want everyone with a view on the way forward to contribute. I believe these changes will make work pay and end the poverty of aspiration that has trapped too many people for generations."

The proposal is to:

- Combine elements of the current income-related benefits and Tax Credit systems;
- Bring out-of-work and in-work support together in a far simpler system.
- Supplement monthly household earnings through credit payments reflecting circumstances (including children, housing and disability).

The system is designed to improve incentives to get a job as people would see no reduction in their benefit until they earn over a certain level. Over a certain level of income a taper would be applied to reduce benefit. This taper would apply to earnings, rather than number of hours worked. It could remove the very high marginal deduction rates, ensuring that work pays for everyone and encouraging people to progress in their employment by not limiting the hours people can work. At present, people moving from benefits to work can see such a large reduction in their benefits that the advantage of moving to work is at best minimal.

21st Century Welfare was followed by the passage of the Welfare Reform Act 2012. The principal changes introduced by the Act relate to the under-occupation penalty, total benefits cap, universal credit and local housing allowance.

Under-Occupation Penalty

Under occupying social housing tenants of working age will face a benefit deduction of up to 14% of their housing credit if they have one spare room and up to 25% for two spare rooms. This is known as the under occupation penalty. The government estimates that this measure will save £490million. The measure came into effect in April 2013. The government considers that the policy will help to reduce housing benefit expenditure and will encourage tenants to either seek work or move thus freeing up social homes. However, critics describe the measure as a ‘bedroom tax’ that will adversely affect 670,000 social tenants.

The ‘bedroom tax’ is seen as the biggest immediate problem for landlords because Wales will be hit proportionately harder than anywhere else. In rural areas there are particular concerns about tenants faced with having to move miles away from their communities to downsize. In January 2013, Julie Nicholas of the Chartered Institute of Housing Cymru was quoted in 24 dash as saying:

“It’s… a particular issue for hard-to-let areas where larger properties were let to people who technically are under-occupiers… That especially applies in Valley areas.”

In March 2013, Shelter Cymru claimed that these under-occupancy rules will force many social housing tenants to move to smaller properties in the private rented sector and that this will result in greater costs to the taxpayer. They argue that the shortage of one-and two-bedroom social housing properties will mean that the controversial ‘bedroom tax’ will drive many households into privately rented accommodation.

Figures published by the charity reveal startling differences in rent levels, with the Local Housing Allowance rate for two-bedroom privately rented properties outstripping rents for three-bedroom social housing. In Swansea, the Local Housing Allowance rate for a two-bedroom privately rented property is 46% higher than the rent for a three-bedroom house in the social sector. In Cardiff the difference is 42%, and in Wrexham 37%. Local Housing Allowance covers only the cheapest third of the private rented market.

In common with most landlords, Bron Afon Housing Association spent March 2013 reminding affected tenants that they would start paying any shortfall in rent because of the under-occupation penalty from April 2013. Since December 2012, staff spoke to 650 tenants who will be affected either in person or on the phone. This means that half of those affected have only had letters through the door and haven't spoken to Bron Afon about how they will avoid falling into debt.

Bron Afon staff have surveyed the tenants who will be affected and found out that:

- Four out of ten of tenants who do not want to move say it is because they have family and friends living nearby who support them.
- One in five said they would consider moving to a smaller home but only if it was in the same neighbourhood.
- One in five said moving home would be a problem because of the costs.

Total Benefits Cap

The total benefits cap is a cap on all benefits receivable by a household of £500 a week for couples and single parent households and £350 a week for single people. There are exclusions for some household types including war widows and those receiving working tax credits. It is estimated that 67,000 claimants will be affected and that they will lose an average of £83 a week. The estimated savings are £305million by 2014/15 although a budget of £130million has been made available for discretionary payments. The measure came into effect in April 2013. The government considers that as well as making savings the reform will bring fairness to the benefits system as workless households will not be able to receive more in benefits than the average working household receives in wages & salaries. Critics point out that people living in high rent areas are most likely to be affected by the cap. Families with large numbers of children are also likely to be affected.

Universal Credit

Universal Credit will combine several means-tested benefits, tax credits and housing benefit into one monthly payment paid directly to tenants. It will be administered by a large information technology system using real time tax information to update calculations of claimants' entitlements. The government calculates that savings of £2billion a year will be made although the costs of implementation are estimated at £4billion. The government considers that this will simplify benefits and make it transparent that people would be better off in work rather than being on benefits. Claimants will be encouraged to take responsibility for their finances as they will receive a single direct payment. It is estimated that 2.8million people will see their benefit entitlement increase while 2million will see it reduce.

