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for a fairer future

Liverpool City Council

Welfare Reform Cumulative Impact Analysis 2016

Interim Report: February 2017

Foreword

The Cumulative Impact Assessment produced by Liverpool City Council paints the most detailed picture of the impact of welfare changes to date.

This unique study clearly demonstrates that the reforms, combined with other austerity measures, such as cuts to local government budgets, have had a devastating impact on communities and particular groups of our citizens across the city.

Many of the people being supported by welfare benefits are either in work on very low incomes or are unable to work because they have young children, are sick, disabled or are caring for a relative. Through no fault of their own, they face significant reductions in their household income, totalling many hundreds of pounds per month in some cases.

The Government is leaving councils to pick up most of the pieces of the impact of the changes it is making, whilst at the same time slashing local government funding. We are having to spend around £7 million of our own money keeping a roof over the heads of families, funding crisis payments and offsetting cuts to council tax benefit. This coming year we have also earmarked an extra £2 million for a special hardship fund to support organisations helping those most in need. But we face tough choices too, as by 2020 our budget will have been cut by 68 percent compared to 2010.

One of Liverpool's great strengths is its strong sense of community, demonstrated day in, day out, by the amazing work carried out by scores of voluntary, community, faith and third sector organisations in the city. Our Fairness and Tackling Poverty Group, jointly chaired by Councillor Jane Corbett and the Bishop of Liverpool, is bringing together many of the organisations involved in ensuring fairness and tackling the causes and effects of poverty to make sure we have a co-ordinated approach across the city. I have tasked Councillor Corbett to continue leading our work on this and implementing the recommendations of the Fairness Commission. This Cumulative Impact Assessment will help us plan for the future and make sure we are doing all we can to respond to these changes in national policy and target our support to help our most vulnerable citizens.

Joe Anderson
Mayor of Liverpool

A measure of a true and just society is our attitude to the poorest and the most vulnerable in our society. This report provides a statistical analysis of that measure and it makes hard reading. It does not surprise me that the brunt of cutbacks and difficulties are shouldered by those in poverty, the long term sick and the disabled, nor that people face double and triple whammies as the different cuts strike them over and over.

It does not surprise me; but it angers me. It angers me that we allow this to happen repeatedly to our sisters and brothers, to our children, to our neighbours. It angers me that our hard-working local politicians are forced to make heart-breaking, difficult decisions over where best to spend their very limited resources. It angers me that central government seems not to recognise both the injustice and impracticality of their funding regime.

I don't want to see a society where our children starve, where our fellow citizens are punished for being disabled, sick and in need. In today's world, in today's Britain we should be investing in support for people. We should not punish, attack and demonise the very people who need our help most.

I am most grateful for the work of the officers of our city council in producing this excellent report. A single resource cut on its own is bad enough. But when we look at the whole picture it becomes catastrophic. We need to change. We are and could be a better society than this.

The Right Reverend Paul Bayes
Bishop of Liverpool

Executive Summary

Background

Since 2010 successive Governments have sought to radically reduce expenditure on support to low income working age households. Nationally each individual change has been subject to an impact analysis by the Government but the combined impact of the changes has not. The combined impact could relate, for example, to people or groups commonly affected by more than one change to the benefits system. It could also relate to the impact over time as some households face both higher outgoings and reduced income as a result of welfare reform.

The absence of an analysis which brings together these combined impacts exposes the Government to the risk that it has failed to fully understand the impact of its policy programme and that it has not collated evidence as to how particular groups may be affected. This in turn suggests that there may be particular impacts on groups with a protected characteristic that have not been identified.

To help understand and address this risk at a local level officers within the Council's Revenues and Benefits Service have produced a cumulative impact analysis of the Government programmes. The analysis identifies over 20 major changes to working age benefits since 2010 that the Government has implemented or plans to implement, affecting around 55,000 households in Liverpool. Work by Sheffield Hallam University (The Uneven Impact of Welfare Reform: Beatty and Fothergill 2016) suggests that Liverpool had the fifth highest financial loss in the country by 2016 estimated to be £157M loss per annum.

Many households are affected by more than one change; for example the report shows that this is particularly likely to be the case for long term sick or disabled people, people with children and women. There are also pronounced effects on younger people and people aged 40-59 in social housing. It is notable that many changes have a direct impact on working households as detailed in the report.

The report also looks at how risks and costs have been passed from Government to the Council as a result of welfare reform, at a time when the Council's resources and funding have shrunk dramatically. Since 2010, central government support to the Council (excluding specific ring-fenced items such as Housing Benefit subsidy) has shrunk by 58% (2016/17) and this is projected to be 68% by 2021. The demands that mitigating the most severe impacts of welfare reform on vulnerable citizens places upon the local authority and its partners have grown significantly since 2010. Significant risks have passed to the local authority as Government has withdrawn some national benefits (including Crisis Loans, Community Care Grants and Council Tax Benefit) and required local authorities to provide a local safety net through Discretionary Housing Payments and local welfare provision. The extent to which the authority can sustain such schemes in the face of growing demand and reducing budgets is highlighted.

The authority has been directly affected by a growing burden of costs associated with welfare reform, for example;

- Supporting citizens affected by the under-occupation penalty or the benefit cap through Discretionary Housing Payments. The Council has set aside £650K to top the Government grant this year. DHP funding for 2017/2018 has yet to be confirmed by Government.

- Providing emergency help to those left without funds for food and fuel (often as a result of reduced, delayed or withdrawn benefits) through the Liverpool Citizens Support Scheme (LCSS). This scheme has replaced DWP Crisis Loans and Community Care Grants and also helps people with furniture and domestic appliances when setting up home, often after a crisis. The Council currently has an annual budget of £3.1M for LCSS.

- Sheltering low income households from the full effects of Government cuts to help with Council Tax bills. The Council estimates that it is topping up support to low income families by at least £3M annually.

The direct financial costs of local welfare provision (the Liverpool Citizens Support Scheme), Discretionary Housing Payments and Council Tax Support are easier to quantify than the additional demand on other services that welfare reform may create. Pressure on households affected by welfare reform may appear in different ways as the stresses and strains of coping with reduced incomes and new benefit rules come to bear. The report does not attempt to analyse the impacts of welfare reform upon social care, homelessness or health but will assist such work being taken forward.

Key Findings

By simply listing and describing the reforms implemented and planned in a single document the report helps to crystallise the enormous range of changes to the benefits and tax credit system that the current and previous Government have applied.

The report uses the Government's own impact analysis reports and also data held by the Revenues and Benefits Service (mostly taken in October 2016) to create a snapshot of those affected.

The report highlights specific impacts upon certain groups, for example:

- Customers who are **long term sick or disabled** may be subject to multiple reductions in benefits. Examples include that 45%[1] of all customers affected by reductions in Council Tax Support receive Employment Support Allowance (ESA) and around 42% (3,400) of all households affected by the 'under-occupation penalty' are in receipt of Disability Living Allowance (DLA) or Personal Independent Payments or are in the ESA Support Group. At the same time the introduction of Personal Independence Payments has introduced new tests of entitlement affecting up to 45,000 households in the city. Planned reductions in the rates of Employment Support Allowance for new claims from 2017 will also affect people who are sick or disabled. The impacts upon **carers**, including younger carers, of these changes cannot be assessed using the data sources available for this report but it is notable that there are likely to be consequential impacts.

- **Families with children** are also affected by a number of changes. These include the freezing of child benefit, reductions in Housing Benefit rates in the private rented sector, the under-occupation penalty and reductions in Council Tax Support. The removal of the Family Premium from Housing Benefit new claims from 2016 and planned removal of the Family Premium from Universal Credit and Tax Credits from 2017 will also affect people with children. Larger families with three (or more) children may additionally be affected by the Reduced Benefit Cap, reductions in Local Housing Allowance rates and the planned removal of allowances for third and subsequent children from 2017. Analysis in November 2016 showed that 48.3% of families in Liverpool affected by the Reduced Benefit Cap have three children with the second largest group being those with 4 children (30%).

[1] Unless otherwise stated data in the report is from a snapshot in October 2016.

- **Younger people** are most likely to be required to claim Universal Credit under the current roll out. They are also most likely to rely on crisis support from the Liverpool Citizens Support Scheme (the Council's local welfare provision scheme); for example, in 2015/2016 34.8% of applications to this scheme were from customers aged between 16 – 29 years. Reductions in Housing Benefit for single private tenants also resulted in a cut (in current terms) of approximately £34 per week for people aged 25-35. Younger people, aged less than 21, may also be affected be the Government's proposal to remove Universal Credit help with Housing Costs from 2017 unless they are in an exempt category (these remain to be confirmed in detail but will include people with children and 'vulnerable' young people).

- **Women** comprise 60% of working age Council Tax Support claimants and as such are disproportionately affected by the reduction in help with Council Tax and 65% of claimants affected by the under-occupation penalty are women. Of households affected by the Reduced Benefit Cap from November 2016/ January 2017, 80% are one parent households amongst which over 90% are women. Women are also the main group affected by the freeze on Child Benefit. Restrictions on child allowances to two children in means tested benefits including Universal Credit, Tax Credits and Housing Benefit are more likely to affect women because the bulk of lone parents are women and a higher proportion of this group are in receipt of Child Tax Credits.

- One in three **working age social sector tenants** getting Housing Benefit is affected by the under-occupation penalty. Around 88% of all Discretionary Housing Payments made in Liverpool are to assist customers affected by the under-occupation penalty (source: 2015/2016 annual outturns). Analysis for 2015/2016 showed that 63.4% of DHPs were made to citizens aged 40-59 (this compares to around 36.3% of the Housing Benefit caseload in this age group); this demonstrates a disproportionate impact upon this age group of welfare reform and in particular the under-occupation penalty.

- Large numbers of working age households are affected by a combination of increased costs (in relation to, for example, Housing Benefit shortfalls and Council Tax) and reduced or frozen benefit levels. The combined effect of reforms in potentially perpetuating and exacerbating **socio-economic deprivation** is difficult to quantify however the impact of multiple reforms affecting these households is great given the City's high level of socio –economic deprivation in many electoral wards. This is described within the report.

The report has been produced by officers within the Revenues and Benefits Service without the level or type of resources or range of data available to Government.

The report is based around the data that is available from the Council's databases and includes reference to Government impact assessments. There are some limitations to the data held by the Benefits Service; for example, information on the individual's perception of disability is not available and receipt of disability benefits is commonly used as an indicator of disability. Further limitations are that information on religion and belief, sexual orientation and gender reassignment is not held on these databases.

The report acknowledges that further research is needed to better understand specific detailed impacts and makes recommendations for this as part of the next steps described below.

Next Steps

The report is intended to help the Council and partners to further develop its approach to supporting those affected by current and future welfare reforms and as such it should help to:

- Further focus and accelerate discussion and action planning for supporting the most vulnerable amongst the City Council and its partners
- Ensure that the potential for continuing impacts including the roll out of Universal Credit and other planned changes to benefits and tax credits is understood and planned for.
- Provide a strong framework for the response. To this end a 'basic needs' list has been created which will serve to define the minimum levels of help and support that vulnerable households may need.

The Council's Mayoral Action Group on Fairness and Tackling Poverty has identified a list of basic needs comprising:

- Food
- Fuel
- Clothing
- Housing
- Income maximisation
- Budgeting support
- Access to affordable finance
- Digital access
- Access to justice

This framework will underpin the assessment and planning of the response of the Council and its partners.

The report has identified that further specific enquiries are needed to understand the detailed impacts in certain areas. For this reason the report is an interim report. The further analysis needed includes:

1. A further detailed analysis of the impact of multiple changes on disabled people.

2. A further analysis of the impact of multiple changes on people with children, including the particular effects on low income in-work households.

3. An assessment of the impact of changes on debt (particularly rent arrears and Council Tax) amongst low income households

4. That data is combined at ward level to help identify how the reforms may exacerbate socio-economic deprivation. One example highlighted within the report is that some of the most deprived wards in the city (as measured by the Index of Multiple Deprivation) are also those most likely to be affected by the under-occupation penalty or to require support from the Liverpool Citizens Support Scheme.

It is recommended to further develop the analysis through extending the investigation into the four areas above, working with partners to gather relevant data and plan the response. This further analysis will support the production of a final version of the report later in 2017.

Welfare Reform: Cumulative Impact Analysis

Section 1: Background and Purpose

Since 2010 successive Governments have sought to radically reduce expenditure on support to low income households. Typically this has been by reducing or limiting individual benefits to working age households, whilst in some cases conditions of entitlement have excluded some citizens from former entitlements. Pensioners have been largely unaffected.

Whilst each individual change has been subject to some form of impact analysis by the Government, many households are affected by several changes and this has not been assessed. At the same time the combined impact of multiple year-on-year changes upon communities and households has not been evaluated by Government.

During this timeframe the introduction of Universal Credit has also begun to fundamentally change the landscape of benefits for working age households. And the nature of Universal Credit has significantly changed since it was conceived of; it is now a less generous benefit with reduced work incentives and more reductions are in the pipeline for 2017.

