

**Significant changes announced as part of the Summer Budget, Welfare Reform and Work Bill , Autumn Statement and Housing and Planning Bill**

The change	Description/detail of change	Commencement date	Who will be impacted - Estimated numbers impacted	Financial impacts and potential mitigating actions that may be considered
<p><b>Freeze on certain benefits</b></p> <p><b>(Summer budget, Welfare Reform and Work Bill)</b></p>	<p>Certain social security benefits, including Child Benefit, certain elements of Working Tax Credit and Child Tax Credit will be frozen for four tax years. The social security benefits and tax credits impacted are:</p> <p>a. main rates of Income Support (IS), Jobseeker's Allowance (JSA) , Employment and Support Allowance (ESA), Housing Benefit (HB) and Universal Credit (UC);</p> <p>b. the Work-Related Activity Group component of Employment and Support Allowance (WRAG), the work-related activity component of Housing Benefit and the Limited Capability for Work Element of Universal credit;</p> <p>c. individual element of Child Tax Credit (CTC) payable to a child or qualifying young person who is not disabled or severely disabled;</p> <p>d. the basic, 30 hour, second adult and lone parent elements of working tax credit (WTC) ; and</p> <p>e. child benefit, both rates for the eldest child and for any other child.</p> <p><b>Benefits and payments not part of the freeze:</b></p> <p>a. pensioner benefits;</p> <p>b. disability benefits such as Attendance Allowance(AA), Carer's Allowance, Disability Living Allowance (DLA) and Personal Independence Payments(PIP);</p> <p>c. statutory payments such as Statutory Maternity Pay and Ordinary and Additional Statutory Paternity Pay;</p> <p>d. the individual element payable in Child Tax Credit for a child or qualifying young person is disabled or severely disabled; and</p> <p>e. disabled and severely disabled elements of Working Tax Credit.</p>	<p>Subject to Parliamentary approval the freeze will start from April 2016</p>	<p><b>Who are affected</b></p> <p>Those claiming state benefits are affected.</p> <p><u>North Tyneside Residents</u></p> <ul style="list-style-type: none"> <li>• IS – 2,740 (May 2015)</li> <li>• JSA – 2,804 (Dec 2015)</li> <li>• ESA – 8,780 (May 2015)</li> <li>• HB – 2000 (Aug 2015)</li> <li>• UC – around 300 (Jan 2016).</li> </ul> <ul style="list-style-type: none"> <li>• Families claiming CTC -12,600 (5,800 of these also claiming WTC) – 22,200 children in these families</li> <li>• Data on CTC elements (including disability and severe disability) not available (finalised tax credits awards 2013/14)</li> <li>• Families claiming WTC 8,100 (5,800 of these also claiming CTC) – data on WTC elements not available (4,200 lone parents receiving WTC and CTC or CTC only) (finalised tax credit awards 2013/14)</li> <li>• Total of 14,900 families in receipt of tax credits (finalised tax credit awards 2013/14)</li> <li>• Families claiming child benefit - 24,390, (39,915 children in these families (August 2014))</li> </ul> <p>NB - tax credit figures are average number benefiting in 2013/14.</p> <p><u>Not included in freeze</u></p> <ul style="list-style-type: none"> <li>• pensioner benefits – 41,760 pension age claimants of DWP benefits – 100 of these claiming incapacity benefits (May 2015)</li> <li>• attendance allowance – 5,270 cases in payment (May 2015) 5,820 entitled cases (May 2015),</li> <li>• carer's allowance – 2,740 cases in payment (May 2015) 4,540 entitled cases (May 2015),</li> <li>• disability living allowance – 12,060 cases in payment (May 2015)</li> </ul>	<p><b>Financial Impact</b></p> <p>Freezing benefits will not reduce a claimant's benefit but it will not provide increases to keep pace with the cost of living.</p> <p><b>Examples of increases seen in April 2015</b></p> <ul style="list-style-type: none"> <li>• Single/lone parent JSA/IS, ESA (assessment Phase) (under 25) increased by 55p per week (£28.60 per annum. Loss over 4 years£114.40). Current rate is £57.90 per week.</li> <li>• Single/lone parent JSA/IS/ (over 25) increased by 70p per week (£36.40 per annum. Loss over 4 years £145.60). Current rate is £73.10 per week.</li> <li>• Couple JSA/IS (over 25) increased by £1.15 (£59.80 per annum. Loss over 4 years £239.20). Current rate is £114.85 per week.</li> <li>• Each dependent children element increased by 57p (£29.64 per annum. Loss over 4 years £118.56) Current rate £66.90 per child.</li> </ul> <p>NB - The same increases also applied to Housing Benefit Personal Allowances</p> <p>Tax Credits Increased by varying amount in 2015 from £20 per annum to £40 per annum.</p> <p><b>Possible mitigating actions</b></p> <ul style="list-style-type: none"> <li>• Discretionary Housing Payments may be claimed by those who need financial assistance and have a shortfall between rent charged and Housing Benefit entitlement.</li> <li>• The Department for Work and Pensions (DWP) will provide additional Discretionary Housing Payment funding to help those impacted by reforms. Amount for 2016/17 is £473,141</li> </ul>