Critics argue that many claimants will find difficulty in managing their money as they are not used to doing this; that using an information technology based system will reduce face to face contact and advice; and that social landlords will face increased costs of income collection and increased arrears and bad debts.

In November 2012, the Joseph Rowntree Foundation published research that suggested that universal credit would neither reduce poverty nor encourage people into work. In particular, it found that the separate means testing of council tax benefit would leave many claimants worse off. Julia Unwin, Chief Executive of the Joseph Rowntree Foundation was quoted in 'Inside Housing' as saying:

"The principle of universal credit is sound, but our research has found the actual roll-out could unintentionally trap people in poverty and hardship."

The final elements of the new system were announced in December 2012. The government considers that the Universal Credit disregards and work allowances will be more generous than the existing system. Some of the changes within the Universal Credit regulations made in December 2012 include:

- No longer taking into account income from war pensions or armed forces compensation when calculating benefits.
- Disregarding 100% of contributions to an occupational or personal pension scheme.
- 200,000 under 25s being able to claim in work support for the first time.
- Kinship carers no longer being forced to look for work as a condition of their benefit.
- New rules for the self-employed that will now assume a minimum level of income at the National Minimum Wage which will incentivise claimants to increase their earnings and productivity and realise their financial potential.

Universal credit pathfinders started in some areas in April 2013 to test the implementation of universal credit before it is rolled-out nationally by April 2014. Existing claimants will migrate to universal credit on a phased basis ending at the end of 2017.

Reform to Local Housing Allowances

From April 2013 increases will be based on the consumer price index rather than the retail price index. The consumer price index tends to rise less fast than the retail price index. Caps based on the thirtieth percentile of rents will be progressively introduced equating to between £250 a week and £400 depending on property type and location. The government has calculated that these changes will save £740million by 2014/15 and considers that they will also reduce private sector rents. Critics fear that private landlords will refuse to let to benefits claimants and that thousands of families may have to move to less expensive areas.

April 2013 also saw the abolition of community care grants and crisis loans that have been replaced by local arrangements administered by councils. Local council tax reduction schemes will also replace the national council tax benefit scheme.

Direct Payments to Social Tenants

The previous government considered moving to a system of Local Housing Allowances for Social tenants. This would include direct payments and rent allowances (shopping incentives) under which payments would be made to the tenant rather than the landlord and the link between benefit entitlement and actual rent paid would be broken and tenants would receive Housing Benefit on the basis of their assessed needs and means. If their actual rent were lower than the assessment the tenant would be allowed to retain the difference and spend it on what they chose. If their actual rent were higher than the assessment the tenant would have to find the difference from their other resources – in practice their income support. This would give tenants an incentive to 'shop' for cost-effective accommodation and to move to cheaper accommodation.

The present government has decided to pursue this option and during 2012 carried out some pilot projects to identify its effects. They consider that direct payments will give benefit claimants increased financial responsibility, making it easier for them to make the move into work. This move follows the direct payment of Housing Benefit to claimants living in the private rental sector.

In December 2012, the Department for Work and Pensions published the findings from the Direct Payment Demonstration Projects, showing numbers of tenants taking part and payment levels. Minister for Welfare Reform, Lord Freud, said:

"Direct payments of benefits will help people to step into the workplace without the many institutional barriers that now exist. However, we have always been clear that exemptions must be in place alongside the right support for those who need it and the Demonstration Projects are showing us and the housing community the steps that must be taken."

The projects investigated a range of elements of direct payments to provide protection for landlords and tenants including:

- Whether any groups should be exempt from receiving their payments directly.
- Different levels of support social sector tenants may need to move to direct payments of housing benefit, such as advice on managing personal finances and budgeting
- The exemptions that need to be in place for direct payments
- Payment switch-backs to the landlord if a tenant falls into arrears
- The support to help tenants in arrears, to pay back their arrears and to potentially return to direct payments

- Early intervention switch-backs before arrears reach trigger points

The projects in six areas across Great Britain tested a number of different aspects of the direct payment of housing benefit to social sector tenants, ahead of changes that form part of Universal Credit. Over four months, 6,220 social tenants were paid their housing benefit directly. Of a total level of rent charged of £7.7million, rent collection rates stood at 92%. Across the different areas, levels of payments by tenants on the projects varied from 88% to 97% - demonstrating the different conditions and approaches being tested in each area. A total of 316 tenants were switched back to payments to their landlords - either because they had reached triggers for switch back or had been switched back due to early invention.