Work by Sheffield Hallam University (The Uneven Impact of Welfare Reform: Beatty and Fothergill 2016) suggests that Liverpool had the fifth highest financial loss in the country by 2016 estimated to be £157M loss per annum,, and twentieth highest loss per working age adult estimated to be £480 loss per annum. However by 2020/21 the loss to Liverpool is calculated to have increased to £292m per annum (sixth highest local authority in the country) and to £900 per working age adult per annum (thirty first highest local authority in the country).

The Government’s welfare reform programme since 2010 has seen significant transfer of responsibility from central to local government; examples include Local Welfare Provision, Council Tax Support and Discretionary Housing Payments. The Government has also charged local authorities with organising and providing support to citizens struggling to cope with claiming Universal Credit; a small amount of funding for digital access and personal budgeting support has been provided.

This report is provided to:

a) Understand how reforms converge and combine to affect individual households in the City as a whole and at ward level, including the impact on protected groups;
b) Help the Council and its partners to evaluate the current and plan the future response.
c) Identify further focused research into the impacts on specific groups and support to those groups.

As the effect of previous reforms continues to accumulate and the pace of further reform in relation to Universal Credit increases, a coordinated and carefully planned response becomes ever more critical. Specifically it will be essential to aim to mitigate the impact of reforms upon vulnerable citizens by:

i. Providing high quality benefits advice and income maximisation so that citizens are supported to;
    a) Claim their full entitlements including, where possible, exemptions from reforms such as the Benefit Cap or the Under Occupation Penalty.
    b) Navigate through claim processes that can be complex and that can create delay and hardship.
    c) Dispute, challenge and appeal DWP decisions in appropriate cases.
    d) Secure additional discretionary support such as Discretionary Housing Payments or local welfare provision when needed.
ii. Ensuring that digital access and supported digital access is available to prevent citizens being digitally and economically excluded and increasingly unable to secure services and benefits.
iii. Providing support in reprioritising and negotiating debt where appropriate.
iv. Supporting access to financial services including affordable finance.
v. Offering housing advice and options where suitable housing may not be affordable or available, as a result of welfare reforms.
vi. Making available help with personal budgeting advice.
vii. Helping households in securing ‘alternative payment arrangements’ that enable the housing elements of Universal Credit to be paid directly to the landlord and so help to protect their tenancy.

viii. Supporting citizens in claiming Universal Credit and helping them manage the move from benefits being replaced by Universal Credit.
ix. Ensuring that adequate funding for Discretionary Housing Payments is available and that awards are carefully targeted and supported, to protect tenancies and help citizens stay in their homes and communities.
x. That adequate local welfare provision (the Liverpool Citizens Support Scheme) is available to provide urgent financial assistance to those in crisis and to help low income citizens equip the home with essentials.
xi. That action to address food poverty and fuel poverty is coordinated across the city and research is carried out on the level of food insecurity (both moderate and severe) across the City.

The Council's Mayoral Action Group on Fairness and Tackling Poverty has identified a list of basic needs comprising of:

- Food
- Fuel
- Clothing
- Housing
- Income maximisation
- Budgeting support
- Access to affordable finance
- Digital access
- Access to justice.

This framework will underpin the assessment and planning of the response of the Council and its partners.

Section 2 provides a detailed overview of the individual reforms since 2010 including those planned for the coming years. This is supplemented by a detailed summary of the reforms at Appendix 1, which includes further details of each reform including a description of the effects on individual households.

Section 3 describes the framework for the response of the authority and its partners.

Appendix 2 provides case studies of affected households such that the particular effects upon individual households can be better understood.

Appendix 3 is a matrix of impacts of reforms upon specific groups including those with a protected characteristic.

Section 2: Overview of the Main Reforms

The following sections provide an overview, in chronological order, of the main welfare reforms. Each section provides details of the reform, the process of implementation, and the high level impact on protected groups.

The report focuses upon the programme of welfare reform that commenced in 2010/2011 and current Government plans which extend until 2022 when Universal Credit is planned to be fully implemented.

2.1 Local Housing Allowance – April 2011

In April 2011 the Government introduced three major changes to Local Housing Allowance (LHA):

i. Change to Local Housing Allowance rates

Local Housing Allowance is the name given to Housing Benefit for private tenants. Unlike Housing Benefit for social sector tenants LHA is based on set rent levels for property sizes. The levels are determined by the Rent Officer Service which is not part of the Council. LHA rates were changed to be set at the 30th percentile of the local market rather than the 50th percentile of rents in the local market; in other words based on rents in the cheapest 30% of properties. This resulted in a reduction in the overall rates of LHA as the table below demonstrates.

Bedroom Rate	March 2011	April 2011	% reduction
Shared	£55.00	£54.00	1.8%
1 Bedroom	£98.08	£86.54	11.7%
2 Bedroom	£115.38	£103.85	10%
3 Bedroom	£126.92	£115.38	9%
4 Bedroom	£161.54	£144.23	10.7%

Table 1: Reduction in Local Housing Allowance Rates March / April 2011

This change affected all citizens in receipt of LHA. However, the majority of citizens in receipt of LHA at the time were in 2 or 3 bedroom properties and these properties were largely occupied by single people, smaller families, or older couples.

ii. Maximum LHA rates were capped at the 4 bedroom rate

The maximum LHA rate was capped at the 4 bedroom rate. The 5 bedroom rate at the time was £187.50 so this change represented an immediate reduction of £25.96 (13.84%) per week. Although there were only a small number of cases receiving in excess of the 4 bedroom rate these properties were predominantly occupied by larger families so the impact would have been significant on this group. The Government's impact analysis stated that as some ethnic minority groups tend to have a higher proportion of large families, these measures may impact on them disproportionately but could not provide quantitative evidence.

iii. Under 35's restricted to shared accommodation rate

This change was the most significant of all the LHA changes introduced. The change resulted in a £44 per week reduction in Housing Benefit and affected approximately 2,100 mainly single men and women.

These three changes taken together are estimated to have affected 16,000 Liverpool citizens.

National data published by the DWP in an equality impact assessment on the change indicated that 92% of LHA claimants were of working age and an estimated 19% were disabled. The figure of 19% of affected citizens being disabled was based on benefit awards and as such may well have been an underestimate.

2.2 Non-Dependant Deduction Increase – April 2011

Housing Benefit non-dependant deduction amounts had been frozen since 2001. In April 2011 these reductions were reversed and increases were made in the following three years to bring the non-dependant deductions to the level they would have been if they had been increased annually.

It was estimated that up to 6,000 households in Liverpool could have been impacted by this change.

The changes in deductions will have affected households across all groups but the impact would have been more significant on those with non-dependants in work as the non-deduction for these individuals is always higher.

2.3 Child Benefit Rates Frozen – April 2011

In April 2011 the Government implemented a freeze to child benefit rates and also introduced an earnings threshold of £50k. The freeze will have affected an estimated 55,000 families in Liverpool. This change was expected to save the Government up to £3BN per year.

This change will have impacted on all families with children. Child Benefit is normally paid to the mother so there is likely to have been a more pronounced effect upon women.

2.4 Social Sector Size Criteria – April 2013

In April 2013 the Government introduced the Social Sector Size Criteria, commonly referred to as the ‘Bedroom Tax’. This change applied to working age households living in social rented accommodation where the household was deemed to have one or more spare bedrooms.

The Social Sector Size Criteria provided a set calculation for the number of bedrooms a working age household needed. A number of exemptions were available including for those citizens who were disabled and required an overnight carer. In addition a further room could be added to the calculation for foster carers.

Households with one spare bedroom experienced a 14% reduction in their Housing Benefit and for those with two or more spare bedrooms received a 25% reduction in their Housing Benefit.

The introduction of the Social Sector Size Criteria initially affected approximately 11,500 households in Liverpool when it was first introduced in 2013. Although this number has since fallen to around 8,200 it is clear that this change has had a serious and long term impact on the affected households.

DWP estimated in its own impact assessment that people without children were much more likely to be affected; it estimated that 32% of social sector tenants would be affected overall, 10% of tenants with children affected rising to ‘more than 40%’ amongst those with no children. Recent data for Liverpool indicated that around 32.7% of all working age social sector tenants in receipt of Housing Benefit are affected.

DWP estimated that 67% of all households affected by the under-occupation penalty would contain a disabled claimant or partner. Currently in Liverpool 42.4% of households affected by the penalty are getting DLA/PIP or are in the ESA support group. This demonstrates that disabled people, who are more likely to be reliant upon benefits as a source of income, are likely to be affected by the under-occupation penalty.

Pension age customers are not affected.

The change also had an immediate impact on the social landlord’s income collection as households began to struggle with increasing arrears. This change has affected social landlord’s allocation policies and the viability of letting larger properties.

The table below shows numbers affected by ward; this demonstrates a pronounced effect on existing areas of deprivation.

Ward	Number Affected by SSSC
ALLERTON & HUNTS CROSS	98
ANFIELD	215
BELLE VALE	400
CENTRAL	141
CHILDWALL	36
CHURCH	5
CLUBMOOR	553
COUNTY	214
CRESSINGTON	133
CROXTETH	237
EVERTON	641
FAZAKERLEY	162
GREENBANK	116
KENSINGTON & FAIRFIELD	281
KIRKDALE	581
KNOTTY ASH	290
MOSSLEY HILL	36
NORRIS GREEN	693
OLD SWAN	186
PICTON	373
PRINCES PARK	627
RIVERSIDE	468
SPEKE-GARSTON	593
ST.MICHAELS	96
TUEBROOK & STONEYCROFT	180
WARBRECK	110
WAVERTREE	154
WEST DERBY	101
WOOLTON	50
YEW TREE	400
Total	**8,170**

Table 2: Social Sector Size Criteria – Affected households by ward October 2016

Around 88% of all Discretionary Housing Payments made in Liverpool (source outturns 2015/2016) are to assist customers affected by the under-occupation penalty. Analysis for 2015/2016 showed that 63.4% of DHPs were made to citizens aged 40-59 (this compares to around 36.3% of the Housing Benefit caseload in this age group); this demonstrates a disproportionate impact upon this age group of welfare reform and in particular the under-occupation penalty.

Analysis conducted by the Benefits Service in 2014 showed that in Liverpool around 61% of all claimants affected resided in three bed properties and a further 33% occupied two bedroom properties. 55% of all claimants would need to move to a one-bedroom property to be unaffected and a further 41% would require a two bedroom property. Only 2.5% of those affected would avoid the penalty by moving to a three bedroom property. It was evident from the data in relation to bedrooms and the high concentration of three bedroom properties that the issue is unlikely to be resolved by home moves. Social landlords confirmed that the available stock did not match the profile of ‘demand’ which the under-occupation penalty could create.

2.5 Council Tax Support – April 2013

Local authorities were required to devise local schemes of Council Tax Support (CTS) following the abolition of the national scheme of Council Tax Benefit (CTB) by central Government in 2013.

In 2013 the implementation of CTS resulted in a reduction of funding of 10% to Liverpool City Council which equated to approximately £6.2m for 2013/2014. The scheme changed from a subsidy based scheme to one funded within the overall Revenue Support Grant to the authority.

From 2013 councils were allowed to reduce Council Tax Support for working age claimants but pensioners were protected from any reduction in benefit levels. In Liverpool the 10% reduction in funding if applied to working age customers would have seen benefit levels reduce by around 17%. However the Council opted to contain the level of reduction to 8.5% (at an estimated cost of £3m) and has continued to shelter low income households from further reductions since. There are currently around 42,400 low income working-age households that benefit from the authority’s additional sheltering that will be affected should this extra help be reduced or withdrawn.

The main type of income currently received by these households is detailed in the table below.

Income Type	Total receiving Council Tax Support
Employment and Support Allowance (Income Related)	**17,518**
Employment and Support Allowance (Contributory)	**1,683**
Job Seekers Allowance (Income Based)	**2,490**
Income Support	**6,436**
Universal Credit	**2,777**
Earned Income	**6,901**
Self Employed	**1,197**
Other	**3,375**
Total	**42,377**

Table 3: Liverpool Working Age Households in receipt of Council Tax Support: October 2016

As pension age customers (currently aged 63+) are unaffected by reductions to Council Tax Support the potential changes only affect working age customers who represent 61% of the Council Tax Support Caseload.

The DWP reported in 2012 that 48% of working age Council Tax Support households may include a disabled adult or child. The Revenues and Benefits Service has limited information available in relation to disability but can use receipt of disability benefits to support an analysis. Current data shows that 32.6% of working age customers claiming CTS is in receipt of Disability Living Allowance or Personal Independence Payments; this confirms that disabled people are much more likely to need to claim CTS.

Women comprise 60% of the working age caseload and are more likely to claim CTS than men.

2.6 Benefit Cap – August 2013

In August 2013 the Government introduced a cap on the amount any working age household could receive in benefits. At the time the cap was £500 per week for couples (with or without children) and lone parents, and £350 per week for single adults.

