



**MANCHESTER**  
CITY COUNCIL

# **Welfare Reform Monitoring Report Quarter Two 2018/19**

Performance, Research and Intelligence

## Introduction

This report includes a set of indicators which enables the progress and impacts of Welfare Reform to be measured. Some indicators show change and impacts from benefit changes directly, such as the Universal Credit roll out, whilst others monitor related data where an impact may be felt such as advice service demand, and homelessness. Data is compiled from a number of sources, including public government statistics, data drawn directly from the Council's own performance data and business systems, along with stakeholder data - for example Social Landlords. The report will continue to be adapted to show indicators which will ensure the most relevant information is available to stakeholders.

### Universal Credit

Universal Credit (UC) is the government's flagship welfare scheme which aims to simplify the benefits system for working age people by bringing together out of work and in work benefits, improve the transition to employment, and make work pay by removing disincentives to work. UC is one of a number of reforms to the welfare system since the Welfare Reform Act of 2012, which includes the under-occupancy rules for social housing (known as the bedroom tax), the Benefit Cap, reform of Local Housing Allowance for private rented properties, changes to Disability Living Allowance (Introduction of Personal Independence Payments) and Employment Support Allowance, and limiting benefit claims to two children.

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## Commentary and Analysis

### Universal Credit Statistics: other sources of information

In addition to this report Performance, Research and Intelligence provide further Universal Credit statistics for stakeholders;

\* **Universal Credit Bulletin:** detailed quarterly statistical bulletin using public DWP data, which compares Manchester with NW Region and National.

\* **Intelligence Hub:** online tool for stakeholders to access the most up to date statistics for indicators and geographical areas of interest, including interactive maps.

[http://www.manchester.gov.uk/info/200088/statistics\\_and\\_intelligence/7611/intelligence\\_hub](http://www.manchester.gov.uk/info/200088/statistics_and_intelligence/7611/intelligence_hub)

### Commentary for 2018/19 Quarter 2

This section sets the context - for example explaining policy changes relating to Universal Credit - and summarises key messages arising from analysis of the data presented within the report.

### Universal Credit Policy Changes

An implementation timeline on the following page shows an overview of both national policy changes, and milestones for the roll out specific to Manchester.

A number of further policy changes to the way UC operates were announced in the Autumn 2018 Budget. These provide additional funding for the system, but it should be noted that they do not represent a full restoration of the funding level seen before the cuts introduced by the Chancellor at the time in 2015. Key points to note are;

- Work Allowance will be increased by £1,000.
- The maximum amount of debt deductions will be reduced from 40% to 30%, recovered over a longer period of 16 months.
- An extension of 12 month grace period before Minimum Income Floor applies for self-employed people.
- Those already on income related JSA, ESA and IS will additional 2 week's support during 1st month of UC claim (a measure already in place for those transferring from Housing Benefit to UC).
- The projected end date for full transfer of all legacy benefit claimants to UC has been further delayed, and is now estimated as "end of 2023".

However, these changes are being introduced at staggered points through to October 2021, as shown on the timeline. Therefore, in some cases it will be a substantial amount of time before it can be ascertained what affect the changes will have on claimants.

### Pace of Universal Credit Roll-Out

As the overall pace of roll out is monitored elsewhere, this report focuses on the housing element which is a key area of concern in the context of rental arrears. With Full Service having now been fully in place for new claims in Manchester since July, the pace of on-flow of claimants has increased. At August 2018, 10,284 households were in receipt of the Housing Element of UC across both the private and social rented sectors combined. This accounts for 17% of all households receiving housing payment support via either UC or HB. This represents a substantial rise on the previous quarter, with the private rented cohort rising at a faster rate.