The demonstration projects that trial direct payments of housing benefit will run from June / July 2012 to June / July 2013.

The pilot study in Wales showed arrears among tenants increasing as much as five-fold in six months. It involved 1,837 tenants renting from Torfaen Council, Bron Afon Community Housing and Charter Housing.

The 435 lower risk tenants initially chosen by Bron Afon had total arrears of £21,457 at the start of the pilot. After six months the total for these tenants increased to between £83,000 and £116,000 depending on the time of month. Those taking part in the pilot were chosen because it was thought they would cope better with the changes.

Duncan Forbes, Chief Executive of Bron Afon Community Housing, said:

"The massive impact of direct payments on those tenants affected by the UK Government's welfare reforms is of major concern to us. The results so far on the demonstration project and research by others are suggesting that as many as a third of working age tenants will need extensive long term support to cope with a change to direct payments. We have significantly increased staff resources to work with tenants in the demonstration project (from one member of staff per 1,333 tenants working with those in arrears to one member of staff per 200 tenants)."

He also wrote in 'Inside Housing' in January 2013 that:

"In South Wales and many areas that were reliant on the manufacturing industries, all previous generations have grown up around the weekly pay packet paid in cash. Families have been used to cash being brought into the home each week. No generation before them has ever had to budget on a monthly basis or use bank accounts to manage their money.

"Universal credit will be a huge culture change that I don't think the coalition government begins to understand. Many tenants will manage the change easily but for a very significant number it won't simply be a case of smoothly moving from a weekly cash budget to a monthly bank budget. It requires far more extensive long-term support and some skills development.

"Our tenants who rely on benefits are already in serious difficulties managing weekly and some have told us how they are turning their heating off and skipping meals to stretch their money over a week.

"Ninety-five percent of our tenants have told us they don't have any savings whatsoever so they have little or no resilience to manage change or to meet one-off demands, like the need for a pair of shoes, without using money from their food, fuel or rental budget. If they are already skipping a few meals at the end of the week they will have to skip many days at the end of a month."

As part of the pilot, payment switched back to direct to the landlord if the tenant underpaid by 15% over twelve weeks. There had been 59 switchbacks.

Clare Williams, from Community Housing Cymru, said it has had feedback from tenants who fear their tenancies could be at risk if they are forced to receive their housing payments. She said:

"Tenants currently have the choice to have their rent paid directly to them or to their landlord - the majority choose to have it paid to their landlord as it's one less thing to worry about. We believe that direct payments to tenants will see an increase in arrears and a rise in homelessness as a result. For some it will be the first time they have paid their rent and this rolled into the other changes around welfare reform, including 'the bedroom tax' is a disaster waiting to happen."

John Puzey, director of Shelter Cymru, said whether to receive the benefit directly should be a choice for individuals. He said:

"We know from many years of working with people who have to manage a very tight budget that payments to landlords are essential. Clients tell us how important it is to them to have the security of knowing the rent is paid and that no matter what else happens they will at least have a roof over their head. We urge the UK Government not to press ahead with this damaging and unnecessary policy. At the very least, the Welsh Government should make the very strong case for Wales to be exempt so tenants can retain the power to decide how best to manage their rent payments."

The Citizens Advice Service in Wales said it was concerned the changes could throw family finances into chaos leading to big debts. It said the decision to pay all the benefit to only one member of the household was a huge risk, with the potential for abuse in situations such as for those in domestic violence situations.

A spokesman for the Department for Work & Pensions said:

"Universal Credit will give people the chance to take greater control over their finances and provide a much clearer route into work and independence - without them having to move on and off different benefits, or switching back and forth between paying rent and having the state pay it. Our projects - including the one in Torfaen - are helping us to set the right level of protection and support for both tenants and landlords."

Budget and Autumn Statement 2012

George Osborne, Chancellor of the Exchequer, said while presenting his 2012 budget that Treasury analysis has shown that further welfare savings of £10billion will have to be made by 2016 if further cuts to departmental budgets are to be avoided.

In the autumn statement in December 2012 it was announced that a further £3.7billion would be saved by limiting the increase in most working age benefits, including local housing allowances, to 1% a year.