Households in receipt of Working Tax Credit, Disability Living Allowance, Personal Independence Payment and Attendance Allowance were exempted from the cap.

The cap is applied by reducing the level of Housing Benefit (or Universal Credit) that households receive over the cap threshold. Households are left with £0.50 to enable an application for Discretionary Housing Payment to be made.

The Government's Equality Impact Analysis suggested that 'a large proportion of those affected are likely to be large families, suggesting that households from cultural backgrounds with a high prevalence of large families will be most affected'.

The cap has affected around 350 households in Liverpool since 2013 with the majority of these being families with several dependent children.

The Government introduced a Reduced Benefit Cap in November 2016. This reduced cap could apply to over 800 households. Further details are contained in the relevant section below.

2.7 Expanded Discretionary Housing Payments Funding

Discretionary Housing Payments (DHPs) are made to customers who qualify for Housing Benefit or Universal Credit. DHPs provide claimants with further financial assistance, usually on a temporary basis, when the local authority considers that help with housing costs is needed. A DHP can be made where there is a shortfall between the rent charged and the level of Housing Benefit or Universal Credit paid.

Liverpool City Council has a DHP Policy in place that sets out the basic principles of the scheme and confirms how funds are prioritised. The Policy highlights that any individual or household can apply for a DHP and will be considered accordingly. However, priority will be given to supporting those who are particularly vulnerable including disabled customers and /

or with young children, or where adaptations have been made to cater for a disabled member of the household.

The Government provides an annual DHP allocation to local authorities and this can be increased by local authorities adding funds from their own budgets.

In recognition of the increased financial pressure on households, consequential from welfare reform, the Government has increased the allocation of Discretionary Housing Payments to local authorities since 2011. Liverpool Council has supplemented the Government allocation by adding additional funds. The table below provides details of the Government allocation and the Council's additional funding for the past two years.

	2015/2016 (£M)	2016/2017 £M)
Government Allocation	**1.752**	**1.932**
Council Funding	**0.287**	**0.646**
Total Spend/ Budget	**£2.038**	**£2.578**

Table 4: Details of Government DHP allocation and Council additional funding

As a result of the Government's welfare reform programme applications for DHP support increased by more than 700% in 2013/2014 compared to the previous year and welfare reform continues to be the primary reason for support from the scheme. The table below provides reasons for applications to the scheme for the period April 2016 to September 2016.

Reason For DHP request	% of Total DHP Awards
Claimant affected by the benefit cap	0.6%
Claimant affected by the LHA Reforms	8.3%
Claimant affected by the SSSC	88.8%
Claimant not affected by welfare reforms	2.3%
Totals	100%

Table 5: Reasons for DHP April 2016 to September 2016

The information above does not yet include the effects of the Government's Reduced Benefit Cap, which has been implemented between November 2016 and January 2017 in Liverpool and has necessitated significant additional DHP expenditure to support affected families.

The Social Sector Size Criteria when introduced in 2013 resulted in an estimated loss of Housing Benefit to Liverpool citizens in excess of £8M per year. The Benefit Cap implemented in 2013 resulted in households losing in excess of £700k of Housing Benefit per year. The Reduced Benefit Cap implemented between November 2016 and January 2017 will result in a further total annual estimated loss of approximately £1.9M. It is clear that the funding provided by the Government can only address a small proportion of the actual or potential demands on DHP resulting from these welfare reform changes.

DHP continues to provide a safety net for many vulnerable households and in 2015/2016 the Council made 8,700 awards worth £2.044M to people affected by welfare reform and hardship. The average award was around £16 per week and payments are made across all age characteristics with the majority made to those in the 40-59 age group. The table below provides details of DHP paid by age group for the period June 2016 to September 2016.

Age Group	%
16-19	0.31
20-29	8.32
30-39	13.46
40-49	24.03
50-59	39.35
60-69	11.67
>70	0.47
Unknown*	2.39

*The unknown DHP cases are claims that no longer show on the live caseload data

Table 6: Details of age groups for DHP applications June 2016 to September 2016

DHP provides support across all postal districts. The table below shows numbers affected by ward; this demonstrates a markedly higher number of applications from some of the most deprived wards.

Ward	DHP Applications
ALLERTON & HUNTS CROSS	80
ANFIELD	151
BELLE VALE	194
CENTRAL	78
CHILDWALL	23
CHURCH	7
CLUBMOOR	419
COUNTY	157
CRESSINGTON	114
CROXTETH	162
EVERTON	297
FAZAKERLEY	92
GREENBANK	60
KENSINGTON & FAIRFIELD	198
KIRKDALE	327
KNOTTY ASH	173
MOSSLEY HILL	27
NORRIS GREEN	449
OLD SWAN	166
PICTON	248
PRINCES PARK	368
RIVERSIDE	266
SPEKE-GARSTON	389
ST.MICHAELS	64
TUEBROOK & STONEYCROFT	162
WARBRECK	92
WAVERTREE	62
WEST DERBY	65
WOOLTON	35
YEW TREE	223
UNKNOWN	127
Total	5275

Table 7: Details of DHP applications by Ward April 2016 to September 2016

2.8 Abolition of Discretionary Social Fund – April 2013

In April 2013 the Government abolished Crisis Loans and Community Care Grants that were previously administered by the DWP under the Discretionary Social Fund.

The Government instead provided local authorities with funding for alternative ‘Local Welfare Provision’. Local authorities were under no statutory obligation to deliver local welfare provision and were free to design schemes as they saw fit. Funding for the scheme was ring-fenced for the first two years of operation but was subsequently subsumed into the local authority’s financial settlement. Thus the risk both financially and operationally is now borne by local authorities.

In the first two years of operation the Government provided funding of £3.5m for the scheme and an additional £500k for administration costs. In April 2015 the Government confirmed that funding for the scheme was to be included in the overall support grant. Currently this funding is estimated at £3.1M.

In Liverpool Local Welfare Provision is delivered via the Liverpool Citizens Support Scheme (LCSS). LCSS provides two types of award; Urgent Needs Awards and Home Needs Awards.

Urgent Needs Awards provide financial assistance to citizens who have suffered a crisis and need urgent assistance (usually with the costs of food, fuel or clothing). Home Needs Awards are provided to help establish or maintain a home (typically in the form of furniture and domestic appliances).

Since the scheme was established in 2013 LCSS around 38,500 awards have been made to vulnerable customers in Liverpool to a value of £7.841M. In 2015/2016 the scheme received just over 18,000 applications awarding £2.517M.

In the first six months of 2016/2017 the scheme has received circa 8,500 applications awarding £1.326M. £859K (65%) has been spent on Home Needs Awards and £467K (35%) has been spent on Urgent Needs Awards.

The LCSS application allows the capture of award reasons however customer circumstances can be complex and they involve a mixture or causes, because of this data on the reasons for applications should be treated as indicative.

Indicative LCSS award reasons recorded in April to September 2016 demonstrated that:

- 34.5% of awards were because of DWP benefit delays and sanctions.
- 233 were because the applicant had received a benefit sanction.
- Applicants needing help with essential living expenses including food and fuel accounted for 25.5% of awards, the second largest reason for an application.

The majority of awards are made to younger vulnerable people including those moving, leaving care or fleeing domestic violence.

Data for the Liverpool Citizen Support Scheme for 2015/2016 indicates a higher reliance upon the scheme amongst younger people and single people:

- 65.11% of applications were from single applicants.
- Pensioners made the least applications (2.65%) followed by couples (2.73%)
- 34.8% of applications were from customers aged between 16 – 29 years.
- A total of 5,410 LCSS applications (29.51%) were received from households with children with a total of 10,388 children affected.

Data from the Social Fund Crisis Loans saw a similar picture (data source is DWP EIA: relates to 2009/2010), with 58% of applications from single males and 34% from single females. 37% of crisis loans were made to people aged 16-24 during this period.

The table below provides details of the number of applications made to the scheme in 2015/2016. The wards with the largest number of applications are also those with the highest indices of multiple deprivation and this fact underlines the reliance on, and importance of LCSS.

Ward	LCSS Applications Awarded
ALLERTON & HUNTS CROSS	158
ANFIELD	1329
BELLE VALE	357
CENTRAL	285
CHILDWALL	85
CHURCH	35
CLUBMOOR	487
COUNTY	1306
CRESSINGTON	207
CROXTETH	347
EVERTON	1284
FAZAKERLEY	386
GREENBANK	350
KENSINGTON & FAIRFIELD	1464
KIRKDALE	1158
KNOTTY ASH	323
MOSSLEY HILL	71
NORRIS GREEN	816
OLD SWAN	658
PICTON	1017
PRINCES PARK	1209
RIVERSIDE	643
SPEKE-GARSTON	857
ST.MICHAELS	496
TUEBROOK & STONEYCROFT	1389
UNKNOWN	74
WARBRECK	491
WAVERTREE	326
WEST DERBY	154
WOOLTON	92
YEW TREE	476
Total	**18330**

Table 8: LCSS Applications by Ward 2015/ 2016

2.9 Introduction of Personal Independence Payment – September 2013

In 2012 the Government signalled its intention to reform Disability Living Allowance (DLA).

DLA provides a contribution towards the extra costs of care and support required by people who are significantly disabled, where a claim is made prior to age 65 (people aged 65 or older would normally claim Attendance Allowance instead).

The Government decided to replace DLA with Personal Independence Payment (PIP) using a phased approach. This phased implementation commenced in September 2013 and is likely to continue for some years.

Except for people under 16 any new claims will now be for PIP rather than DLA and existing DLA recipients will be transferred to PIP after a re-assessment of their needs and abilities.

The qualifying criteria for PIP include some new conditionality that was not present in Disability Living Allowance.

This includes a new test for people who have a physical problem moving around. These individuals will only qualify for the enhanced rate mobility component if they can walk no more than 20 metres. This is significantly different to the rules for DLA higher rate mobility component, which has no set maximum distance.

In 2012 there were 3.2M people claiming DLA nationally. The DWP impact assessment estimated that this change would result in 0.5M (15%) fewer individuals claiming the new PIP benefit.

In August 2012 there were approximately 45,000 citizens claiming DLA in Liverpool with an almost 50/50 split by gender. There is no current figure available for the number still claiming DLA although there are circa 13,000 people claiming PIP in Liverpool.

2.10 Universal Credit replaces Job Seekers Allowance for Selected Groups– September 2014

Universal Credit (UC) is the single largest element of the Government's welfare reform programme. UC will eventually replace the main working age means tested benefits by combining them into a single benefit. The benefits to be replaced (often referred to by DWP as 'legacy benefits') include Income-Based Job Seekers Allowance, Income-Based Employment Support Allowance, Income Support, Housing Benefits and Tax Credits. The Government has stated that Universal Credit will reduce the complexity of the benefits system and help people move into work.

Universal Credit is paid as a single monthly payment in arrears. This means that housing costs (help with rent) is included within the payment that also covers general living expenses. Universal Credit is also normally claimed on-line.

The Government's approach to rolling out Universal Credit is based upon replacing new claims for the so-called 'legacy benefits' in the first phase of roll out. This has commenced with the replacement of some new claims for Income Based Job Seekers Allowance with UC. The second phase of the roll out (known by the DWP as the 'planned migration') will involve moving those citizens already claiming a 'legacy benefit' to Universal Credit; the second phase does not commence until 2019 and will be completed by 2022.

Universal Credit started to replace Income Based Job Seekers Allowance (JSA) in Liverpool in September 2014. This was for new claims only or for people who had a change in circumstances that would have previously required them to claim JSA. This implementation was later extended to couples and households with children.

There are a number of factors which currently exclude some customers from claiming Universal Credit in Liverpool. These factors include, for example, the applicant being an adopter or foster carer, being pregnant, self-employed or a home owner. These so called 'knock out factors' would mean that the citizen would be required to claim Job Seekers Allowance instead of UC. These factors will be removed once Universal Credit moves to the 'full digital service' (the DWP's new IT system for Universal Credit). At that point Universal Credit will replace all new claims for Income Based Job Seekers Allowance, Income Based Employment Support Allowance, Income Support, Housing Benefit and Tax Credits.

It has recently been announced that the full digital service will go live in Liverpool between June and September 2018. The subsequent ‘planned migration’ of existing claimants of ‘legacy benefits’ will take place between 2019 and 2022; details of the Government’s approach to this transfer of existing claimants have not yet been made available.

Universal Credit requires citizens to claim on-line and to manage a monthly payment in arrears including help with rent. For some citizens with limited digital access or skills or limited experience of managing a monthly income these requirements may present a challenge. The Council has published a Digital Directory which confirms where citizens can access on-line facilities, including support and advice, in their local area.

Unlike Housing Benefit Universal Credit assumes that in most cases that help with housing costs will be paid to the claimant who will in turn pay their rent. However, similarly to Housing Benefit, provisions exist for benefit for rent to be paid directly to the landlord; this can be part of what is known as an ‘Alternative Payment’ arrangement. Where a tenant has two months’ rent arrears or the DWP accept that grounds of vulnerability or debt management exist they will normally agree to pay housing costs to the landlord.