### Impacts of Universal Credit

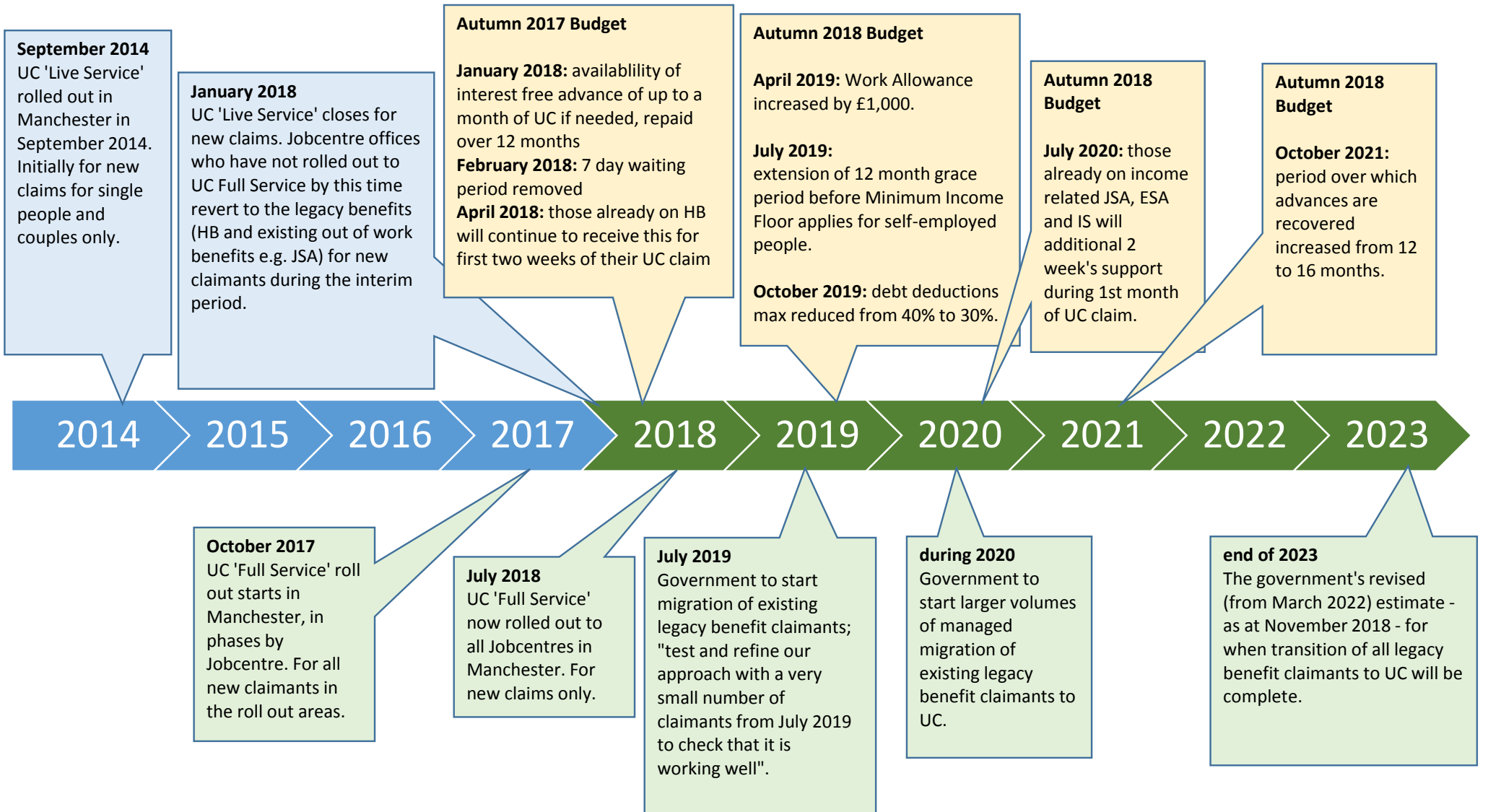
A survey of five main Manchester Social Housing Providers shows average rental arrears for UC tenants has risen for a second successive quarter. This now stands at £786, which is £293 higher than social tenants overall. The rapid increase in the Housing Element caseload has led to a corresponding sharp rise in the arrears caseload by 26.3% to 4,266 cases. Combined with the high average arrears per tenant figure, this has also led to a sharp increase in the total amount of arrears owed across the five providers which stands at £3.35 million, an increase of 31.7% in one quarter.

A disproportionate amount of overall social housing arrears - 27% - are attributed to UC tenants. This is illustrated by the fact that only 13% of the social housing housing support caseload actually consists of UC tenants, with the other 87% still receiving housing benefit.