To date the government has avoided making reductions to benefits that are claimed by people of retirement age. However, there are suggestions that they may not be able to afford to continue this policy. In October 2012 Sam Lister, Policy & Practice Officer at the Chartered Institute of Housing was quoted in 'Inside Housing' saying:

"The government has to start making inroads into payments for older people – any slack in the working age households has been driven out already."

Welfare Reform in Wales

Wales has a higher dependence on welfare benefits than Great Britain as a whole, with the latest statistics (May 2011) showing that 18% of the country's working-age population claim welfare benefits compared to the Great Britain average of 14%.

A series of reports published in February 2013 revealed the devastating impact the United Kingdom Government's changes to the welfare system will have on the people and economy of Wales.

The two reports commissioned by the Welsh Government to better understand the impact of the welfare reforms show that the changes to the United Kingdom welfare system announced prior to December's Autumn Statement will reduce total benefit and tax credit entitlements in Wales by around £590million in 2014/15. Additional cuts announced in December's Autumn Statement mean losses will be even higher than this.

Overall, families with children and those from low-middle income families will suffer the most from the changes. Those hit by the cuts in welfare payments are likely to reduce their spending on goods and services, taking even more money out of the Welsh economy.

Although one of the United Kingdom Government's main aims is for the welfare reforms to get more people into work, this research suggests that any effects on employment in Wales are likely to be small, and will depend on wider economic conditions.

Education and Skills Minister Leighton Andrews said:

"The United Kingdom Government's welfare reforms will have a huge and damaging effect on Wales as a whole. The reports published today by the Institute for Fiscal Studies and Welsh Government confirm our worst fears about the changes. From the most vulnerable in our society, through to low-middle income families, these cuts from the United Kingdom Government are devastating."

Julia Unwin, Chief Executive of the Joseph Rowntree Foundation, said that Wales faced a 'decade of destitution' that demanded a response from the Welsh government, local authorities, landlords and voluntary bodies.

Housing, Regeneration and Heritage Minister Huw Lewis announced in March 2013 that the Welsh Government will spend an extra £750,000 on protecting people from welfare changes.

Community Housing Cymru welcomed this and called on Welsh Government to use the money as part of a 'Welfare Defence Programme' to protect Welsh tenants from the raft of changes being brought in by the Welfare Reform Act. This would include a programme of affordable credit, money and benefits advice, and capital funding for more one and two bed homes, along with research to understand the impact of the changes on tenants and housing associations.

Community Housing Cymru Chief executive, Nick Bennett said:

"The announcement today must be welcomed, but it is important that this money is used sensibly. Affordable credit options and good timely advice will be key to helping tenants through these changes. In addition to providing affordable loans and opening saving accounts, Moneyline staff assist customers to open basic bank accounts with direct debit provision while discussing priority bill payments with them - all of which will help when Universal Credit and direct payments to tenants is introduced in October."

In March 2013 it was revealed that more than three quarters of housing professionals in Wales thought that the Welsh Government should take more responsibility for the effects of welfare reform.

The Chartered Institute of Housing Cymru's first housing workers survey found 88% thought officials should do more to alleviate the effects of reforms such as the under occupation penalty. Keith Edwards, Director of CIH Cymru, said that the under occupation penalty:

"Will have a major impact on tenants and their families across Wales and our members are in the front line of dealing with the human consequences. In some ways the 'blame game' is redundant - what we need now is for Welsh Government and partners to pull together to protect the most vulnerable people in society."

In April 2013, Huw Lewis, Welsh Minister for Communities & Tackling Poverty said that making ends meet for thousands of people will become a significant challenge as the United Kingdom Government's changes to the welfare system, including the bedroom tax, came into force. They would have a:

"Destabilising, damaging and devastating impact on communities across Wales."

Speaking as the new rules came into force, Huw Lewis said:

"Today is a watershed moment. After months of debate and opposition we will begin to see the very real impact the changes to welfare will have on thousands of people's everyday lives."

"Independent reports show that the proposals will take at least £590 million from Wales and this will have a damaging, destabilising and devastating impact on people and possibly whole communities across the country.

"Many people across Wales will come under pressure to afford their day-to-day living costs; some could be forced to leave their homes after years living there. Some will have to make the tough decision about whether to cut back on the heating or their food. Many will finally lose the daily battle to make ends meet. The path that the UK Government is taking us down will be traumatic for many.

"These changes will not only hit those out of work, but also touch working families on low to middle incomes. Taking away vulnerable people's spending power will only damage our economy and put further pressure on their lives.