Most citizens applying for Universal Credit (UC) will have to wait at least six weeks before they receive their first payment. This places a significant financial burden on households who sometimes have to resort to applying for support via the Liverpool Citizens Support Scheme (LCSS). In 2015/2016 incoming applications to LCSS with UC income accounted for 6% of all LCSS applications received; during the first six months of 2016/2017 incoming applications with UC income increased to 10% of applications.

The DWP recognises that some customers will require support to claim on-line and / or require assistance to remain or become financially independent. The DWP has therefore committed to work with councils to deliver the support services that are required of future Universal Credit customers. These support services are currently delivered through a partnership agreement known as the Universal Credit Delivery Partnership Agreement (UCDPA).

The UCDPA is an agreement between the Department for Work and Pensions and local authorities outlining the responsibilities of each organisation during the national expansion of

Universal Credit. Funding is provided to local authorities to deliver or commission elements of the UCDPA.

The UCDPA is designed to support expansion of UC by:

- Assisting people to get on line to make a claim
- Providing personal budgeting support to people who are struggling financially.

In Liverpool these elements are provided by the Liverpool Citizens Advice Partnership on behalf of Liverpool City Council.

Universal Credit is designed to provide an incentive to work. However, recent changes to Universal Credit including those relating to work allowances makes Universal Credit less generous than was originally intended. This could affect low income households and cause significant hardship thus negating the incentive to work.

This implementation of Universal Credit affects working age households only.

According to the Department for Work and Pension's 'Stat X-Plore' statistical analysis tool, as at October 2016 there were c 10,077 people receiving Universal Credit in Liverpool of which around 3,582 were in work. Of these, 56% were male applicants and 44% were female applicants.

As at October 2016 the largest Universal Credit age group in Liverpool was 20-24 year olds which made up 23% of the Universal Credit cohort.
The largest gender group in this age category was male. Despite the national roll out of Universal Credit, there are approximately 40,000 working age households still claiming Housing Benefit in Liverpool and these will require managed migration to Universal Credit over the next four years. The table below highlights the fact that the largest group of customers in receipt of HB are those on Employment Support Allowance.
Customers who have had long term reliance upon income related benefits as their main or sole source of income may be more likely to be suffering from digital or financial exclusion and may need additional support.

National Benefit	Total receiving Housing Benefit
Employment and Support Allowance (Income Related)	17,900
Employment and Support Allowance (Contributory)	1,450
Job Seekers Allowance (Income Based)	2,750
Income Support	6,450
Earned Income	7,000
Self Employed	1,050
Other (incl. students, sickness and maternity)	3,550
Total	40,150

Table 9: Households receiving Housing Benefit in Liverpool in receipt of a National Benefits

2.11 Universal Credit Work Allowances Reduced – April 2016

When claiming Universal Credit people are allowed to earn a certain amount before the Universal Credit award is affected. This is known as the work allowance. The level of work allowance is determined by a household's circumstances.

Universal Credit was designed to incentivise work in that citizens could earn more before their entitlement to the benefit was affected. Work allowances for Universal Credit were originally more generous than the same elements in the benefits which it is designed to replace.

In April 2016 the Government introduced a reduction in the groups able to get a work allowance under Universal Credit such that eligibility was restricted to those responsible for a child and those who have limited capability for work. If a citizen does not satisfy one or both of those conditions, then they are not eligible for a Universal Credit work allowance.

In addition, in April 2016 the level of work allowance was considerably reduced for many households including those who had a responsibility for children.

These changes to the work allowance have created a clear disparity between citizens claiming Universal Credit and those still claiming Tax Credits. Households claiming Tax Credits are likely to receive more than those with the same circumstances claiming Universal credit resulting in a two tier benefits system.

The DWP has not produced an impact assessment for this change but it is estimated that up to 2,800 working households in Liverpool may have been affected by a benefit reduction when the change was introduced.

2.12 Universal Credit Earnings Taper

Universal Credit has an Earnings Taper of 65%. This means that for every pound a person earns over the Work Allowance they are allowed to keep 35 pence.

In the Chancellor's 2016 Autumn Statement the Government announced that the Universal Credit Earnings Taper would be reduced to 63% from April 2017. This means that from April 2017 for every pound a person earns over the Work Allowance they will be allowed to keep 37 pence.

2.13 Freezing of Main Means tested Working Age Benefits – April 2016

From April 2016 the Government has frozen the main working age benefits for a period of four years. The benefits that have been frozen are:

i. Income Support
ii. Child Benefit
iii. Job Seekers Allowance
iv. Tax Credits
v. Housing Benefit
vi. Main component of Employment Support Allowance

Those elements that relate to disability or caring responsibilities will not be frozen.

This change will represent a significant and real term cut in benefits for most working age households with at least 49,000 households in Liverpool affected.

Where living costs increase, especially in relation to basic items such as food, fuel and clothing households will suffer a real terms reduction in income which may exacerbate financial hardship.

The DWP produced an impact assessment for this change and this indicated that younger households are likely to lose most by a freeze in benefit rates. Specifically it estimated that 50% of those in the 30 to 50 age bracket will be worse off.

The assessment also identified that women were more likely to be affected with 33% of female recipients being worse off.

2.14 Social Sector Rent Reduction – April 2016

In April 2016 the Government introduced a 1% reduction in social sector rents. This reduction is to apply every year for a period of four years and is expected to save £1.4BN by 2020/2021.
The change will severely impact on the finances of the Registered Social Landlords and could affect their level of investment in new schemes. This will in turn affect the supply and availability of affordable housing for some of the most vulnerable households.

This change will effect up to 50,000 social sector tenants in Liverpool across all characteristics.

The DWP impact assessment for this change recognises the impact on protected groups but indicates that there will be no loss, in cash terms, for those in receipt of Housing Benefit.

2.15 Restrictions to Backdating of Housing Benefit – April 2016

In April 2016 the Government introduced a restriction on the backdating of Housing Benefit claims for working age customers. Previously the maximum period for which a working age customer's Housing Benefit claim could be backdated was six months. From April 2016 this was reduced to a maximum period of one month.

The maximum period for backdating a Housing Benefit claim for pension age customers remains at three months.

The Government has not undertaken a specific impact assessment in respect of this change and there are no figures available to estimate the impact and loss on households in Liverpool.

2.16 Removal of Housing Benefit Family Premium – May 2016

Households with children are entitled to a 'Family Premium' as part of their Housing Benefit assessment.

The Government has now removed the Family Premium from Housing Benefit assessments for new claims or new births on or after 1st May 2016.

There are approximately 7,700 households that currently receive the Family Premium. However, it is not possible to scope the impact of the change on households that are due to start a family.
The DWP produced an "Equality Analysis" for the Social Security Advisory Committee on this change. The DWP analysis highlighted that 20% of those affected were disabled and noted that "whilst the policy alignment affects all equally, regardless of age, those affected are younger than those that are not affected: overall, around 80% of those affected will be between 25 and 44 years old".

2.17 Reduced Benefit Cap November 2016

In November 2016 the Government implemented a reduction in the Benefit Cap to £20,000 for areas outside London. In Liverpool this equates to a Benefit Cap of £384.62 a week for couples and single parents and £257.69 a week for single people.

The Benefit Cap will apply to the total amount of benefits the household gets including the following benefits:

- Bereavement Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance - except where it is paid with the support component.

- Housing Benefit - except in supported accommodation.[2]
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Universal Credit
- Widowed Parent's Allowance
- Widowed Mother's Allowance
- Widow's Pension
- Widow's Pension Age-Related.

Who is Exempt from the Reduced Benefit Cap?

The reduced Benefit Cap will not affect the household if the claimant or partner qualifies for Working Tax Credit or someone in the household gets one of the following benefits:

- Attendance Allowance
- Carer's Allowance
- Disability Living Allowance
- Personal Independence Payment
- Guardian's Allowance
- The support component of Employment and Support Allowance
- Industrial Injuries Benefits
- Armed Forces Compensation Scheme or war disablement pension
- Armed Forces Independence Payment
- War Widow's or War Widower's Pension.

If the claimant is working and getting Universal Credit they may also be exempt; in this case they must be earning at least £430 per month after tax and national insurance contribution.

[2] Supported accommodation in this context is accommodation which is provided by a housing association, a registered charity, or a not for profit/ voluntary organisation and that body or someone acting for them provides care support or supervision.

The Department for Work and Pensions has determined that the Reduced Benefit Cap will be applied in two phases. The first phase is from early November 2016 when those families already affected by the existing cap have seen further reductions in benefit. The second and larger phase is for families newly affected by the Reduced Benefit Cap. This will be implemented on a staggered basis across local authorities and is expected to take effect in Liverpool in early January 2017.

Data from November 2016 indicates that:

(i) 817 families getting Housing Benefit are affected in Liverpool, of which 74 are affected from November and 743 will see a benefit reduction from January. The number of families getting Universal Credit affected by the Reduced Cap thought to be around 190 based on a DWP estimate.

(ii) The average loss for the 74 families affected from November is £62.19 per week (in addition to any loss consequential from the previous benefit cap).

(iii) The average loss for those affected from January is £42.67 per week.

(iv) There are around 330 households losing in excess of £50 per week and about 200 families losing between £20 and £50 per week.

(v) Of the total 817 families affected most have three children (48.3%) with the second largest group being those with 4 children (30%). There are around 2,720 children in the affected households. Around 80% of all families affected are single parent households.

(vi) 52% of those affected are renting from a social landlord, the remainder being private tenants.

(vii) The total annual loss of Housing Benefit to these citizens is £1.9M.

Households affected by the cap may need advice and support to establish:

a) Are they correctly affected or could they claim a benefit to become exempt (a benefit check).

b) If they cannot be exempted what options for cheaper accommodation exist.

c) How can they maintain a secure home for the family in the face of potential rent arrears.

d) Is any financial assistance available via a Discretionary Housing Payment (DHP).

e) Are there employment opportunities to get off benefits or avoid the Benefit Cap.

The Council has partnered with social landlords to provide advice to tenants. There is a legal gateway for social landlords to be advised which of their tenants is affected such that they can target advice and support. The Benefits Service will take responsibility for further outreach to private tenants that are affected. Private tenants have been invited to contact the Council's Benefit Maximisation team for assistance and will also receive a telephone call from the team offering support. The team will also provide support to any social landlord tenants who contact them directly. Customers will be offered a full benefit check and will be referred or signposted for any other relevant support including debt advice and support from Housing Options. Customers will be assisted to make a DHP application where applicable. Customers affected by the Benefit Cap will be contacted the DWP. Where the customer is in receipt of Housing Benefit the DWP also notifies the local authority and in these cases the Service has taken a proactive approach in contacting customers to offer advice and support. The DWP will not notify the authority of customers getting Universal Credit who are affected by the Benefit Cap and this has the consequence that the Service is unable to undertake outreach to these customers.

This year the Government has provided an annual grant to Liverpool Council of £1.932M towards Discretionary Housing Payments and the Council has earmarked up to £650K in additional funding for the current year. At present around 90% of DHP awards in Liverpool are associated with the under-occupation penalty as around 8,200 citizens remain affected by it. The impact of the Reduced Benefit Cap will create a new high level of demand upon the fund. DWP has not yet published allocations of DHP funding for 2017/2018.

The Government has forecast that nationally up 126,000 households could be affected by the Reduced Benefit Cap; an addition of 90,000 households.

It is estimated that nationally up to 61% of all those affected will be female lone parents. Early indications are that in Liverpool this group could make up as much as 73% of the total number of households affected.

In terms of age, the DWP impact assessment forecasts that 79% of all affected households will be in the age range 25 to 44. In Liverpool this group is estimated to make up 89% of those affected.

The DWP expects certain ethnic minority households to be disproportionately affected because on average these protected groups have larger families.

2.18 Removal of Help with Housing Costs for 18-21 year olds – 2017

The Government has decided that people aged under 21 may not be eligible to receive support with housing costs in Universal Credit from April 2017. It is not yet clear whether a similar provision will be introduced to Housing Benefit.

Certain categories of young people will be exempt from the removal of help with housing costs this incudes those deemed to be 'vulnerable young people', those with dependent children and those 'who may not be able to return home to live with their parents'. Additionally those working and living independently for six months will be exempt. At this point there is no additional information on how vulnerability will be defined by the Government.

Linked to this change the Government intends to introduce a 'Youth Obligation' for 18 to 21 year olds on Universal Credit from April 2017. Young people will be expected to participate in an "intensive regime of support from day 1" of their benefit claim, and after 6 months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement."

The DWP has not yet completed an impact assessment and further detail of the implementation are still to be confirmed including whether transitional protection will be provided for affected individuals.

An indicative purposes assessment shows that around 300 citizens currently in receipt of Housing Benefit might not have been entitled if this change has been applied. However this number may be an underestimate as it does not include people aged under 21 receiving Universal Credit.