			<ul style="list-style-type: none"> <li>12,130 entitled cases (May 2015),</li> <li>personal independence payments 2,207 cases in payment (Oct 2015)</li> <li>statutory maternity pay – not available statutory paternity pay – not available</li> <li>elements of child tax credit not available at local authority level</li> <li>elements of working tax credit not available at local authority level</li> </ul>	
<b>Housing Benefit. Reduced backdating</b>  <b>(Summer Budget)</b>	Housing Benefit (HB) claims will only be backdated for a maximum of 1 month weeks from the date of their new claim is treated as being made.	From 1 April 2016	<b>Who are affected</b>  Those who would have qualified for a period of backdated HB for longer than 1 month.  Based on previous years data around 25 claimants received more than 1 month of backdated HB.	<b>Financial Impacts</b>  <ul style="list-style-type: none"> <li>Losses can vary as it depends on the number of weeks and the value of HB awarded that would have been awarded.</li> </ul>
<b>Tax Credits – change to level of in year financial change</b>  <b>(Summer budget)</b>	From April 2016 the amount by which a claimant’s income can increase in-year compared to their previous year’s income before their Tax Credit award is adjusted (the income rise disregard) will be reduced from £5,000 to £2,500	From April 2016	<b>Who are affected</b>  No data currently available	<b>Financial Impacts</b>  No data currently available
<b>Limit Housing Benefit (HB) and Pension Credit payments to 4 weeks for claimants who are outside Great Britain</b>  <b>(Autumn Statement)</b>	At present, HB recipients can go abroad for up to 13 weeks while continuing to receive HB. This reform will limit HB and Pensions Credit payments to 4 weeks for those claimants who go abroad for more than 4 weeks at a time.	From April 2016	<b>Who are affected</b>  Numbers of people who this impacts would be small.	<b>Financial Impacts</b>  <ul style="list-style-type: none"> <li>Up to 9 weeks HB /PC entitlement could be lost.</li> </ul>
<b>Changes to Universal Credit Work Allowances</b>  <b>(Summer Budget)</b>	Reducing Universal Credit Work Allowance (earnings disregards) to £192/month for those with housing costs and £397/month for those without, and completely removing them for non-disabled, childless claimants. This reduces the amount of income a claimant can earn and still qualify for Universal Credit.	From April 2016	<b>Who are affected</b>  All working Universal Credit claimants will have less deduction applied to their earning, resulting in less Universal Credit entitlement.  Universal Credit has went live in North Tyneside in November 2015. Only small numbers are claiming Universal Credit (around	<b>Financial Impacts</b>  <b>Examples of the amounts of UC that have been reduced by, after the change is introduced..</b>  <ul style="list-style-type: none"> <li>Lone parents will get less UC of up to £2,628 per year,</li> <li>Those with limited capacity for work may potentially lose £1,950</li> <li>Single and couple £865 loss of UC income.</li> <li>Couple with children £1,084</li> </ul>