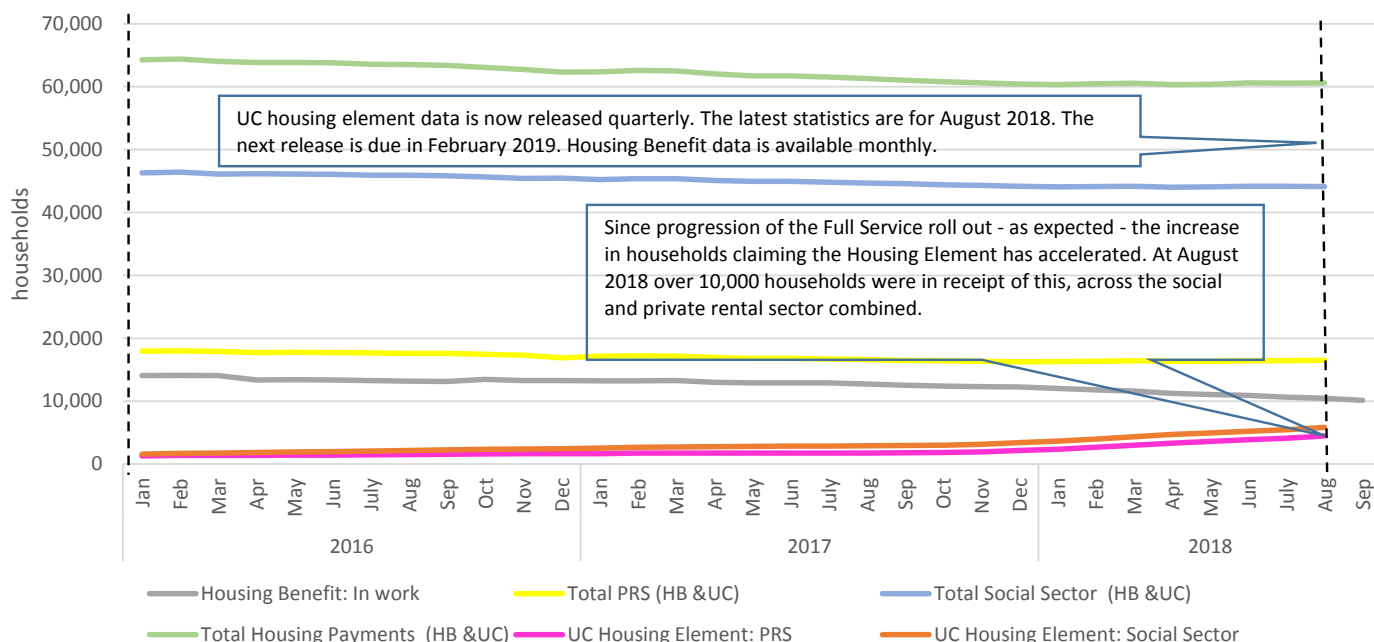
This implies that, on average, the UC process changes which came into force following the Autumn 2017 Budget still do not yet appear to have translated into any significant positive impact on arrears. Also, as noted above, due to the staged introduction of the changes from the Autumn 2018 Budget no positive impacts will be seen from these changes either in the short term. Whether the additional changes from the recent Budget have any significant positive impact in the longer term will only be known at a future point when data becomes available to assess this.

To provide additional intelligence to the Board alongside the citywide arrears averages, the Council is working with partners to analyse and understand the arrears picture at a detailed area level.

## Universal Credit - Implementation Timeline



## 1: HOUSING: Housing Benefit and Universal Credit Housing Element



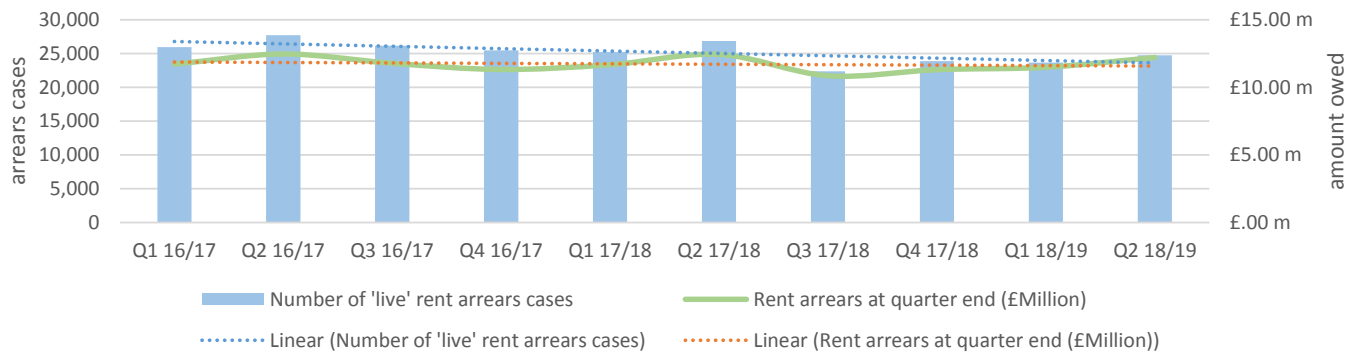
\* data sources: Department for Work and Pensions, and Council Revenues and Benefits Service

Latest		Households - Latest Quarter	Quarterly Change		Annual Change	
			number	%	number	%
Q2 18/19	Housing Benefit: PRS	11673	-863	-6.9%	-2995	-20.4%
Q2 18/19	Housing Benefit: Social Sector	37849	-1123	-2.9%	-3789	-9.1%
Q2 18/19	Housing Benefit: In work	10132	-776	-7.1%	-2398	-19.1%
Q2 18/19	Housing Benefit: Total claimants	49522	-1986	-3.9%	-6784	-12.0%
Aug-18	UC Housing Element: PRS	4458	583	15.0%	2662	148.2%
Aug-18	UC Housing Element: Social Sector	5826	606	11.6%	2894	98.7%
Aug-18	Total PRS (HB & UC)	16496	85	0.5%	32	0.2%
Aug-18	Total Social Sector (HB & UC)	44110	-82	-0.2%	-460	-1.0%
Aug-18	Total Housing Payments (HB & UC)	60606	3	0.0%	-428	-0.7%