2.19 Removal of Family Element

The Government has confirmed that from April 2017, the Family Element in Tax Credits and the equivalent in Universal Credit will no longer be awarded when a first child is born. This will also apply for families making a new claim for Universal Credit. The Government has estimated that the removal of the Family Element could affect up to 640,000 families by 2021.

Households who have been in receipt of Tax Credits or Universal Credit with an interruption of less than 6 months will be protected. Furthermore, disabled children will continue to receive the Disabled Child Element or Severely Disabled Child Element in Tax Credits and the equivalent in Universal Credit.

Households who would have previously had an increase in benefit from a new award of Family Element of Child Tax Credit will not see this happen from 2017/18 onwards. The Government's impact analysis identifies a maximum loss of benefit entitlement is £545 per year per family as a consequence of this change.

2.20 Removal of Allowances for more than Two Children - 2017

The Government intends to restrict allowances for more than two children for new claims for Universal Credit and Child Tax Credit from 2017. It is also expected that this change will apply to Housing Benefit but this has not yet been confirmed. In effect this means that children born to families with two (or more) children that are claiming these benefits will not attract any additional benefit. It also means that families making new claims for these benefits will see the calculation of benefit restricted, so that the maximum allowances for children is capped at two.

The change will apply to new claims received after April 2017 and to any claims which would have qualified due to a new birth in the household. It is proposed that there will be some exemptions including for fostered children, disabled children and cases of multiple births. In addition it is proposed that children born as a result of rape will be exempted.

The DWP impact assessment for these changes recognises that all protected groups in receipt of these benefits will be affected. Specifically the DWP notes that women in receipt of

Universal Credit are more likely to be affected because 90% of lone parents are women and a higher proportion of this group are in receipt of Child Tax Credits.

In addition the DWP states in its impact assessment that families from certain ethnic minority households are more likely to be impacted, where larger families are more prevalent amongst those groups.

It is not possible to identify the numbers of families that are likely to be affected in Liverpool using the data available to the Council.

2.21 Reduction in Employment and Support Allowance for New Claims - 2017

New ESA claimants who are placed in the Work-Related Activity Group will receive the same rate of benefit as those claiming Jobseeker's Allowance from April 2017 following the assessment phase. This could result in a weekly rate of benefit which the Government estimates at £28 per week lower than claims prior to the change. The change is anticipated to affect up to 500,000 claims nationally.

2.22 Local Housing Allowance (LHA) Cap 2019

LHA is the name given to flat rates of local rent levels used to work out Housing Benefit for private tenants. The LHA rate that applies to the claim is based on local rents and the size of property that a claimant is deemed to need under a set formula. LHA rates are currently frozen. The idea of a Local Housing Allowance Cap was announced by the Government in the Comprehensive Spending Review in 2015. The principle of the LHA cap appears to be that no social sector tenant should receive more help with housing costs than a private tenant in an equivalent position.

2.22.1 Supported Accommodation

Those most severely affected by the LHA cap are likely to be tenants in supported accommodation where higher rent levels reflect the costs of care and support. In September 2016 the Government announced that the 'LHA cap' will be deferred for supported housing until 2019/2020. It also clarified that the shared accommodation rate will not be used as a cap figure (this is the rate for a room in shared property for people under 35 – currently only £57.57 per week in Liverpool); instead the one-bed rate would be used – currently £90.90 in Liverpool. It was also stated that authorities will be provided with top up funds to use when the cap comes in.

In broad terms it appears that the Government intends to use the 'LHA cap' whereby Local Housing Allowance rates act as a cap on Housing Benefit / Universal Credit housing allowances in the supported sector from 2019. Local authorities will then be allocated ring-fenced funding to top up these payments based on 'current projections of future need'. The Government maintains that this approach will support an enhanced local commissioning role. The Government is currently consulting on the future funding of supported housing.

The Government recognises that short term temporary accommodation such as refuges, hostels for homeless people and other emergency accommodation may not work with monthly Universal Credit payments in arrears and is looking at alternative funding arrangements as part of the current consultation.

Scoping of the potential effects of this change is difficult in the absence of legislation and final decisions on the funding model. However the Revenues and Benefits Service has undertaken some initial modelling and this shows that for single people in supported and exempt accommodation (SEA) there could be around 2,220 working age and 2,030 pensioners affected. The average loss of Housing Benefit amongst working age would be just under £85 per week and £35 per week for pensioners. This equates to a loss of around £13.5M per annum. There are also around 105 cases where couples are affected; of these 17 are working age with an average loss of £113 per week and 88 couples losing around £33.50 per week. The annual loss for couples is around £245K.

2.22.2 General Needs Accommodation

The Government has confirmed in November 2016 that the LHA cap will be delayed until 2016 for general needs accommodation. In this case it is understood that the cap will only be applied for Housing Benefit claimants where the tenancy commenced from April 2016 or later, however for Universal Credit the tenancy date will not be considered.

One implication of the imposition of the LHA cap is that pension age customers in the social sector, who are currently exempted from the under-occupation penalty, may see Housing Benefit determined on the size of property needed rather than the property they occupy. The potential impact of this change is currently being scoped by the Revenues and Benefits Service.

Section 3: Responding to the Impact of Welfare Reform

The Council's response to welfare reform has been coordinated by the Mayoral Action Group on Fairness and Poverty. This includes representatives from the voluntary sector, advice agencies, food banks, credit unions and key council officers from Revenues and Benefits, Chief Executives and Children's Services.

The Council's Mayoral Action Group on Fairness and Poverty has identified a list of basic needs comprising:

- Food
- Fuel
- Clothing
- Housing
- Income maximisation
- Budgeting support
- Access to affordable finance
- Digital access
- Access to justice.

The basic needs list will be used to help focus and coordinate the actions of the City Council and partners. Effective coordination and cooperation has become ever more vital as cuts to the Council's funding and reductions in funding and resources elsewhere continue to affect capacity.

As the effect of previous reforms continues to accumulate and the pace of further reform in relation to Universal Credit increases, a coordinated and carefully planned response becomes ever more critical. Specifically it will be essential to aim to mitigate the impact of reforms upon vulnerable citizens by:

i. Providing **high quality benefits advice and income maximisation** so that citizens are supported to;

a) Claim their full entitlements including, where possible, exemptions from reforms such as the Benefit Cap or the Under Occupation Penalty.

b) Navigate through claim processes that can be complex and create delay and hardship.

c) Dispute, challenge and appeal DWP decisions in appropriate cases.

d) Secure additional discretionary support such as Discretionary Housing Payments or local welfare provision.

It is also essential that citizens have access to debt advice and support with personal budgeting.

By mapping existing provision and funding it is proposed to determine how a comprehensive, sustainable advice model that can evidence targeted provision and take up of services by those most in need can be delivered.

ii. Ensuring that **digital access and supported digital access** is available to prevent citizens being digitally and economically excluded and increasingly unable to secure services and benefits.

The Council has recently refreshed its digital access directory. The group will track the available facilities at a neighbourhood level to help ensure adequate provision in the light of growing demand, including that resulting from the rollout of Universal Credit.

iii. Providing support in **reprioritising and negotiating debt**.

The Council works closely with Liverpool Citizens Advice and other advice agencies. Independent Citizens Advice debt advisors are now collocated with the Benefits Maximisation and LCSS Teams. This report recommends that further work is undertaken to understand the impact of growing debt consequential from welfare reform.

iv. Supporting **access to financial services including affordable finance**.

Access to financial services and affordable finance is essential to avoiding high cost loans that can exacerbate debt problems and assisting low income households to cope with sudden or large one-off costs. The Council has previously invested £1M in credit unions to help support this. Further actions to assess the availability of support and determine alternative approaches to growing capacity may be needed.

v. Offering **housing advice and options** where suitable housing may not be affordable or available as a result of welfare reforms.

The Council's Housing Options service works closely with the Benefits Service to support those affected by welfare reform. In particular this has extended to joint work to support those affected by the Reduced Benefit Cap. It may necessary to review how, in the light of the continued impact of welfare reform; the services can further integrate this work and undertake additional proactive initiatives to identify those whose tenancies may be at risk as a result of welfare reform and consequential rent arrears.

vi. Supporting citizens in **claiming Universal Credit** and managing the move from benefits being replaced by Universal Credit will be a key challenge over the coming years. As Universal Credit expands to absorb new claims for the so-called 'legacy benefits' which it will replace citizens may need advice and support to claim. This will extend to digital access, managing a single monthly payment in arrears and in some cases financial help during the lengthy wait for a first payment. Helping households in securing 'alternative payment arrangements' that enable the housing elements of Universal Credit to be paid directly to the landlord and help to protect the tenancy will also be key where there are rent arrears or the citizen is struggling to manage rent payment. As people see their claims moved from the 'legacy benefits' to Universal Credit through the DWP's 'planned migration' programme between 2019 and 2022 new risks will arise. Citizens who have been reliant upon benefits as their main or sole source of income for a prolonged period may be less likely to have access to claim on-line or bank accounts and may face additional challenges in managing a monthly payment.

vii. Ensuring that funding for **Discretionary Housing Payments** is planned and that awards are carefully targeted and supported, to protect tenancies and help citizens stay in their homes and communities. In recent years the Council has found it necessary to top up the Discretionary Housing payments fund due to the continued effects of welfare reform, in particular the under-occupation penalty. Pressure on the DHP scheme is likely to increase significantly as a result of the Reduced Benefit Cap. In this context ensuring that the authority is able to best target limited funds is likely to become an increasingly difficult challenge. The Discretionary Housing Payments fund is already subject to careful monitoring and a detailed quarterly analysis. The impact of additional demand and restrictions on available funding are likely to increase the need for review and scrutiny of the scheme and the Council's supporting policy.

viii. Ensuring **local welfare provision** (the Liverpool Citizens Support Scheme) remains available to provide urgent financial assistance to those in crisis and to help low income citizens equip a new home with essentials. The LCSS scheme has proved essential in supporting vulnerable people and those in crisis. It is evident that the lengthy delay in a first payment of Universal Credit is likely to increase demand for the scheme. In addition the continuing and cumulative stress on household budgets caused by previous welfare reforms and new reforms including the Reduced Benefit Cap are likely to increase the number of citizens requiring support from the scheme. The Liverpool Citizens Support Scheme is subject to careful monitoring and a detailed quarterly analysis. This analysis will continue to be critical in ensuring the funds remain available and targeted at those most in need. The scheme seeks to provide sustainable support and signpost additional help with benefits, housing and debt and close integration of these elements will remain essential.

ix. Ensuring action to address **food poverty and fuel poverty** is coordinated across the city. The Mayoral Action Group on Fairness and Tackling Poverty has a food insecurity sub group which is working on a coordinated strategy focusing upon acute food poverty i.e. support to those in an immediate crisis, and also, now, chronic food insecurity i.e. support to those in continual crisis. The Action Group is also working with partners including The Food Foundation to research the levels of food insecurity (both moderate and severe) across the Liverpool.

This interim report will be used to inform and mobilise further planning between the City Council and its partners, such that further details of the planned response can be included within a final report later in 2017.

Appendix 1 – Cumulative Impact Assessment Base Data

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
1.	Local Housing Allowance reductions	April 2011	From April 2011 LHA was set at the 30th percentile rather than the 50th percentile. This reduced LHA rates for all from April 2011 onwards. Maximum LHA set at 4 bedroom rate (transitional protection applied)	These changes taken together have affected up to 16,000 citizens (based on the caseload when the change was implemented) with an annual loss estimated to £6M. Estimated total loss of these combined changes April 2011 to March 2016 is circa £30M.	These changes have reduced the level of Housing Benefit paid to people living in privately rented properties. The change will have also potentially increased household debt as rent arrears increase and shortfalls in rent have to be met. As a consequence of these changes some private sector landlords may have removed properties from the market reducing the number of properties available to citizens receiving benefit.	The Local Housing Allowance changes have affected a large number of households suffering socio-economic deprivation. The restriction to a maximum 4 bedroom LHA rate will have affected larger families. This may impact on particular ethnic groups where larger families are more prevalent.	The Council has in recent years added significant funding to the Government allocation of DHP to help support citizens affected by this change. A formalised DHP policy was adopted and communicated to stakeholders to help ensure a clear and transparent process.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
2.	Local Housing Allowance restriction for under 35s	April 2011	From April 2011 citizens under the age of 35 received the shared room rate instead of the single room rate. This affected around 2,100 citizens.	An estimated 2,100 mainly single men and women with a benefit loss of up to £4.8M annually.	This change has restricted the level of Housing Benefit for single people aged under 35 (with some exemptions).	This change affected working age citizens only but specifically citizens under the age of 35. The extension of the shared accommodation rate to people aged under 35 (previously age 25) included an assumption that younger people do not have the same rights to a self-contained flat or house. .	The authority worked to ensure that citizens affected received advance notice of the change.
3.	Non-dependent deductions increase in Housing Benefit	April 2011	Non-dependent deductions had been frozen since 2001. In April 2011 there was a phased increase over following three years to bring the deductions in line with the rate they would have been at had they not been frozen.	This change affected around 6,000 citizens with reductions in entitlement to HB and Council Tax Benefit / Council Tax Support. Estimated Total Loss annually circa £0.5M.	For those households who have had to pay the increased non dependant deductions there will have been a financial impact.	This change has affected all households across all characteristics but specifically it will have severely impacted on households with young adults who are in work.	