			300) and very few of those are employed.	
<b>Removing the Family element from Housing Benefit</b>  <b>(Summer budget)</b>	<p>The change removes the family premium in Housing Benefit for:</p> <ul style="list-style-type: none"> <li>all new claims where there is a responsibility for a child or young after 1 May 2016 or</li> <li>where the responsibility for a child for the first time or the first child born is after 1st May 2016.</li> </ul> <p>Those with an existing claim who have responsibility for a child at the 30 April 2015 are not affected and will continue to receive the Family Premium until that responsibility or the HB claim ceases.</p> <p>Once this has occurred after 1<sup>st</sup> May 2016, the Family Premium will not be reinstated if the claimant reclaims HB in the future.</p>	From 1 May 2016	<p><b>Who are affected</b></p> <p>No Data currently available – This will involve predicting future first births.</p>	<p><b>Financial Impacts</b></p> <ul style="list-style-type: none"> <li>The family premium in Housing Benefit is worth £17.45 per week. This is one element used in calculating entitlement to Housing Benefit.</li> <li>Removing the Family Premium reduces the level of income someone can have and still qualify for Housing Benefit.</li> </ul> <p><b>Possible mitigating actions</b></p> <ul style="list-style-type: none"> <li>Discretionary Housing Payments may be claimed by those who need financial assistance and have a shortfall between rent charged and Housing Benefit entitlement.</li> <li>The DWP will provide additional Discretionary Housing Payment funding to help those impacted by reforms. Amount for 2016/17 is £473,141</li> </ul>
<b>Removing the Family element from Child Tax Credit and the higher First Child element Universal Credit</b>  <b>(Summer Budget, Welfare Reform and Work Bill )</b>	<p>A similar approach is being applied to Tax Credits and Universal Credit. Family element In Tax Credits and the higher First Child element in Universal Credit will not be awarded to families who are responsible for a first child or qualifying young person who is born on or after 6 April 2017 or a new claim is made after 6 April 2017.</p>	From April 2017	<p>No Data currently available – This will involve predicting future first births.</p>	<p><b>Financial Impacts</b></p> <ul style="list-style-type: none"> <li>In Tax Credits the Family element is worth £545 per annum, this helps to make up the maximum amount of Tax Credit someone can claim.</li> <li>The actual amount of Tax Credit someone will receive will depend on all their income.</li> </ul>
<b>Benefit Cap level lowered</b>  <b>(Summer budget Welfare Reform and Work Bill )</b>	<p>The legislation lowers the state benefit cap, so that the total amount of state benefits to which an out of work family can be entitled to in a year will not exceed £20,000 for couples, and lone parents, and £13,400 for single claimants, except in Greater London where the cap is set at £23,000 and £15,410 respectively.</p> <p><b>The cap applies to the following combined income:</b></p> <ul style="list-style-type: none"> <li>Bereavement Allowance</li> <li>Child Benefit</li> <li>Child Tax Credit</li> <li>Employment &amp; Support Allowance (Contribution-based and Income related) except where the Support Component has been awarded</li> <li>Guardian's Allowance</li> <li>Housing Benefit</li> <li>Incapacity Benefit</li> </ul>	<p>Legislation not in place.</p> <p>To start from Autumn 2016</p>	<p><b>Who are affected</b></p> <ul style="list-style-type: none"> <li>Department of Work and Pensions have estimated up to 400 current HB claimants are likely to be impacted by the new £385 weekly cap. (18 of which are already impacted by the current £500 per week cap).</li> <li>National data shows around 120,000 claimants will be impacted by the lowered cap, with an average loss of £63 per week.</li> <li>The levels of state benefits combined with their HB awards</li> </ul>	<p><b>Financial Impacts</b></p> <ul style="list-style-type: none"> <li>Initially only those receiving HB will be impacted initially as HB is the only mechanism to reduce income until UC is in payment.</li> <li>The financial loss to those currently in receipt of HB (our estimates) range from £1.00 to around £115.00 per week.</li> <li>If these claimants move onto Universal Credit the losses would increase, with total losses of up to £350.00 per week as the total UC payment could be reduced rather than just the HB element.</li> </ul> <p><b>Possible mitigating actions</b></p> <ul style="list-style-type: none"> <li>Discretionary Housing Payments may be claimed by those</li> </ul>

	<ul style="list-style-type: none"> <li>Income Support</li> <li>Jobseekers Allowance (Contribution-based and Income based)</li> <li>Maternity Allowance</li> <li>Severe Disablement Allowance</li> <li>Widowed Parents Allowance</li> </ul> <p><b>The cap does NOT apply if someone in the household (claimant, partner or dependant child only) is in receipt of:</b></p> <ul style="list-style-type: none"> <li>Working Tax Credit (certain rules relating to hours worked will apply)</li> <li>Disability Living Allowance</li> <li>Personal Independence Payment</li> <li>Armed Forces Independence Payment</li> <li>Attendance Allowance</li> <li>Constant Attendance Allowance</li> <li>Industrial Injuries Disablement Benefit</li> <li>War Widows or Widowers Pension</li> <li>Employment Support Allowance – Support Component</li> <li>Carers allowance (this amendment has recently been announced)</li> <li>Guardians Allowance (this amendment has just been announced)</li> </ul> <p><b>Incomes not included in the cap:</b></p> <ul style="list-style-type: none"> <li>Bereavement payment</li> <li>Council Tax Support</li> <li>Discretionary Housing Payments</li> <li>Retirement pension</li> <li>Free school meals</li> <li>Social fund payments including Funeral Payments, Sure Start Maternity grants &amp; winter fuel payments and the future replacement schemes within each local authority.</li> <li>Statutory adoption pay- paid by employers</li> <li>Statutory Maternity pay – paid by employers</li> <li>Statutory Paternity pay – paid by employers</li> <li>Statutory Sick pay – paid by employers</li> </ul>		<p>would mean couples with 3 children and lone parents with 4 children are likely to be impacted as total entitlements received will take them over £20,000 limit.</p>	<p>who need financial assistance and have a shortfall between rent charged and Housing Benefit entitlement.</p> <ul style="list-style-type: none"> <li>The DWP will provide additional Discretionary Housing Payment funding to help those impacted by reforms. Amount for 2016/17 is £473,141</li> <li>Additional funding may be available from DWP via the Flexible Support Fund to fund work to help people move into employment; once a claimant moves into employment the cap would not apply.</li> <li>We will need to target those tenants who are going to be impacted by this change to help and support them to prepare. This could include home visits if resources are available.</li> <li>We also need to communicate with those who are currently working, but in receipt of HB due to low income, who also have large families to advise about the potential implications of this if they stop working.</li> </ul>
<p><b>Social housing rents reduced by 1%</b></p> <p><b>(Summer Budget, Welfare Reform and Work Bill</b></p>	<p>Reduce social sector rents by 1% a year for 4 years.</p>	<p>April 2016</p>	<p><b><u>Who are affected</u></b></p> <ul style="list-style-type: none"> <li>Social sector tenants (Council and Housing Association) tenants will see a reduction in their rent, (not including those in supported accommodation)</li> <li>Those tenants on maximum Housing Benefit (HB) entitlement will not benefit from the reduction.</li> <li>There are currently 5446 tenants who pay full rent they will each be required to pay an average of</li> </ul>	<p><b><u>Financial Impacts</u></b></p> <p>The estimated reduction in rental debit for 2016/17 is around £660,000; however the business plan was projecting a rent increase so the shortfall of debit compared to the estimated amount is over £1.4m</p> <p>The financial impact on the Authority could be around £27million over the next 4 years.</p> <p>30 year plan impacted by a potential of £425million.</p> <p>This will mean support and services which is currently provided may not be in future, and this could impact on vulnerable residents.</p>

