



WHAT DOES WELFARE REFORM MEAN FOR MY SERVICE?

Impact summary for accommodation-based services

Prepare your service for welfare reform with:

- **Policies and procedures** that take into account changed entitlements and how service users are being paid, for example rent and resettlement P&Ps.
- **Recording systems for data and support** that keep the organisation informed about clients' needs and help to plan the most effective support.
- Staff with the **skills and training** to ensure clients are supported with new and existing welfare benefits, financial and digital capability.
- An **organisational culture** that promotes clients taking greater personal responsibility for their income and moving towards employment.

Key impacts

Council Tax Benefit

- Some residents have to pay a council tax bill that was previously covered by benefit and may struggle to budget or to pay for bills, rent and daily essentials. Rent arrears or other debts are accrued.

Shared Accommodation Rate (SAR)

- There are fewer options for moving residents into settled PRS accommodation, either due to a lack of shared accommodation or because there is more competition for the shared accommodation available.
- Residents require proof of hostel residence to qualify for exemption from SAR.
- Ex-residents 25-34yrs old who have been resettled into 1-bed flats face eviction.

Local Housing Allowance (LHA)

- There are fewer options for moving residents into settled accommodation, as few PRS properties are available within the LHA cap.
- Ex-residents resettled into PRS properties can no longer afford rent and face eviction.

Housing Benefit Size Criteria (spare room subsidy / bedroom tax)

- Residents in social housing properties need help to assess their options and take action e.g. moving to a smaller property, finding work or increasing hours worked, applying for discretionary housing payments, finding a lodger.
- Rent arrears accrue where no action is taken and housing benefit is capped.



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Benefit Cap

- Residents (primarily families) have their benefits capped and accrue rent arrears as a result.
- Residents (primarily families) affected by the benefits cap need support to manage on lower income e.g. moving to a cheaper property, finding work or increasing hours worked, applying for discretionary housing payments.
- Residents (primarily families) need support with daily essentials (food, bills) as their income is no longer sufficient.

Local Welfare Assistance (previously Social Fund)

- Residents need information about how to apply for welfare assistance from the council.
- Residents need additional support when moving on, to furnish properties and buy essentials.
- Residents whose benefits are sanctioned or disrupted accrue arrears and need support with essentials.
- Residents who struggle with budgeting need support to avoid running out of money and/or turning to more problematic forms of credit.

Universal Credit

- Residents need support to understand and prepare for the transition to UC (pre- or post-resettlement).
- The transition between 2013-17 means residents will receive their income through a range of delivery methods and different payment cycles.
- Residents struggling to budget with monthly payments accrue arrears and run out of money to buy daily essentials or pay bills.
- Residents' Universal Credit is sanctioned and they cannot support themselves.
- Residents in employment struggle to keep track of their UC entitlement and don't budget enough for rent and essentials.

Disability Living Allowance (DLA) / Personal Independence Payment (PIP)

- Residents need support to prepare for the end of their DLA claim and to make a claim for PIP.
- Residents whose DLA claim ends and who do not apply for, or are refused PIP, need support to budget on a lower income.
- Residents who no longer receive DLA or PIP are at risk of reduced mobility, access to employment and engagement with social network and activities, which could have a negative impact on their physical, mental and financial well-being resulting in increased support needs.