



**ASHLEY, EASTON AND LAWRENCE HILL
NEIGHBOURHOOD PARTNERSHIP**

3 October 2016

Title: Universal Credit and Benefit Cap update

Report of: Shirley Moyes

Recommendation:

Neighbourhood Partnership to be aware of the reforms to the benefit system and the possible impact on citizens and local communities.

Lawrence Hill ward will have the highest number of citizens who are affected by the benefit cap.

1. Universal Credit and Benefit Cap

Universal Credit (UC) is designed to support out of work citizens or those on a low income and replaces six working age benefits (Job Seekers Allowance, Housing Benefit (HB), Working Tax Credit, Child Tax Credit, Employment and Support Allowance and Income Support).

Universal Credit is a single monthly payment made directly to the citizen and this includes money to cover housing costs.

Currently in Bristol, UC can only be claimed by single citizens with no children or health issues that affect their ability to work. There is unlikely to be further UC roll out until July 2017.

Key Challenges that Universal Credit will bring for citizens

1. Citizens can wait for up to 6 weeks before receiving their initial UC payment.
2. Money is paid monthly in arrears.

3. Citizens will receive housing benefit directly and be responsible for making rent payments, potentially for the first time.
4. UC is digital by design and requires citizens to have access to the internet and computer equipment.
5. One payment is made per household, if a joint claim is made, only one citizen will receive the money.

The council is working with various partners to ensure we do all we can to support citizens who are affected by the changes.

We cannot accurately predict who will claim Universal Credit at the moment as it can only be claimed by those making a new claim for working age benefit. UC will be further rolled out in Bristol during 2018 to all new claims.

There will be a further benefit cap applied to households from November 2016. This will again limit the amount of money citizens can receive who are claiming most working age benefits (full details can be found [here - Benefit cap](#)) The cap will affect just over 900 households in Bristol with 76% of those affected being lone parent households.

Bristol City Council has received information from Department of Work and Pensions regarding household who will be affected by the Benefit Cap from November 2016. The cap will be applied to all affected household by January 2017.

Ashley, Easton and Lawrence Hill will have the highest number of households affected, with a total of 226 over the 3 wards.

All benefits have been frozen for 4 years from April 2016 and there will be further reforms to child tax credit from April 2017, payments will be limited to 2 children for new claims and new births from April 2017.

See appendix A for further analysis of the benefit cap data that we have received.



Reduction in the Overall Benefit Cap – Initial analysis of scan provided by the Department for Work and Pensions (May 2016)

- 919 households potentially impacted by reduction in the cap
- Total loss in Housing Benefit of £2.5million per annum
- £2,700 average loss in Housing Benefit per household per annum
- 198 households will lose all HB (except for 50p per week)
- 76% are lone parent households
- 3,223 children living in affected households
- 145 households affected are subject to the current cap

Breakdown by tenure:-

Tenancy type	Households affected
Council	379
Housing Association	229
Temporary Accommodation (paid as if a council tenancy)	59
Private tenancies	252

Breakdown by household income:-

Income type	Households affected
Employment and Support Allowance	112
Income Support	506
Jobseeker's Allowance	126
Standard (BCC means tested, includes contributions based DWP benefits and workers)	86
Unknown (includes recently ended or suspended Housing Benefit awards)	88

Breakdown by number of dependent children:-

Number of dependent children in household	Households affected
1	20
2	71
3	412
4	251
5	105
6	27
7	11
8	6
9	1

Breakdown by affected wards (top 5)

Ward	Households affected
Lawrence Hill	129
Filwood	80
Ashley	54
Hartcliffe	53
Hillfields	44