The graphic and table show the overall context of the volume of Manchester households claiming housing support payments for different tenures and cohorts as Universal Credit gradually replaces Housing Benefit. At August 2018, as take up of UC accelerated, 10,284 households were in receipt of the Housing Element of UC across both the private and social rented sectors combined. This accounts for 17% of all households receiving housing payment support via either UC or HB. The private rented sector cohort is increasing at a faster rate than the social sector cohort. There are a number of factors which may influence this trend including population increases and flows, the growth of the cheaper end of the PRS market, contrasted with a fairly stable amount of social sector home supply.

A further caseload increase acceleration is expected as Full Service UC has been available across all Manchester JobCentres since July 2018, and the statistics currently are only available up to August. Public household level UC statistics are now available on a quarterly, rather than the previous bi-annual basis. There is still a lag in the month reported - to ensure reasonable accuracy in the published figures - and the release frequency is also still less than internal housing benefit statistics, which are available monthly. There remain gaps in what intelligence is available for UC Housing Element compared to HB. For example it is not currently possible to obtain totals of in-work and out of work households claiming Housing Element. This makes it more challenging than under the HB system to analyse the changing proportion of these different cohorts receiving either one of the payment types. Economic hierarchy data at household level is information which local authorities have requested be made available in future DWP UC statistics; i.e. statistics on working, non-working households, and where there is a mixture of working and non-working household members.

## 2: HOUSING: Social Housing Rent Arrears

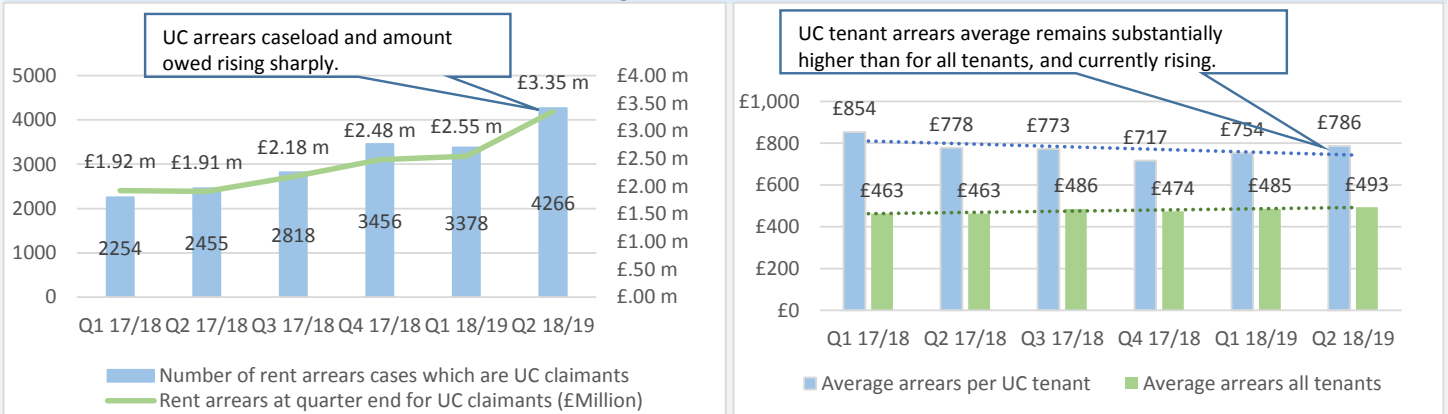


	End Q2 18/19	Change Q1- Q2		Annual Change	
		number	%	number	%
Number of arrears cases	24749	1073	4.5%	-2092	-7.8%
Amount of arrears at quarter end	£12.21 m	£0.18m	6.3%	-£0.19m	-1.8%

The overall amount of arrears for social tenants from the surveyed providers (whether in receipt of HB or UC) has been rising for the last three quarters. The long term trend has been of a slight reduction. It should be noted that there can be substantial fluctuations in the arrears levels for each Provider within quarters. The Housing Benefit and UC payment cycles do not align. The switch to UC Full Service has also meant a change to the way that payments are received from DWP for accounts in arrears - e.g. via APAs; which are paid in arrears.