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
4.	Child Benefit	April 2011	Child benefit rates were frozen from April 2011. Earnings thresholds of £50K were introduced in January 2013.	These changes were estimated to save the Government up to £3BN per annum by 2014/2015. It has been estimated that 55,000 Liverpool families may have been affected.	The freezing of child benefit rates will have had a significant financial impact on families.	This change will have impacted on all households with children. As child benefit is normally paid to the mother, this may specifically have affected the ability of women to protect this element of the household budget.	

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
5.	Council Tax Benefit abolished	April 2013	In April 2013 the Government replaced Council Tax Benefit with a scheme that was determined locally but with a cut of 10% in funding. Pension age citizens were protected from this cut.	This change affected 43,000 working age citizens with a total loss of over £3M per annum.	The reduction in Council Tax Support (compared to Council Tax Benefit) will have had a corresponding impact on the financial stability of 43,000 households with a risk of increased household debt	This will have affected all working age citizens, specifically those suffering socio-economic deprivation. Pensioners are not affected.	The authority has provided additional funds to protect low income working age households by not passing on the full central Government funding cut to affected households. Instead of a 17- 20% cut in support this has been contained to 8.5%.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
6.	Social Sector Size Criteria ('Bedroom Tax')	April 2013	In April 2013 the Government introduced the Social Sector Size Criteria which determined the number of bedrooms a citizen required in the social sector and applied a reduction to Housing Benefit/ Universal Credit where this was exceeded. Housing Benefit was reduced by 14% where the citizen had one bedroom more than was required and 25% were the citizen had more than one bedroom than was required.	There were c.11,500 cases affected by this change in 2013. At that time the reduction in Housing Benefit was estimated at circa £8M per annum. The number of affected households has slowly reduced and is now around 8,200.	This change has affected the allocations policies of the social landlords and the impact this has on individuals and small families in particular. The change will have increased household arrears and may have put tenancies at risk.	Because the change only affects working age citizens it will have had an impact on this group. It is clear that the largest numbers of citizens affected are aged 40-59 who may have had a long term tenancy. There have also been specific impacts on separated parents where it may no longer be possible for rooms to be kept for visiting children. Women comprise 65% of claimants affected (as at November 2016). 42.4% of households affected by the penalty are getting DLA/PIP or are in the ESA support group.	The Council has in recent years added funding to the Government allocation of DHP to help support citizens affected by this change. A formalised DHP policy was adopted and communicated to stakeholders to help ensure a clear and transparent process.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
7.	Benefit Cap at £26K	Aug 2013	In August 2013 the Government introduced the Benefit Cap which limited the amount of benefit a working age family could receive in Benefit. Housing Benefit or Universal Credits was reduced by the amount over the cap.	In August 2013 nearly 170 households were affected by the Benefit Cap. By 2015 this figure had reduced to 130 households. The average Housing Benefit loss was £58 per week. The total annual loss is £518K per year.	This change has had a significant financial impact on households with children. This reform may have put some tenancies at risk due to inability to meet the costs.	This change has affected working age households with several children. It is likely to have had a disproportionate effect on certain ethnic minorities where larger families are more prevalent.	The Local Authority has used Discretionary Housing payments and payments from the Liverpool Citizens Support Scheme to assist working age citizens affected by the Benefit Cap. In addition, the Authority's Housing Options Service has provided tenancy advice and enabled moves to alternative accommodation where possible.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
8.	Abolition of the Discretionary Social Fund	April 2013	In April 2013 the Government abolished Crisis Loans and Community Care Grants and transferred responsibility to Local Authorities to deliver Local Welfare Provision. The Government provided funding of £3.5M for Local Welfare Provision in Liverpool for the first two years of the scheme. However, in 2015 the Government stated that the funding for local welfare provision was contained within the authority's overall settlement. The Authority has therefore allocated funding of £3.16M in 2015/2016 and 2016/2017 from its general funds.	The scheme currently makes over 11,000 awards each year. It is not possible to benchmark the funding and approach with the previous DWP approach however it is known that it operates with substantially less funds.	The costs and risks associated with providing emergency help have transferred to the local authority.	Emergency help of this type is often needed for households suffering socio-economic deprivation at a time of crisis. This most commonly affects younger people (pensioner age claims are small). The scheme often supports people moving to a new home as a result of leaving care or fleeing violence. It therefore specifically supports the most vulnerable.	The authority created the Liverpool Citizens Support Scheme. The scheme provides Urgent Needs Awards to citizens on a low income who require immediate assistance with basis subsistence costs including food, fuel and clothing. It also provides Home Needs Awards to citizens who need help equipping a new home with essential furniture and domestic appliances.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
9.	Universal Credit replaces certain Job Seekers Allowance Claims	Sept 2014 to March 2022	UC replaces the main working age means tested benefits by combining them into a single benefit. The benefits to be replaced include Income-Based Job Seekers Allowance, Income-Based Employment Support Allowance, Income Support, Housing Benefits and Tax Credits. Universal Credit is paid as a single monthly payment in arrears. Including housing costs (help with rent). Universal Credit is also normally claimed on-line.	In September 2014 Liverpool started to implement Universal Credit. Implementation started with single Job Seekers before being extended to couples and households with children. Currently there are 10,200 citizens receiving Universal Credit in Liverpool of which 2,800 are claiming CTS. In June – September 2018 Universal Credit will replace new claims for all six benefits it is intended to replace. During 2019 -2022 a phased transfer of existing claims will take place.	Universal Credit was developed to incentivise work. However, recent amendments to UC work allowances have reduced UC entitlement so it is now less generous. The requirement to claim on line and manage a single monthly payment can be difficult for households that suffer from digital and/ or financial exclusion.	This change will have affect all working age households claiming means tested benefits. However the initial roll out has mainly affected single younger people due to a number of excluded categories of claim. The impact on in-work households is further detailed in section 11 below; typically these households receive less benefits than under Working Tax Credits.	The authority has supported provision or personal budgeting support and access to digital working with Liverpool Citizens Advice. The authority has devised a high level Universal Credit Transition Plan which will include further specific advice interventions for citizens. A pilot project to support citizens managing their housing benefit has been set up with a major social landlord to support learning about tenants support needs.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
10.	DLA/PIP	2013 to 2017	In 2013 the Government started to replace Disability Living Allowance with Personal Independent Payments (PIP).	Disability Living Allowance is being replaced by Personal Independence Payments. This process started in 2013 and any new claims for people aged 16+ must now be for PIP rather than DLA. Citizens currently receiving DLA will be transferred to PIP over a period of three years.	The assessment for PIP is more stringent than that for DLA. This has resulted in some citizens losing elements of disability benefit that they were previously entitled to.	This change will have affected disabled citizens of working age. This may in turn indirectly impact upon carers.	The Authority's Benefits Maximisation Team has successful assisted a large number of citizens to claim PIP including assisting with the DWP appeals process where applicable.
11.	UC work allowances restricted and reduced	April 2016	When claiming Universal Credit citizens are allowed to earn a certain amount before it affects Universal Credit entitlement. In April 2016 some citizens will no longer receive a work allowance or it will be reduced.	It is estimated that up to 2,800 citizens in Liverpool could be affected by the changes in work allowance resulting in a loss of between £40 and £200 per month.	This change will have a significant financial impact on working households and will increase the risk of increasing financial hardship.	This change will have affected all working age households but specifically those who are working.	

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
12.	UC Earnings Taper		Universal Credit has an Earnings Taper of 65%. In the Chancellor's 2016 Autumn Statement the Government announced that the Universal Credit Earnings Taper would be reduced to 63% from April 2017.		This means that from April 2017 for every pound a person earns over the Work Allowance they will be allowed to keep 37 pence.	The change specifically affects people who are working and in receipt of Universal Credit	
13.	Reduced Benefit Cap	Nov 2016	Reduction in 'Benefit Cap' outside London from £26K to £20K. The Reduced Cap affects households already affected by the cap and new claims from November 2016. For households newly affected reductions take place from January 2017.	An estimated 810 households will be affected by the reduction in the Benefit Cap. The estimated annual loss is £1.9M per year for this change.	This change will have had a significant financial impact on households affected and may put at risk their home if they are unable to meet rent payments.	The change specifically affects people with several children. It is likely to have a disproportionate effect on certain ethnic minorities where larger families are more prevalent.	A detailed advice and outreach model has been developed to offer benefits and housing advice. This is being done in conjunction with social landlords who will deliver advice to their tenants. Comprehensive evaluation and monitoring is in place.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
14.	Additional 7 'waiting days' for Universal Credit		Citizens who apply for Universal Credit will have 7 'waiting days' applied to start of claim. Some exceptions apply.	In August 2015 the Government introduced a 7 day waiting period for citizens claiming UC. This resulted in no Universal Credit being paid for the first 7 days of a UC claim.	This will have a financial impact on applicants to Universal Credit who may suffer financial hardship as a consequence.	This change will affect all working age citizens regardless of characteristic.	The Local Authority has supported citizens to apply to the Liverpool Citizens Support Scheme where they are facing hardship resultant from this change.
15.	Freezing of main benefit rates for 4 years.	April 2016	This has been implemented from April 2016 and will affect Income Support, Child Benefit, Job Seekers Allowance, Tax Credits, Housing Benefit and the main components of Employment Support Allowance. Elements related to disability	In 2015 Government stated its intention to freeze Benefit rates for working age citizens for 4 years. This change will affect all working age benefit and tax credit claimants in the city, including around 48,500	Whilst the rate of inflation remains low this change still represents a real terms cut in the rate of benefits and will have a financial impact on all households in receipt of benefit.	Low income working age citizens are affected.	The authority has rejected the adoption of this change within its own Council Tax Support Scheme.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
			and carers are not frozen.	households currently claiming HB/CTS. It is likely to represent a significant real terms cut. The government estimates that the saving will equate to £4BN per annum by 2020/2021.			
16.	Removal of Family Premium for Housing Benefit	May 2016	Applies to claims which would have qualified after April 2016 due to birth of a child and new claims. Family premium currently £17.45 per week	The removal of the family premium for people receiving Housing Benefit took effect from May 2016. There were circa 7,700 households receiving the Family Premium.	The removal of family premium will have an impact on families living in rented accommodation. This will have a financial impact on families.	This change will affect all households where there is responsibility for a child/ children.	The authority has rejected the adoption of this change within its own Council Tax Support Scheme. The Council CTS scheme therefore retains rules which allow a higher level of benefit, typically to in-work families..
17.	Reduction in social sector rents	2016 to 2021	Cash reduction of 1% per annum for 4 years. This will apply to Registered Social Landlords from April 2016	This will affect up to 50,000 social sector properties in Liverpool. This will significantly impact on Social Landlord	This will have affected the business plans of social landlord and may reduce the ability for these organisations to invest	The primary effect is upon social landlords.	