			<p>£44.94 <b>less</b> rent in 2016/17 compared to 2015/16. This figure is an annual figure <u>not</u> weekly.</p> <ul style="list-style-type: none"> <li>The Authority will be impacted by a consequential reduction in rental debit due. This will reduce the HRA and will impact on the Authorities plans to deliver services and provide new housing.</li> <li>A report has been presented to Housing Sub Committee on this change.</li> </ul>	<p>In order to mitigate the impact of these challenges a review of the housing service provision with regards to revenue efficiencies has been carried out. This includes:</p> <ul style="list-style-type: none"> <li>Service redesign which is focused on rental income and improved neighbourhood working</li> <li>Reduced management costs</li> <li>A review of repairs and maintenance spend</li> <li>A review of the Capital Plan ensuring that we still meet decent homes standards and focus on elements that have minimum impacts</li> </ul> <p>This has led to a revenue reduction of £2.3m over the next 3 years</p> <p>In summary over the 30 year plan we have reduced:</p> <ul style="list-style-type: none"> <li>Revenue by £90m</li> <li>Capital Plan by £228m</li> <li>New build by £107m</li> </ul> <p>This accounts for the £425m shortfall due to the 1% reduction.</p>
<p><b>Sale of high value homes (Housing and Planning Bill )</b></p>	<ul style="list-style-type: none"> <li>The policy will require all LAs with an HRA to make a payment in respect of the high value council housing that is expected to become vacant each year. We will be issued with a determination which will set out the payment based on a formula the government are currently developing. We have been required to supply information on all our stock, and void data for the last 3 years, to help the government devise their database and formula.</li> <li>It is likely that we will be required to make payments in line with the Capital Receipts Pooling process ie quarterly. The advantages of a formula approach is that it would allow local authorities some flexibility about which vacant properties are sold, and provide certainty about the payment required. Once all the property data has been compiled the government will use this to help set the thresholds, which will be a key element of the high value definition. A Local Government Chronicle article in mid-2015 quoted the value of the thresholds in the north-east as:- <ul style="list-style-type: none"> <li>£80k for one bed</li> <li>£125,000 for 2 bed</li> <li>£155,000 for 3 bed</li> <li>£250,000 for 4 bed</li> <li>£310,000 for 5+ bed</li> </ul> </li> <li>This would potentially have put in excess of 1,180 of our council homes above the threshold at that time (18/06/15), of which 22 were void at that date;</li> <li>1,180 represents 8.35% of all stock (excluding sheltered).</li> <li>Disproportionate number of one beds and bungalows fall within the cap based on these figures;</li> </ul>	<p><b>Housing and Planning Bill currently before the House of Lords, about to enter Committee Stage, not anticipating Royal Assent before end of April.</b></p>	<p><b><u>Who are impacted</u></b></p> <p>Ultimately it will be the people on our waiting list who will be impacted the most, as initially the stock of housing will reduce although some could be replaced (see mitigations). Impact depends on how the authority chooses to respond to the requirements. The Government intends to allow flexibility, in that we will not necessarily have to sell a high value property, if it is in an area or of a type that has high demand. We will be able to sell another vacant property or properties which fall vacant, as long as we can make the payment.</p> <p>If the threshold values were to be in line with those printed in the LGC article (and there is no reason to assume they will be) then our stock of 1 bedroom properties would be threatened and this could have a consequential impact on residents and prospective residents as it would reduce their housing options and choice. This would also impact on our welfare reform options as a reduction in one-or two bed properties, gives us fewer options for those tenants subject to the under-occupancy charge.</p>	<p><b><u>Financial Impacts</u></b></p> <p>Unknown at this stage but will effectively be a levy on the HRA annually.</p> <p>Additional administration costs involved re:-</p> <ul style="list-style-type: none"> <li>-Estate Agents to value, market and sell the properties;</li> <li>-Cost of Legal services to undertake conveyance etc.</li> <li>-Additional void costs to bring properties to better sellable standard;</li> <li>-Council Tax Void implications;</li> <li>-Rent loss whilst void in selling process;</li> <li>-Overall rent loss to rent debit &amp; impact on Business Plan;</li> <li>-Impact on ability to meet debt interest payments with reducing stock;</li> <li>-What happens if we can't achieve market sale value?</li> </ul> <p>We will need to decide our strategic response once we know the details of what the DCLG require. To do this we will need to analyse information on demand for different property types and geographical areas balanced with the value of the stock, stock condition and turnover of properties.</p> <p><b><u>Mitigations</u></b></p> <ul style="list-style-type: none"> <li>- We will be entitled to retain a portion of the sale receipt to cover costs ie admin, marketing etc as yet to be determined;</li> <li>- We will be able to retain a portion of the receipt to cover the debt attributable to the property;</li> <li>- The Bill will enable us to enter into an agreement with the Secretary of State to retain a portion of the receipts in order to build additional homes to meet housing need;</li> <li>- There will be exemptions to the policy ie sheltered &amp; supported housing, the full list is still to be agreed by the Secretary of State;</li> <li>• New builds will not be subject to the definition of high value</li> </ul>