\* data source: Survey of Registered Providers

## 3: HOUSING: Social Housing Rent Arrears - Universal Credit Claimants

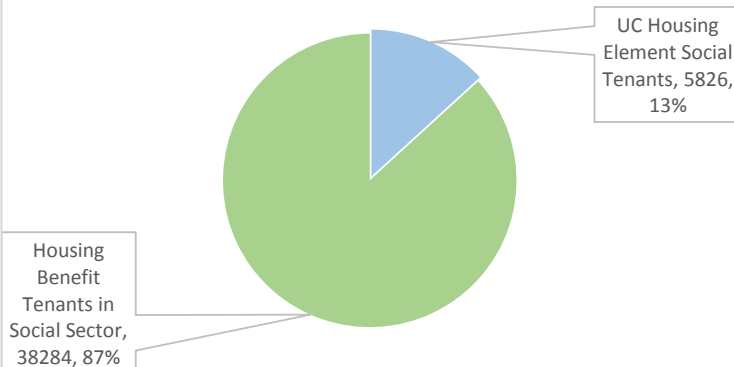


	End Q2 18/19	Change Q1 - Q2		Annual Change	
		number	%	number	%
Number of UC rent arrears cases	4266	888	26.3%	1811	73.8%
Rent arrears for UC tenants	£3.35 m	806695	31.7%	£1.44 m	75.6%
Average arrears per UC tenant	£785.92	£32.21	4.3%	£8.05	1.0%
Average arrears all tenants	£493.25	£8.10	1.7%	£29.92	6.5%

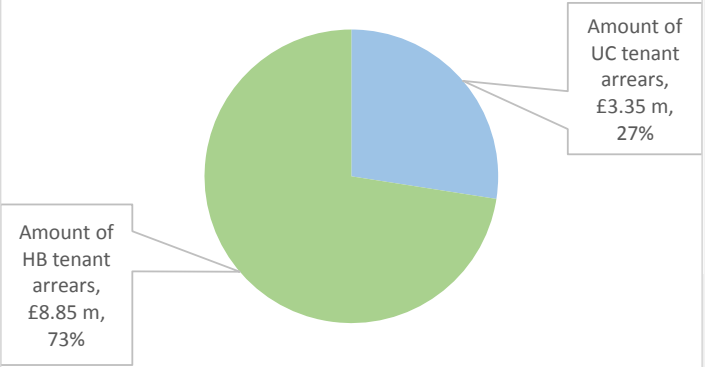
The rise in the number of UC arrears cases has accelerated, which is to be expected as the overall UC housing element caseload increase has accelerated. This follows from full coverage of Full Service being available across all job centres since July 2018. Since April, all of the process changes announced by government in the Autumn 2017 budget have been in effect, which were intended to have a mitigating affect on arrears. From the average arrears figures, there is currently no evidence of a substantial positive impact - average arrears have in fact been rising for the last two quarters. Further changes were announced in the government's Autumn 2018 budget, however none of the changes will come into effect until April 2019 at the earliest. More detail on this is given in the Commentary and Universal Credit Timeline sections on pages 2 to 4.

#### 4: HOUSING: Social Housing Rent Arrears - Universal Credit Claimants (continued)

*Proportion of social tenants in receipt of UC Housing Element at August 2018 has risen*