"No one is denying that there is scope for welfare to be reformed, but the changes being forced through now show little evidence that they will actually have a significant positive impact on employment levels and could even drive people further into poverty."

A report recently published for the Welsh Government by the highly-respected Institute for Fiscal Studies revealed that the changes to the welfare system will reduce total benefit and tax credit entitlements in Wales by around £590million in 2014/15.

An internal Welsh Government report also found that an estimated 42,500 people in Wales will lose their entitlement to Disability Living Allowance, an average loss of up to £83 per claimant per week and an annual loss of up to £183million in Wales as a whole.

In March 2013 the Chartered Institute of Housing Cymru commented that:

"In Wales, we have the opportunity of developing a devolved approach to tackle the impending crisis; to 'vary both the pace and the impact', to try to shield our most vulnerable citizens. However, the lack of a co-ordinated national response is almost as concerning as the welfare reform programme itself. In some ways this is unsurprising when modifications are being announced by the United Kingdom government even as they are being rolled out, such as delays to the household cap."

The Welsh Government has increased its budget for advice services.

Local Authority Response

Local authorities are preparing for the introduction of the benefit reforms. The Chartered Institute of Housing has advised that they should do the following:

- Gather data to model the impact of the changes on tenants and the business plan. Key information includes which households are under-occupying, which will be affected by the overall benefit cap, who already has a bank account and who will require assistance with banking and budgeting.
- Communicate the changes to tenants. As well as providing general information on the changes to all tenants, councils should use their profiling data to provide targeted information to those who are most likely to be affected and aim to make face to face contact with more vulnerable tenants.
- Train front line staff so that they are able to answer tenants' questions and help to raise awareness of the changes.
- Support tenants to manage their money by providing or directing tenants to basic budgeting support and alerting them to products that can help them to manage their finances better, such as 'jam jar accounts'.
- Review the approach to rent collection. Offering a comprehensive range of payment options and bearing in mind that while direct debit is the most cost effective payment method for landlords, it may work less well for tenants who have irregular or variable incomes.
- Consider the approach to allocations and transfers to establish whether tenants are being placed in properties that could become unaffordable and whether sufficient priority is given to households that need to move because of the reforms.
- Make best use of existing homes by working with under-occupying tenants to establish how best to meet their need for a smaller home. Considering whether mutual exchanges are used to best effect.
- Help tenants into work or training. Finding work is the main way in which many tenants will be able to increase their income and sustain their tenancies. Councils should consider how they could facilitate this.

Welfare Reform: The Implications for Housing and Local Government - October 2013

'AWICS' is holding a seminar on 'Welfare Reform: The Implications for Housing and Local Government' in London in October 2013. This seminar will look in detail at the Government's controversial welfare reforms and their implications for claimants, social landlords, local authorities and the public finances in all the nations of the United Kingdom.

The seminar comes at a critical time with the government in the process of implementing the welfare reforms that are contained in the Welfare Reform Act of 2012. Many of the reforms are to be introduced in April 2013 including the benefits cap, under-occupation penalty, the localisation of council tax support, personal independence payments and the universal credit pilots. In October 2013, Universal Credit will start to be rolled out for new claimants.

But what effect will all this have on claimants, housing associations and local authorities and how can they manage the reforms to mitigate the risks that they face?

The seminar addresses:

- Introduction and Overview of Welfare Reform
- Welfare Reform Act 2012
- Under-occupation penalty (bedroom tax)
- Total Benefits Cap
- Universal Credit
- Personal Independence Payment
- Council Tax Support
- New Information & Communications Technology Systems
- The impact of welfare reform on tenants and landlords
- Direct payment demonstration projects
- Practical steps to manage the effects of the reforms
- Advice and Communications
- Housing Options and Allocations
- Management of Rent Arrears
- Discretionary Housing Payments
- Partnership working
- Case Studies
- Demographics
- Social and Affordable Housing Supply
- Potential future reforms

The seminar includes opportunities for networking and is accompanied by a very useful book entitled: **"Welfare Reform: The Implications for Housing and Local Government"**

All those with an interest in the welfare reforms should attend, including councillors and officers of local authorities; board members and officers of housing associations; representatives of tenants and claimants; staff of voluntary bodies; academics; lawyers and civil servants.

Venue and Date: London: Novotel Hotel, Waterloo – 9th October 2013

Further details are available on the 'AWICS' website from where places can also be booked. Please see: http://www.awics.co.uk/welfareseminar.asp

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About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

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