	<ul style="list-style-type: none"> <li>Comes on top RTB levels (currently around 100 per year).</li> <li></li> </ul> <p>However, it should be noted that the government categorically denies that any decisions have been taken re the thresholds to be applied at this stage.</p>			until they have been tenanted.
<p><b>Pay to Stay introduced for Social Housing tenants. Household incomes of £40,000 and above in London, and £30,000 and above in the rest of England, (Summer Budget, Housing and Planning Bill )</b></p>	<p>Local authorities will be required by law to charge a higher rental to “high income” social tenants ie those earning over £30k per annum outside London .The rental charge will be based on the joint income of the two highest earners in the household (it is not clear if non dependents earnings or tax credits and child benefit will be included at this stage).</p> <p>The actual rent charged will be linked to market rents but is likely to be a tapered charge based on combined household earnings. It is likely that these tapers will start at 80% of market rent How the taper would work, and based on what income thresholds above £30k has yet to be determined.</p> <p>How the earnings data will be collected and communicated to local authorities from tenants has again yet to be determined by Government. However, it is fair to say we do not currently collect this information, or have adequate technology in place to log it at this juncture.</p> <p>The difference between the social rent and the actual rent charged will have to be paid over to the Treasury, as part of the Government’s deficit reduction plan.</p> <p>This policy will be voluntary for Housing Associations who will be able to keep the additional money &amp; spend it on affordable housing.</p> <p>Local Authorities will be allowed to recover administrative costs, which will be prescribed by Government. This policy will place a considerable additional administrative burden on local authorities, who will not just have to collect earnings data, but maintain it as people’s earnings will inevitably fluctuate due to change in employment, zero hours contracts, family make-up etc. which may cause a sudden and ongoing loss of income.</p> <p>It has yet to be determined, but if a tenant’s income reduces for a sustained period, the tenancy may revert towards the original social rent.</p> <p>Consultation was been carried out on this by the Government, however, a lot of the detail has as yet not been determined to allow any reasoned response.</p>	Proposed that policy would come into effect from 1 April 2017.	<p><b><u>Who are impacted</u></b></p> <p>Until the details have been agreed and issued, all households could potentially be affected, depending on the make-up of those households.</p> <p>Very difficult to put a figure on this as yet until we have gathered the data. We currently have in excess of 5,000 tenancies not in receipt of any Housing Benefit that would need to be assessed. But in addition we could have tenancies where the named tenant is on benefit, but have non-dependants in the household who work and earn over £30k per annum. So in reality every tenancy, unless exempted would have to be assessed.</p> <p>As National Living wage is rolled out more people will be impacted by this. Some suggestion also that the income thresholds will be frozen, hence potentially capturing more people each year.</p>	<p><b><u>Financial Impacts</u></b></p> <ul style="list-style-type: none"> <li>Currently we do not hold or have income data for tenants and our ICT systems as currently configured do not have facility to hold this information.</li> <li>We do not currently hold or have market rent information on nearly all of our stock. We will need to procure asset expertise to provide this data on an ongoing basis;</li> <li>Impact on housing stock as some tenants will opt to use the Right to Buy scheme rather than pay nearer to market rents.</li> <li>This will place a huge additional ongoing admin burden on the authority, to collect and maintain all the data;</li> <li>It will also place a significant additional burden on the Council’s commercial partners (ENGIE) to account for the additional income and set and maintain the rent accounts;</li> <li>What happens if people don’t pay? Will there be any compensation for non-collection? Court costs etc?</li> </ul> <p><b><u>Possible Mitigating actions</u></b></p> <ul style="list-style-type: none"> <li>Government has indicated there will be some administrative cost offsets allowed against rent collected, but these are yet to be determined;</li> <li>Early discussions with our ICT suppliers may allow more timely system changes to be set in motion;</li> <li>We need to give consideration now to a Tenant Engagement strategy, advertising etc. to inform tenants.</li> </ul>
<p><b>Housing Benefit(HB) (HC) for Social sector rents based on Local Housing</b></p>	<p>Housing Benefit and Housing Costs in Universal Credit for social sector tenancies will be based on the relevant Local Housing Allowance, which is the rate paid to private renters on Housing Benefit. This will include the Shared Accommodation Rate (SAR) for single claimants under 35 who do not have dependent children.</p>	<p>This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1</p>	<p><b><u>Who are affected</u></b></p> <p>Those with new tenancies after 1.4.16 or those whose tenancies *change.</p> <p>It is not thought to be linked to the HB claim.</p>	<p><b><u>Financial Impacts</u></b></p> <ul style="list-style-type: none"> <li>Currently the SAR is £60.00 this is the maximum HB that would be paid for a single person.</li> <li>Those over 35 requiring a 1 bedroom property would have HB based on £90.90 per week and those requiring a 2</li> </ul>