*A disproportionate amount of overall arrears are attributed to tenants on UC*

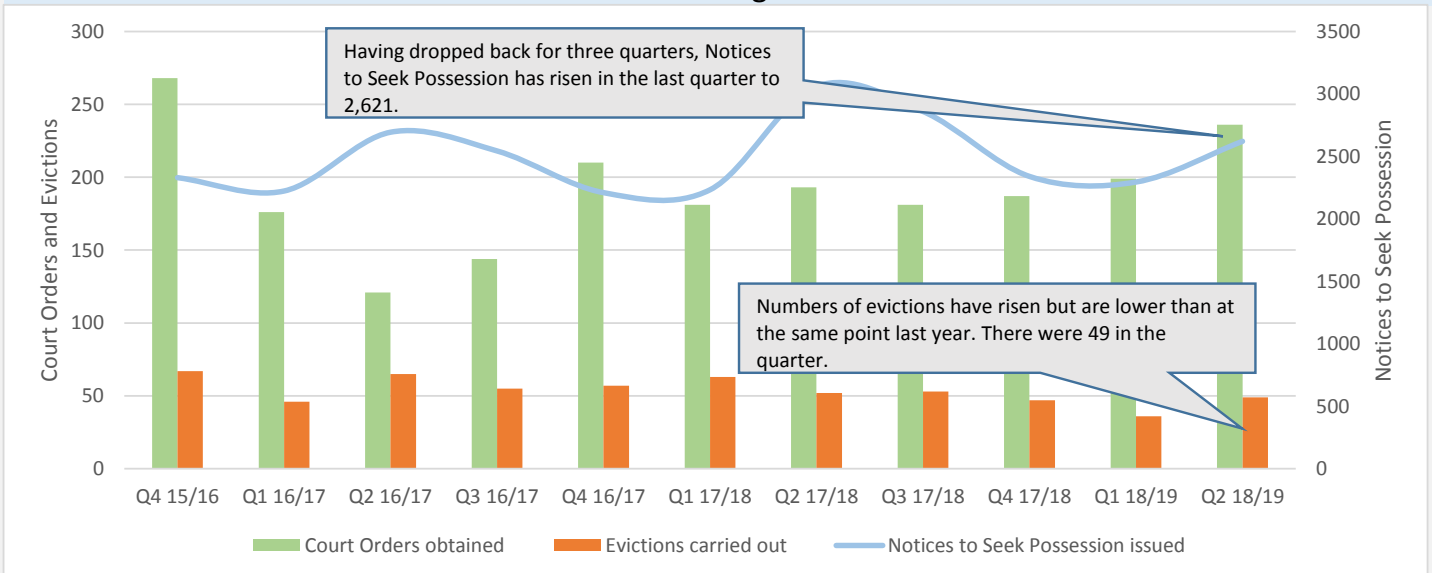


The chart on the left shows that at August 2018 the proportion of social housing tenants who receive their payment via UC remained is now more substantial, having risen five percentage points since December 2017.

The chart on the right shows that this UC cohort accounts for a disproportionately high amount of the amount of the total arrears owed by social tenants, and the position has worsened. This is because the average amount of arrears owed by these tenants is higher and currently increasing, and the volume of UC arrears cases is also rising rapidly.

\* NB: the arrears figures are for the Registered Providers surveyed only, not for the whole social housing caseload.

#### 5: HOUSING: Social Housing Notices and Evictions



\* data source: Survey of Registered Providers

	End Q1 18/19	Change Q4 - Q1		Annual Change	
		number	%	number	%
Notices to Seek Possession issued	2621	326	14.2%	-440	-14.4%
Court Orders obtained	236	37	18.6%	43	22.3%
Evictions carried out	49	13	36.1%	-3	-5.8%



## HOUSING: Social Housing Notices and Evictions (continued)

The number of notices to seek possession had been reducing from the peak reached at Q3 2017/18, however in the last quarter they have risen again.

Court orders obtained are fluctuating without a notable upward or downward trend over the last year.

Evictions had been falling, but this quarter have risen slightly

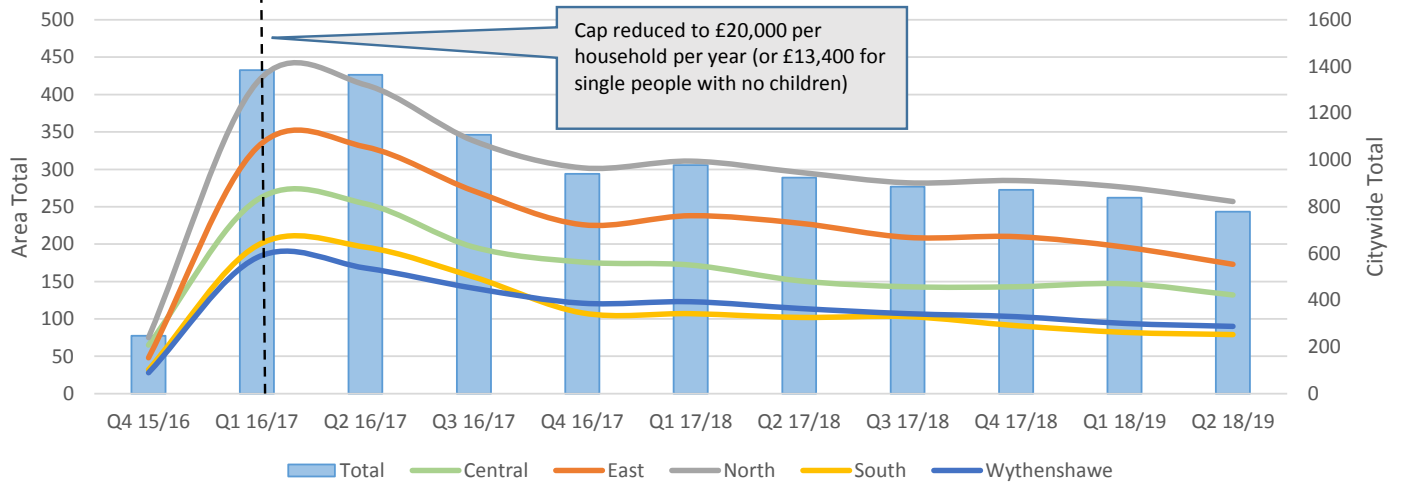
## 6: HOMELESSNESS: Homelessness Presentations

The Homelessness Reduction Act has significantly changed the way that homelessness services need to operate. As well as a new piece of legislation, there is also a new statutory returns specification. The Homelessness Service record information and report performance via the H-CLIC (Homelessness Case Level Information Collection) providing real time case level information, rather than a monthly snapshot as previously.