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
				business plans and affect their ability to invest.	in new schemes.		
18	Restrictions to backdating of Housing Benefit	April 16	From April 2016 the maximum period for backdating a Housing Benefit claim for a working age customers was reduced from six months to one month.	There are no details available of the number of households that could be affected.	The reduction in scope for backdating may affect people who have struggled to make a claim earlier.	This will include effects upon people who may have struggled to make an earlier claim, for various reasons which may include ill-health and disability.	The authority has rejected the adoption of this change within its own Council Tax Support Scheme.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
19.	Expanded DHP fund	2016 to 2021	The Government's Summer Budget of 2015 confirmed DHP funding of £800M for 2016-2021 with a peak of £185M in 2017/2018.	Although there have been increases in DHP funding for LA's this will not meet the financial demand resulting from the may welfare reforms. In 2015/2016 the Council made 8,700 awards worth £2.044M to people affected by welfare reform and hardship; government funding was just over £1.75M.	The extent of losses of Housing Benefit to households affected by Government welfare reform significantly exceeds the support made available. The authority has added additional funding from its own budget but support still cannot be provided to most households affected.	The major drivers for DHP are the under-occupation penalty, the Reduced Benefit Cap and reduction in Local Housing Allowance. The under-occupation penalty has a pronounced impact on women (65% of claimants) and disabled people (42.4% of households affected by the penalty are getting DLA/PIP or are in the ESA support group). The Benefit Cap mainly affects families with three or four children. 80% of claimants are one-parent families, of which over 90% are women.	The Council has in recent years added funding to the Government allocation of DHP to help support citizens affected by this change. The ability of the authority to continue to do so is dependent upon the future financial position.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
20.	Removal of Housing element of UC from 18-21 year olds	2017	Peopled aged under 21 may be excluded from help with housing costs in Universal Credit. It is not clear if there will be an impact on Housing Benefit. People with children, vulnerable groups and those living independently and in work for 6 months will be exempt. Benefit will be dependent on a 'Youth Obligation'.	This change will take effect in 2017 although it is not clear whether this will affect HB, UC or both. There are an estimated 300 citizens in receipt of HB who may have their HB completely withdrawn if this change were to be applied immediately. There are no details of whether transitional protection will apply.	This change will have a significant impact on a citizen's ability to live independently.	This change will impact on younger citizens more specifically applicants between 18 and 21.	The authority is developing a specific advice model for younger people to protect vulnerable citizens from the effects of this change.
21.	Removal of allowance for more than two children		For additional children born and for new claims after April 2017: Child Tax Credit and Universal Credit there will be no allowance for third and subsequent children. It is also	Government proposed in the Summer Budget 2015 that support for children through Tax Credits and Universal Credit will be limited to two children from	The removal of allowances for more than two children across a range of benefits will have a substantial financial impact on families.	This change will impact on families and specifically those with more than two children. This may impact on particular ethnic groups where larger families are more prevalent.	The authority has rejected the adoption of this change within its own Council Tax Support Scheme.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
			expected that this change will apply to Housing Benefit but this has not yet been confirmed .Some exceptions for multiple births and other exceptional circumstances. Some allowances for disabled children will remain.	April 2017. Equivalent changes may be made to the Housing Benefit rules however this has not been confirmed. The Government has estimated that this change could affect up to 640,000 families by 2021saving the Government £1.2BN.			
22.	Removal of Family Element from Tax Credits and Universal Credit		Applies to claims which would have qualified after April 2017 due to birth of a child and new claims.	People starting a family after April 2017 will no longer be eligible for the Family Element in Tax Credits. The equivalent in Universal Credit, known as the first child premium, will also not be available for new claims after April 2017. The	The removal of the family element for Tax Credits and Universal Credit will have a financial impact on people with children.	This change will impact on citizens with children.	

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
				Government has estimated that this change could affect up to 1.2M families by 2021 saving the Government £675M.			
23.	Employment Support Allowance Reduction to JSA rate		Will be implemented from April 2017 Reduced rate for new claimants in the work-related activity group.	New ESA claimants who are placed in the Work-Related Activity Group will receive the same rate of benefit as those claiming Jobseeker's Allowance. This could result in a loss of around £28 per week.	This change will reduce the level of benefit to people who are sick and/or disabled.	This change will affect working age citizens who are long-term sick or disabled.	

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
24	Local Housing Allowance Cap 2019		The Local Housing Allowance Cap proposes to limit help for social sector tenants to the level of a private tenant in an equivalent position. Those most severely affected by the LHA cap are likely to be tenants in supported accommodation where higher rent levels reflect the costs of care and support increase rent levels. The Government is currently consulting on the future funding of supported housing.	Scoping of the potential effects of this change is difficult in the absence of legislation and final decisions on the funding model. However the Revenues and Benefits Service has undertaken some initial modelling and this shows that for single people in supported and exempt accommodation there would be around 2,220 working age and 2,030 pensioners affected. The average loss of Housing Benefit amongst working age would be just under £85 per week and £35 per week for	The Government has recently stated that additional funds will be allocated to local authorities to address the shortfall. Potential risks to vulnerable people receiving care and support may arise if the funds are inadequate to meet the needs.	People in supported accommodation are likely to have specific needs related to mental and physical health.	The authority will need to understand the future model for supporting the costs of this type of accommodation and adopt is approach accordingly. The authority is currently formulating its response to the Government's consultation in relation to the funding model for supported housing.

No	Name	When	Description	Numbers affected and financial loss where applicable	Consequential Impacts	Protected Groups	Specific actions taken by Local Authority / Partners
				pensioners. This equates to a loss of around £13.5M per annum in Liverpool. There are also around 105 cases where couples are affected; of these 17 are working age with an average loss of £113 per week and 88 couples losing around £33.50 per week. The annual loss for couples is around £245K. The impact on general needs housing is more difficult to quantify as it will only apply to HB claims with tenancies from 2016 onwards.			

Appendix 2:

Case Studies on Changes to Working Age Benefits

Since 2010 the Government has either implemented or plans to implement over 20 major changes to working age benefits. The changes affect around 55,000 households in Liverpool. Many households are affected by more than one change and this is particularly likely to be that case for long term sick or disabled people, people with children, women, younger people and people aged 40 – 59 in social housing.

The case studies below show the cumulative impact of some of the changes on the groups mentioned above.

Case Study 1 – Long term sick or disabled

Mrs A is 63 years old and lives in a three bedroom social sector rented property. She is disabled and needs 24 hour care. As she lives alone and is under the current state pension age she is impacted by the 'under-occupation penalty'. This means that she is classed as having two spare bedrooms over her needs. However as she is disabled she needs regular overnight care and is allowed a room for the carer. Based on one spare bedroom her Housing Benefit was reduced by 14 per cent leaving her with a shortfall in her rent of £12.18 per week.

She is also affected by changes to the Council Tax Support Scheme as she is working age; she needs to pay £1.37 per week, 8.5 per cent of her Council Tax.

In addition Mrs A has also been affected by the new tests of entitlement for Personal Independence Payment and has had her Disability Living Allowance (Care High) of £82.30 per week reduced to £55.10 Personal Independence Payment (Daily Living Standard rate), a reduction of £27.20 per week.

Overall she has suffered a reduction in her benefits of £40.75 per week, around £2,119 annually. The Council has provided support by awarding Mrs A with a Discretionary Housing Payment of £12.18 per week to cover her rent shortfall created by the under-occupation penalty.

Case Study 2 – Long term sick or disabled

Mr Y is single man who lives in a three bedroom social sector rented property. He was a non-dependant on his father's claim until he passed away and then inherited the tenancy.

He is cared for by his sister who receives Carers Allowance.

Due to the property being under occupied by two bedrooms, he is affected by the under-occupation penalty. From April 2013 Mr Y's Housing Benefit was reduced by £20.22 per week. In April 2015 he was awarded an extra room for an overnight carer which reduced the amount he needed to pay, but he is still liable to pay £11.58 shortfall in his rent per week which Mr Y reports is an ongoing struggle.

Prior to April 2013 Mr Y was receiving full help with his Council Tax, but after April 2013 he has been responsible for paying £1.82 per week towards his Council Tax.

Mr Y was receiving Disability Living Allowance but was transitioned over to Personal Independence Payment. He was receiving High Rate care and mobility, but since renewing his claim the award has been reduced resulting in him being worse off by £35.65 per week.

Overall Mr Y has had a reduction in his benefits of £49.05 due to changes in benefits, a reduction of nearly £2,600 annually.

Case Study 3 – Families with children

Mr and Mrs K have two children a son aged 5 and a one year old daughter. They live in a three bedroom social sector rented property and their rent is £90.14. Mr K works and the family receives Child Tax Credits, Working Tax Credits and Child Benefit.

The family is affected by the under-occupation penalty as the children are both under 10 years old and they are only allowed one bedroom for the children to share. Only when the son turns 10 or the family has another child will they fall outside the under-occupation penalty.

Based on one spare bedroom, Housing Benefit was reduced by 14 per cent leaving them with a shortfall in their rent of £12.62 per week.

The family are also affected by changes to the Council Tax Support Scheme, as they are working age they need to pay at least 8.5 per cent of their Council Tax bill, equivalent to £1.82 per week.

The family's benefit entitlement has reduced by around £751 annually as a result of welfare reform. In addition the Child Benefit and Child Tax Credit they receive will be frozen for the next four years.

Case Study 4 – Families with children

Miss S lives with her partner and their four children in a three bedroom private rented property. Their rent for the property is £120.82 per week.

They currently receive £220.02 Child Tax Credit, £143.90 Employment and Support Allowance and £61.80 Child Benefit.

At the start of this year the family received Housing Benefit of £119.67 per week leaving them with a shortfall in their rent of £1.15 per week.

From the 8 August due to the family's benefits exceeding £500 the Benefit Cap was applied. The Housing Benefit was reduced to £74.28 per week leaving them with a shortfall in their rent of £45.39 per week.

On the 7 November the reduced Benefit Cap of £384.62 came into effect and the families Housing Benefit was reduced to 50 pence leaving them with a shortfall in their rent of £120.32 per week.

The family are also affected by changes to the Council Tax Support Scheme and need to pay at least 8.5 per cent of their Council Tax bill, equivalent to £1.82 per week.

In addition their Child Benefit, Employment and Support Allowance and Child Tax Credit have all been frozen for the next four years.

In just seven months the families benefits have reduced by £120.32 per week, around £2,500 till the end of March 2017. In real terms however the family' s loss is higher as the cost of living has continued to increase for essential items such as food and fuel whilst their benefits have remained static.

Case Study 5 – Younger people

Mr P is 29 years old and single and lives in a two bedroom social sector rented property. He was previously working 16 hours per week and earning £115.20. However since May 2016 due to ill health he received Employment and Support Allowance of £73.10 per week during the assessment phase which subsequently increased to £102.15 when he was assessed as being in the 'Work Related Activity Group'.

As he lives alone in a two bedroom property he is affected by the under-occupation penalty and the amount of Housing Benefit he receives has been reduced by 14 per cent leaving him with a shortfall in his rent of £11.11 per week.

He also has to pay £1.37 per week towards his Council Tax due to changes in the Council Tax Support scheme that require working age people to contribute at least 8.5 per cent towards their Council Tax.

His Employment and Support Allowance benefit has also been frozen for the next four years therefore reducing in real terms.

Overall Mr P is £12.48 per week worse off due to changes in benefits, around £650 annually.

Case Study 6– Working age social sector tenants

Mr O is a 42 year old, disabled single male who lives alone in a three bedroom social sector property. His rent charge is £90.77.

He receives Employment and Support Allowance of £186.90 per week, Disability Living Allowance (Care Component at the middle rate) of £55.10 and mobility at the high rate of £57.45. The property has been adapted to meet his needs.

He is affected by the ‘under-occupation penalty’ as he lives alone and is working age. However due to being disabled he needs regular overnight care and is allowed a room for the carer. Based on one spare bedroom his Housing Benefit was reduced by 14 per cent leaving him with a shortfall in his rent of £12.71 per week.

He is also affected by changes to the Council Tax Support Scheme and needs to pay £1.37 per week towards his Council Tax bill.

Overall Mr O is £14.08 per week worse off due to changes in benefits; this is around £730.00 annually.

Since the introduction of the under-occupation penalty Mr O has suffered financial hardship in the form of rent arrears and other debts. Since October 2013 Mr O has been awarded five Discretionary Housing Payments of around £1,900, all awards have been to cover the shortfall caused by the under-occupation penalty.

Case Study 7 – Working age social sector tenants

Mrs M is 59 years old and lives alone in a two bedroom social sector property. The rent on the property is £102.09 per week.

She has mental health issues and is in receipt of Employment and Support Allowance of £73.10 per week. She has recently made an application for a Personal Independence Payment and is waiting to hear the outcome.

As she lives alone she is affected by the under-occupation penalty and her Housing Benefit has been reduced to £87.80 leaving her with a shortfall in her rent of £14.29 per week.

She also needs to pay £1.37 per week towards her Council Tax.

Mrs M is £15.66 per week worse off due to changes in benefits; this is around £800.00 annually

She has been receiving a Discretionary Housing Payment since November 2015 of £14.29 per week to cover the shortfall in her rent caused by the under-occupation penalty. The amount of Discretionary Housing Payments she will receive till the end of March 2017 will be around £1,100.

Case Study 8 – Women

Mrs D is single and lives alone in a three bedroom social sector property. The property has been her family home for over 27 years. Over this time her son has grown up and left home and her and her husband have divorced.

As she lives alone she is affected by the under-occupation penalty. Based on two spare bedrooms her Housing Benefit has been reduced by 25 per cent leaving a shortfall in her rent of £23.62 per week.

Her only income is £73.10 Job Seekers Allowance. In addition she needs to pay £1.37 per week towards her Council Tax due to changes in Council Tax Support. This leaves Mrs D with £48.11 per week to cover all her essential items such as food and fuel.

Over the last few years she has struggled to buy food and has had to rely on foodbanks and borrowing off family and friends. She is also now suffering from depression.

Since the under-occupation penalty came into effect she has applied each year to the Council for help in the form of a Discretionary Housing Payment and has been awarded nearly £2,100. Her latest award finished in November 2016, no subsequent applications have been made.

She has tried to find somewhere to live but has not yet been unsuccessful.

Overall Mrs D is approximately £25.00 per week worse off due to changes in benefits; this is around £1300.00 annually

In addition to being affected by the under-occupation penalty and changes to Council Tax Support she is also now impacted by the freeze to her benefits making it harder for her to cover her essential items such as food and fuel.

Case Study 9 – Women

Miss G is a single parent with one child. She lives in a two bedroom social sector rented property with a weekly rent of £98.77. She works 16 hours a week and is paid £128.95 she also receives Child Benefit of £20.70, Child Tax Credit of £62.57 and Working Tax Credit of £65.77.