<p><b>Allowance (LHA) rates</b> <b>(Autumn Statement)</b></p>	<p>Within the PRS service charges and Furniture charges are included in the maximum amount that can be covered by the LHA. It is likely that this will be mirrored in the Social Rented Sector.</p> <p>Currently there are no exemptions for those of non working age in the PRS regarding the applicable LHA rate. This means that when this change comes into force new tenants who are not of working age will only be entitled to the applicable LHA rate for their household size regardless of the size of the property.</p> <p>New tenancies also apply where there is a change of tenancy, for example a transfer, succession, mutual exchange, joint to sole, sole to joint.</p>	<p>April 2018 onwards.</p>	<p>Groups who will potentially be disproportionately impacted are those under 35 (including those with access to children); those of pensionable age who are going to under occupy their new home, and those who are bereaved or separate due to a breakdown in their relationship.</p> <p>*Need clarity on what a change is.</p>	<p>bedroom £103.56, those requiring a 3 bedroom £115.07.</p> <p><b>Possible Mitigating actions</b></p> <ul style="list-style-type: none"> <li>• Lettings policy could reflect more the same rules as in HB when letting regarding housing makeup.</li> <li>• Tenants should be made aware that if they make an HB claim after April 2018 their entitlement would be based on LHA rates rather than net rent and there could be a shortfall.</li> <li>• DHP could make up shortfall although there will not be sufficient funding to compensate all claimants impacted.</li> <li>• This may have consequential impacts on the affordability of tenancies with furniture packs, and on those with other additional charges, and alternative solutions could be explored.</li> <li>• We are introducing affordability into the criteria considered as part of the lettings policy.</li> </ul> <p>There is a broader strategic issue linked to the need for more housing options, particularly for those under 35, we need to look at innovative policy responses to provide low cost housing options (for example house share arrangements). We may also need to re-evaluate our rent charging policy to ensure that our properties are affordable for those that need them.</p>
<p><b>Removing the Work Related Activity Component in Employment and Support Allowance, and the Limited Capability for Work Element in Universal Credit</b> <b>(Welfare Reform and Work Bill )</b></p>	<p>The Bill removes provision for certain additional payments - that is, the Employment and Support Allowance (ESA) (Work-Related Activity Component) and the Universal Credit (UC) (Limited Capability for Work Element), included within ESA and UC - which is paid to claimants with limited capability for work.</p> <p>The intention is that regulations will include provision for claimants who are already in receipt of the work-related activity component or limited capability for work element to continue to receive that component.</p> <p>This change only affects new claims where the claimant would have qualified for the above mentioned component/element.</p> <p>Those with a greater limited capacity for work who are allocated to the Work Related Support Group are not affected.</p>	<p>Legislation not in place.</p> <p>Planned for April 2017</p>	<p><b>Who are affected</b></p> <p>Only new claimants will be impacted as current claimants in the WRAG will continue to receive the component</p> <ul style="list-style-type: none"> <li>• ESA – Work Related Activity Group (WRAG) current claimants– 1,810 (May 2015),</li> </ul>	<p><b>Financial Impacts</b></p> <ul style="list-style-type: none"> <li>• To new claimants the Work Related Activity Group component in ESA would have been worth £29.05 per week.</li> <li>• To new claimants only the UC Limited Capability for Work Element is worth £29.10 per week</li> </ul>
<p><b>Tax Credits, Universal Credit and Housing</b></p>	<p>From April 2017 allowances for children will no longer be applied for the third and subsequent children born after 6 April 2017 in claims for Tax Credits, Housing Benefit, and Universal Credit.</p>	<p>Legislation not in place.</p> <p>Planned for</p>	<p><b>Who are affected</b></p> <p>Only families who have a third or subsequent child after 1 April 2017</p>	<p><b>Financial Impacts</b></p> <ul style="list-style-type: none"> <li>• In Tax Credits and in Universal Credit the child element per 2<sup>nd</sup> and consecutive child is worth £2,780 per annum, this</li> </ul>