H-CLIC will be able to provide the housing tenure where the presenting reason is "eviction/possession". Therefore once validated data is available a new measure should be able to be developed to measure the extent of private rented sector evictions. This will replace the "Private Landlord Possessions and Claims" measure which used Ministry of Justice data, and has been discontinued as it was not thought to provide a full picture of the possible extent of private sector tenancy evictions.

A separate briefing note on Welfare Reform related Homelessness Analysis will be provided to the Board. If deemed necessary - in addition to other Homelessness reporting - new measures can then be developed and added to this report.

## 7: CLAIMANTS AFFECTED BY LEGISLATION: Benefit Cap



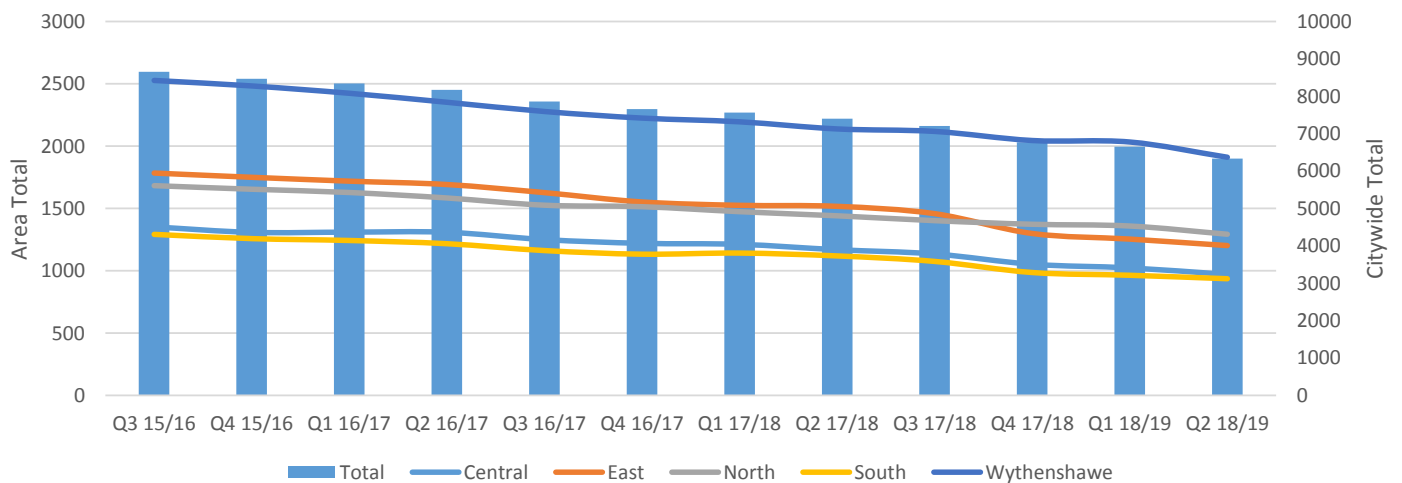
\* data source: Council Revenues and Benefits Service

	End Q2 18/19	Change Q1 - Q2		Annual Change	
		number	%	number	%
Central	132	-15	-10.2%	-19	-12.6%
East	173	-23	-11.7%	-55	-24.1%
North	257	-19	-6.9%	-39	-13.2%
South	79	-3	-3.7%	-23	-22.5%
Wythenshawe	90	-4	-4.3%	-24	-21.1%
Total	779	-60	-7.2%	-145	-15.7%

The reduction in numbers of affected households continues to be relatively small on a quarterly basis. A number of factors will drive the net figure, leading to different cohort sizes and rates of change across distinct areas;

- \* On flow of new claimants
- \* Off flow of claimants due to circumstances meaning cap no longer applies
- \* Cohorts that may find it more challenging, or be unable to make changes to their situation to remove the application of the cap.
- \* Number of children in households. In Manchester, the majority of claimants have either three children (41%) or four children (27%) (source: DWP Stat Xplor August 2018)