Miss G receives Housing Benefit of £61.24 leaving her with a shortfall in her rent of £37.53 per week. After Council Tax Support she needs to pay £10.57 Council Tax per week.

The amount she receives for Child Benefit and tax credits has been frozen for the next four years over this period she will feel a fall in her income in real terms as the cost of living continues to increase for essential items.

Case Study 10 – Benefit Cap

Ms T is a single parent of four children. She lives in a three bedroom social sector rented property with a weekly rent of £90.14.

She receives £73.10 Income Support, Child Tax Credit of £210.82 and Child Benefit of £61.80 and Housing Benefit of £90.14, a total of £435.86 per week.

Due to the level of benefits she receives she will be affected by the reduced Benefit Cap from January 2017. From January the amount of Housing Benefit she receives will be reduced to £38.90 leaving a shortfall in her rent of £51.24 per week.

The family is already struggling with loan repayments and has applied to the Council for a Discretionary Housing Payment to help cover the cost of shortfall in her rent.

In addition she has to pay £1.37 per week towards Council Tax and is beginning to feel the impact of the benefit freeze as the costs of essential items such as food for her children is increasing. Overall Ms T is £52.61 per week worse off due to changes in benefits; this is £2735.72 annually.

Case Study 11 – Reduced Benefit Cap (common scenario)

Ms. R lives with her partner and three children. In September 2017 the family moved into a three bedroom social sector rented property with a weekly rent of £92.94.

Prior to the implementation of the reduced Benefit Cap the household received £114.85 Jobseekers Allowance, Child Tax Credit of £170.40 and Child Benefit of £48.10 and Housing Benefit of £92.94, a total of £426.29 per week.

In January 2017 the household's benefits were capped at £384.62. As a result of the cap the amount of Housing Benefit was reduced to £51.27 leaving a shortfall in the rent of £41.67 per week. Annually the household will be around £2,166 worse off due to the reduced Benefit Cap. Ms R has not currently applied for a Discretionary Housing Payment but will be encouraged to do so by the Council.

Case Study 12 - Universal Credit Delays

Many people struggle with the built in delay in Universal Credit which requires claimants to wait up to 42 days before receiving a benefit payment. This delay has the potential to cause hardship and difficulties with buying essentials such as food and fuel or paying rent.

An example of this is Ms M a 28 years old lone parent with one child living in a two bedroom privately rented property. Her rental liability is £98.08.

Prior to 8 May 2016 she was receiving £73.10 Income Support, £20.70 Child Benefit, £62.68 Child Tax Credit and £98.08 Housing Benefit per week.

On the 8 May 2016 her Income Support stopped as her child turned five as the Department for Work and Pensions (DWP) expected her to become a jobseeker from this date. Ms M was advised to make a claim online for Universal Credit.

In addition to her Income Support stopping her Housing Benefit also stopped whilst her income was confirmed leaving her with only her Child Benefit of £20.70 and Child Tax Credit of £62.68 per week.

Due to the delay in her Universal Credit award Ms M was struggling to make ends meet and pay for essential items such as food, fuel and rent. She made an application for an Urgent Needs Award under the Liverpool Citizens Support Scheme on 20 May 2016 and was awarded £194.00.

Since her Housing Benefit stopped she had been unable to pay her rent and had arrears in excess of £850.00 and had been served with an eviction notice. The Liverpool Citizens Support Scheme team made a referral on her behalf to the Councils Housing Options Team. A further application to Property pool was completed.

Due to the financial difficulties experienced by Ms M a further Urgent Needs Award of £92.00 was paid on in June 2016.

Ms M's first payment for Universal Credit was paid on 26 June, 49 days after her Income Support stopped. This delay in payment caused significant hardship and distress for Ms M and the potential risk of homelessness.

Case Study 13 - Universal Credit Delays

Ms T a 28 year old single woman who has worked continuously for eight years. In January 2016 she started to rent a property in Liverpool for £499 per month.

In April 2016 through no fault of her own she was made unemployed. She received her final salary mid - April and when she could not find employment she made a claim for Universal Credit on the 3 May 2016. She was informed by the Department for Work and Pensions (DWP) that the she would receive her first payment of Universal Credit on the 16 June 2016.

This meant that she had to manage on her final salary for 43 days.

By the 16 May all of her salary has been used to pay her rent and other bills and she no longer had any food or credit left on her gas and electric meters. Struggling she contacted the DWP looking for financial help as she was worried how she would manage for a month with no money to pay for essentials such as food, gas and electric. The DWP offered no advance payment on her Universal Credit and advised her to contact her local authority for assistance.

Acting on this advice she made an application that day to the Liverpool Citizens Support Scheme and was awarded an Urgent Needs Award of £102 to help buy some food and top up her gas and electric meters.

Case Study 14 – Universal Credit Changes to Work Allowances

The Universal Credit work allowance is the amount an individual or family can earn before their maximum Universal Credit award starts to be reduced. The level varies according to household circumstances, and whether the maximum Universal Credit award includes an amount to cover housing costs. Earnings below the work allowance are ignored. Earnings over the work allowance are tapered away by 65p for every £1 over which the household's net earnings exceed their work allowance.

As the Benefits Service is not responsible for the administration of Universal Credit the case study below is illustrative.

Ms M is a single parent of three children. She is an owner occupier and due to her circumstances receives the higher rate work allowance.

Prior to April 2016 Ms M received a salary of £1,000, Child Benefit of £48.10 and Universal Credit of £885.34 a total of £1,933.44 per month. The work allowance allowed when calculating her Universal Credit was £734.00.

From May 2016 Ms M's salary and Child Benefit remained at £1,000 and £48.10 respectively, the amount of her Universal Credit award however was reduced to £666.29, a total of £1,714.39 per month. The change to her Universal Credit award has resulted in a reduction in income of £219.05 per month, just over £2,628 annually.

The reduction in Universal Credit award was due to the changes to work allowances introduced in April 2016. The changes caused the level of work allowance allowed when calculating Ms M's Universal Credit to be reduced from £734.00 to £397.00 per month.

Due to the changes to work allowance Ms M would have been better off remaining on tax credits. Based on her circumstances she would have been entitled to £190.28 Working Tax Credit and £682.08 Child Tax Credit per month, a total of £872.36 compared to her Universal Credit award of £666.29. On tax credits she would have received an additional income of £206.07 per month, around £2,473 annually.

Appendix 3: Summary of Impact on Specific Groups including Protected Characteristics and Equality Impact Summary

The first matrix table below provides a **broad indication** of where date held indicates that the group appears to be particularly affected by a specific reform; for example, whilst all working age claimants were affected by the abolition of Council Tax Benefit there was a more pronounced effect upon women and disabled people who are more likely to rely on the scheme.

The second table provides narrative content using the Council's Equality Impact Analysis format to summarise the analysis.

The analysis is **limited by the data** held by the Revenues and Benefits Service and the limitations of that data. The Service does not hold data in relation sexual orientation, religion/belief, gender re-assignment, civil partnership or pregnancy/ maternity and therefore these areas are not addressed. The Service holds very limited data on disability and has used receipt of relevant benefits to address this.

People in receipt of benefits, especially those with a long-term reliance upon those benefits, are more likely to be suffering from **socio-economic deprivation**; therefore when reviewing the content below it is important to consider that almost all reforms have the potential to affect socio-economic deprivation.

	Characteristic					
Welfare Reform	**Disabled / Long Term Sick**	**Families with Children**	**Younger People**	**Women**	**Working Age Social Sector Tenants**	**Race[3]**
Local Housing Allowance reductions		X				X
Local Housing Allowance restriction for under 35s	X		X			
Non-dependent deductions increase in Housing Benefit		X	X			
Child Benefit frozen		X		X		
Council Tax Benefit abolished	X			X		

[3] Particular impacts noted are from the Government's analysis.

	Characteristic					
Welfare Reform	**Disabled / Long Term Sick**	**Families with Children**	**Younger People**	**Women**	**Working Age Social Sector Tenants**	**Race[3]**
Social Sector Size Criteria ('Bedroom Tax')	X			X	X	
Benefit Cap at £26K		X		X		X
Abolition of the Discretionary Social Fund			X			
Universal Credit replaces certain Job Seekers Allowance Claims			X			
DLA/PIP	X				X	
UC work allowances restricted and reduced			X			

	Characteristic					
Welfare Reform	**Disabled / Long Term Sick**	**Families with Children**	**Younger People**	**Women**	**Working Age Social Sector Tenants**	**Race[3]**
Reduced Benefit Cap		X		X		X
Additional 7 'waiting days' for Universal Credit			X			
Freezing of main benefit rates for 4 years	X			X		
Removal of Family Premium for Housing Benefit		X		X		
Restrictions to backdating of Housing Benefit	N/K	N/K	N/K	N/K	N/K	N/K
Expanded DHP fund	X		X			

	Characteristic					
Welfare Reform	**Disabled / Long Term Sick**	**Families with Children**	**Younger People**	**Women**	**Working Age Social Sector Tenants**	**Race[3]**
Removal of Housing element of UC from 18-21 year olds			X			
Removal of allowance for more than two children		X		X		X
Removal of Family Element from Tax Credits and Universal Credit		X		X		
Employment Support Allowance Reduction to JSA rate	X					
Local Housing Allowance Cap 2019	N/K	N/K	N/K	N/K	N/K	N/K

The table provides details of the impact of welfare reform on the specific equality characteristics identified in the Council's Equality Impact Assessment template.

Characteristic	Welfare Reform Impact Explanation
Age	Younger people are most likely to be required to claim Universal Credit under the current roll out. They are also most likely to rely on crisis support from the Liverpool Citizens Support Scheme (the Council's local welfare provision scheme); for example, in 2015/2016 34.8% of applications to this scheme were from customers aged between 16 – 29 years. Reductions in Housing Benefit for single private tenants also resulted in a cut (in current terms) of approximately £34 per week for people aged 25-35. Younger people, aged less than 21, may also be affected be the Government's proposal to remove Universal Credit help with Housing Costs from 2017 unless they are in an exempt category (these remain to be confirmed in detail but will include people with children and 'vulnerable' young people).
Disability	Customers who are long term sick or disabled may be subject to multiple reductions in benefits. Examples include that 45% of all customers affected by reductions in Council Tax Support receive Employment Support Allowance (ESA) and around 42% of all households affected by the 'under-occupation penalty' are in receipt of

Characteristic	Welfare Reform Impact Explanation
	Disability Living Allowance (DLA) or Personal Independent Payments or are in the ESA Support Group. At the same time the introduction of Personal Independence Payments has introduced new tests of entitlement affecting up to 45,000 households in the city. Planned reductions in the rates of Employment Support Allowance for new claims from 2017 will also affect people who are sick or disabled.
Gender Reassignment (Transgender)	No data on transgender citizens is currently available. It is therefore not possible to identify the impact of welfare reform on transgender citizens.
Sex (Gender)	Women comprise 60% of working age Council Tax Support claimants and as such are disproportionately affected by the reduction in help with Council Tax and 65% of claimants affected by the under-occupation penalty are women. Of households affected by the Reduced Benefit Cap from November 2016/ January 2017, 80% are one parent households amongst which over 90% are women. Women are also the main group affected by the freeze on Child Benefit and are widely affected by the removal of the family premium. Restrictions on child allowances to two children in means tested benefits including Universal Credit, Tax Credits and Housing Benefit are more likely to affect women because the bulk of lone parents are women and a higher proportion of this group are in receipt of Child Tax Credits.

Characteristic	Welfare Reform Impact Explanation
Race	The Department for Work and Pension's Impact Assessment on the introduction of the Benefit Cap highlights that it is likely to disproportionately affect households from some particular ethnic groups where larger families are more prevalent. DWP analysis suggests that these households are also more likely to have been disproportionately affected by the capping of local housing allowance to a maximum four bedroom rate. DWP analysis also suggests a potential further effect consequential from the restriction in allowances for more than two children in the main means tested benefits from April 2017.
Religion/Belief	No data on religion / belief is currently available. It is therefore not possible to identify the impact of welfare reform on religion / belief.
Sexual Orientation	No data on sexual orientation is currently available. It is therefore not possible to identify the impact of welfare reform on sexual orientation.
Pregnancy and Maternity	No data on pregnancy and maternity is currently available. However, it is clear that the welfare reform changes have disproportionality impacted women as detailed above.

Characteristic	Welfare Reform Impact Explanation
Marriage and Civil Partnership	No data on marriage or civil partnerships is currently available. It is therefore not possible to identify the impact of welfare reform on marriage or civil partnerships.
Social and Economic Status	Large numbers of working age households are affected by a combination of increased costs (in relation to, for example, Housing Benefit shortfalls and Council Tax) and reduced or frozen benefit levels. The combined effect of reforms in potentially perpetuating and exacerbating socio-economic deprivation is difficult to quantify however the impact of multiple reforms affecting these households is great given the City's high level of socio –economic deprivation in many electoral wards.