<p><b>Benefit Child Elements limited to 2 children only</b></p> <p><b>(Summer budget, Welfare Reform and Work Bill)</b></p>	<p>There will be provision for exceptional circumstances such as multiple births.</p> <p>Those already claiming for more than two children before 6 April 2017 will continue to receive allowances for more than two children.</p> <p>In both existing and new claims, new births for the third/subsequent child after 6 April 2017 will not qualify for the child element.</p> <p>Children with disabilities will continue to receive the Disabled Child Element or Severely Disabled Child Element in Tax Credits and the equivalent in Universal Credit.</p>	<p>April 2017</p>	<p>therefore no data is available on who will be impacted as it would involve predicting 3 or subsequent births from April 2017 onwards.</p> <p><b>Child Benefit data available on families with 3 or more children:</b></p> <ul style="list-style-type: none"> <li>families receiving Child Benefit (CB) with three or more children 2,870 (latest figure available -August 2014) (2,260 with three, 465 with four and 145 with five or more),</li> <li>of 24,930 families claiming (12,535 with one child and 8,980 with two). An additional 95 families with three or more children opted out of CB (950 opted out in all – due to high income CB charge).</li> <li>Families with 3 or more dependant children = <b>2,867</b> (youngest 0-4 = 1587, 5-11 = 1068, 12-18 = 212)</li> <li>In the current HB claims in the previous year, there were 86 families where a third child was added to the household.</li> </ul>	<p>helps to make up the maximum amount of Tax Credit or Universal Credit someone can claim.</p> <ul style="list-style-type: none"> <li>The actual amount of Tax Credit someone will receive will depend on all their income.</li> <li>The child element in Housing Benefit is worth £66.90 per child per week. The Child element is used in calculating entitlement to Housing Benefit.</li> <li>Not awarding the child element will reduce the level of income someone can have and still qualify for Housing Benefit.</li> </ul> <p><b><u>Possible mitigating actions</u></b></p> <ul style="list-style-type: none"> <li>Discretionary Housing Payments may be claimed by those who need financial assistance and have a shortfall between rent charged and Housing Benefit entitlement.</li> <li>The DWP will provide additional Discretionary Housing Payment funding to help those impacted by reforms. Amount for 2016/17 is £473,141</li> </ul>
<p><b>Conditionality for responsible carers in Universal Credit</b></p> <p><b>(Summer budget, Welfare Reform and Work Bill)</b></p>	<p>Change of conditionality for Universal Credit for responsible carers.</p> <p>This means unemployed claimants with young children will be expected to take a more active approach in finding employment, when their child is at a younger age.</p> <p>Currently for those responsible carers of children conditionality operates as follows a responsible carer:</p> <ol style="list-style-type: none"> <li>with a child under 1 is subject to no work-related requirements,</li> <li>with a child aged 1 or 2 is subject to work-focused interview requirements,</li> <li>a child aged 3 and 4 is subject to work preparation requirements, and</li> <li>with a child aged 5 and over is subject to all work-related requirements unless their circumstances mean they fall into one of the other groups (for example because of a health condition).</li> </ol> <p>The Bill seeks to change conditionality for responsible carers as follows those:</p> <ol style="list-style-type: none"> <li>with a child aged 3 or 4 should be subject to <b>all-work related requirements</b>;</li> <li>with a child aged 2 should be subject to <b>work-focused</b></li> </ol>	<p>Legislation not in place.</p>	<p><b><u>Who are affected</u></b></p> <p>No data currently available</p>	<p><b><u>Financial Impacts</u></b></p> <ul style="list-style-type: none"> <li>No financial impacts to claimants.</li> </ul>



	<b>interview requirements and work preparation requirements;</b> and c with a child aged 1 should remain subject to <b>work-focused interview requirements only.</b>			
<b>Loans for mortgage interest etc</b>  <b>(Summer budget, Welfare Reform and Work Bill )</b>	<p>Those entitled to IS, JSA (IS), ESA (IR), Pension Credit or UC will be eligible to receive a loan. The Bill replaces the existing scheme that allows owner-occupiers who are receiving an income-related benefit to claim additional help towards their mortgage payments.</p> <p>This help will be replaced by a loan which will only be granted if individuals satisfy certain requirements, including that they have received financial advice.</p> <p>The Bill enables the Secretary of State to secure a charge on the individual's property as security for the loan. The Bill will also make provision about the transition from the current provision of support for mortgage to the new loans scheme, and allow the Government to manage the introduction of the new scheme in an appropriate way. The provision of help with mortgage interest in the form of a loan rather than a benefit will ensure that the Government continues to mitigate the risk of repossession while providing better value for the tax payer.</p>	Legislation not in place.	<b><u>Who are affected</u></b>  No data currently available	<b><u>Financial Impacts</u></b>  <ul style="list-style-type: none"> <li>Support will be in the form of a loan rather than 'free' support.</li> </ul>
<b>Universal Credit. Automatic Housing support abolished for 18-21 year olds</b> <b>(Summer Budget)</b>	<p>Removal of automatic entitlement to housing support for new claims in Universal Credit from 18-21 year olds who are out of work.</p> <p>There will be exemptions, including for vulnerable young people, those who may not be able to return home to live with their parents, and those who have been in work for 6 months prior to making a claim, who will continue to be able to receive housing support for up to 6 months while they look for work.</p>	Legislation not in place Planned for April 2017	<b><u>Who are affected</u></b>  No data currently available  UC currently not fully rolled out so difficult to assess numbers that could be impacted.	<b><u>Financial Impacts</u></b>  <ul style="list-style-type: none"> <li>The maximum amount of housing costs available to an under 21 would be £60.00 in privately rented, or the net rent in social housing..</li> </ul>
<b>Universal Credit Youth Obligation for 18 to 21 year olds introduced.</b> <b>(Summer Budget)</b>	Young people will 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 to give them the skills they need to move into sustainable employment.	Planned for April 2017	<b><u>Who are affected</u></b>  No data currently available  <b>Data on current jobseekers.</b> <ul style="list-style-type: none"> <li>4% of all 18-24 year olds are claiming Job Seekers Allowance.</li> </ul>	<b><u>Financial Impacts</u></b>  <ul style="list-style-type: none"> <li>Potential that if claimants do not participate with Youth Obligation they could be sanctioned and lose entitlement.</li> </ul>
<b>The Childcare Bill – Introduces 30 hours free childcare.</b> <b>(Summer</b>	<b><u>National policy changes around childcare</u></b>  The key policies and provisions that shape the childcare agenda nationally and within North Tyneside are:  It has the potential to: increase demand for childcare places amongst 3 and 4 year olds; encourage families to move from informal into formal childcare arrangements to take advantage		<b><u>Who are affected</u></b>  Working families (where parents work for 16 or more hours a week but do not earn more than £100,000) will be entitled to 30 hours free childcare for 3 and 4 year olds within the household.	<b><u>Financial Impacts</u></b>  <ul style="list-style-type: none"> <li>Families should benefit from this offer, encouraging them to take on additional hours/take on different employment and increase earnings.</li> </ul>

<p><b>Budget)</b></p>	<p>of additional free hours; and result in geographically uneven demand, concentrating increased demand in specific localities.</p> <ul style="list-style-type: none"> <li>- <b>Childcare Regulations 2014</b> – will enable governing bodies to alter the lower age limit of maintained schools by up to two years, without following the statutory process.</li> </ul> <p>This will allow schools to more easily begin to offer or expand childcare provision, thereby increasing supply.</p> <ul style="list-style-type: none"> <li>- <b>Early Years Funding Review</b> - in November 2015 the government announced that nationally, the average rate paid for the 2 year old offer will be £5.39. It was also announced that a national early years funding formula review will be conducted in 2016. The new rates are expected to be introduced during the 2017/18 financial year.</li> </ul> <p>The impact will depend upon the rate funding formula review and will either be neutral or result in greater supply.</p> <ul style="list-style-type: none"> <li>- <b>Tax Free Childcare for Working Families</b> - This new scheme will begin in 2017 and see the government make a contribution worth 20% of working parents' childcare costs, up to a capped limit per child per year. The government will lower the upper income limit per parent from £150,000 to £100,000 and increase the minimum income level per parent from the equivalent of 8 hours to 16 hours at the national living wage.</li> </ul> <p>This will make childcare more affordable for some low / medium income families and may stimulate demand for additional childcare places.</p> <ul style="list-style-type: none"> <li>- <b>Universal Credit</b> - Under the childcare element of Universal Credit parents will be able to claim up to 85% of childcare costs, as opposed to 70% under the current working tax credits system.</li> </ul> <p>This will make childcare more affordable to low income families and could result in a limited increase in demand for childcare places.</p>			
<p>Equalisation of state pension Credit (Pensions Act 2011)</p>	<p>Under the Pensions Act 2011, women's State Pension age will increase more quickly:</p> <p>From April 2016, women's retirement age to reach 65 by November 2018 instead of March 2020</p> <ul style="list-style-type: none"> <li>• from December 2018 the State Pension age for both men and women will start to increase to reach age 66 by October 2020 instead of 2026.</li> </ul> <p>The changes will affect:</p> <ul style="list-style-type: none"> <li>• women born on or after 6 April 1953 will be impacted by the accelerated equalisation of State Pension age to 65</li> <li>• men and women born after 5 December 1953 but before 6 October 1954 will have a State Pension age between</li> </ul>	<p>April 2016</p>	<p><b><u>Who are affected</u></b></p> <p>No data on actual numbers impacted by the accelerated equalisation of state pension age.</p> <p><b><u>Additional information on pensions.</u></b>  Women born after 1953 (i.e. under 63yo) = <b>80,425</b> this is all females from 0 – 62.  The working age population (16 – 62) is <b>63,113</b>. (2014 MYPE / SYOA).</p>	<p><b><u>Financial Impacts</u></b></p> <ul style="list-style-type: none"> <li>• Those impacted will have their entitlement date delayed. The actual amount lost in delayed pensions will vary depending on individuals.</li> </ul>

65 and 66

- men and women born on or after 6 October 1954 and before 6 April 1960 will have a State Pension age of 66.

Pension Credit qualifying age will rise in line with the accelerated increase in women's State Pension age to 65 and subsequently in line with the increase to 66.

Working age benefits such as Employment and Support Allowance, Jobseeker's Allowance and Income Support will now be available up to revised State Pension age.

It will also affect all future claimants to other benefits with a link to the State Pension age threshold, for example Winter Fuel Payment, Attendance Allowance, Disability Living Allowance and Personal Independent Payment.