## CLAIMANTS AFFECTED BY LEGISLATION: Working age social housing tenants in under-occupation



## CLAIMANTS AFFECTED BY LEGISLATION: Working age social housing tenants in under-occupation

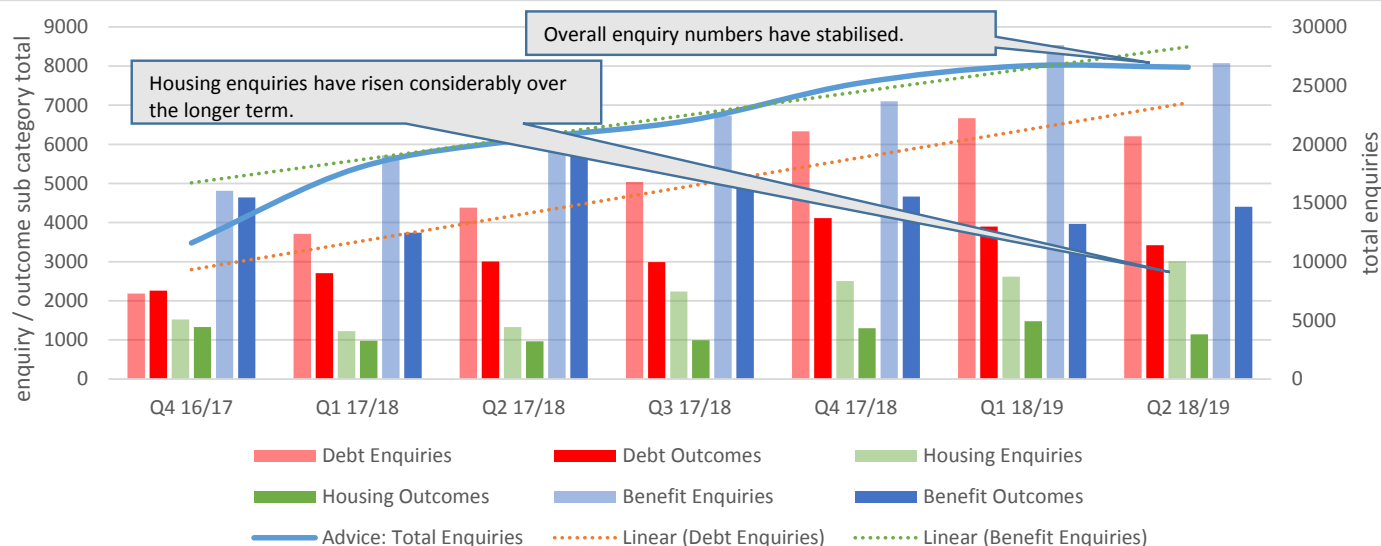
\* data source: Council Revenues and Benefits Service

	End Q1 18/19	Change Q4 - Q1		Annual Change	
		number	%	number	%
Central	970	-53	-5.2%	-199	-17.0%
East	1202	-52	-4.1%	-315	-20.8%
North	1293	-66	-4.9%	-148	-10.3%
South	936	-28	-2.9%	-183	-16.4%
Wythenshawe	1911	-122	-6.0%	-227	-10.6%
Total	6331	-318	-4.8%	-1069	-14.4%

A significant proportion of DHP payments continue to be allocated to mitigate tenants affected by under-occupancy legislation.

Over the longer term Wythenshawe has shown the largest reduction in affected tenants. The area remains the most affected area by a substantial margin, but with a narrower gap from that which existed three years ago with South and Central, which remain the least affected areas. The type of housing stock in Wythenshawe, with a high percentage of larger family homes, means the area is likely to remain most affected.

## 9: ADVICE SERVICES: Debt, Housing, Benefit Enquiries and Outcomes



\* data source: Citizen's Advice

	End Q3 17/18	Change Q2 - Q3		Annual Change	
		number	%	number	%
Advice: Total Enquiries	26565	-107	-0.4%	6149	30.1%
Debt Enquiries	6203	-461	-5.9%	1820	41.5%
Debt Outcomes	3424	-473	-12.1%	423	14.1%
Housing Enquiries	3009	392	15.0%	1682	126.8%
Housing Outcomes	1144	-334	-22.6%	179	18.5%
Benefit Enquiries	8075	-464	-5.4%	1770	28.1%
Benefit Outcomes	4406	441	11.1%	-1375	-23.8%

## ADVICE SERVICES: Debt, Housing, Benefit Enquiries and Outcomes (continued)

Overall the total number of enquiries - the demand for advice services - has stabilised, but remains high. After rising steeply for some time, debt and benefit enquiries have dropped back slightly but are still at high volume.

The most noticeable trend is that housing enquiries continue to rise, and have more than doubled in a year.

There were 1,447 UC enquiries, a 15% increase on the previous quarter.

## PLACED BASED ANALYSIS

### Access to additional Benefit related Maps

A set of maps is provided on the following pages which indicate place based demand across a number of indicators which are not mapped elsewhere. Additional up to date maps for a number of measures are available to self-serve from the Intelligence Hub; these are therefore not duplicated in this report. These include; Universal Credit caseload, Universal Credit Sanctions, People on Universal Credit by employment status.

The Intelligence Hub can be accessed via the webpage below:

[http://www.manchester.gov.uk/info/200088/statistics\\_and\\_intelligence/7611/intelligence\\_hub](http://www.manchester.gov.uk/info/200088/statistics_and_intelligence/7611/intelligence_hub)

### Analysis of the Q2 2018/19 Maps

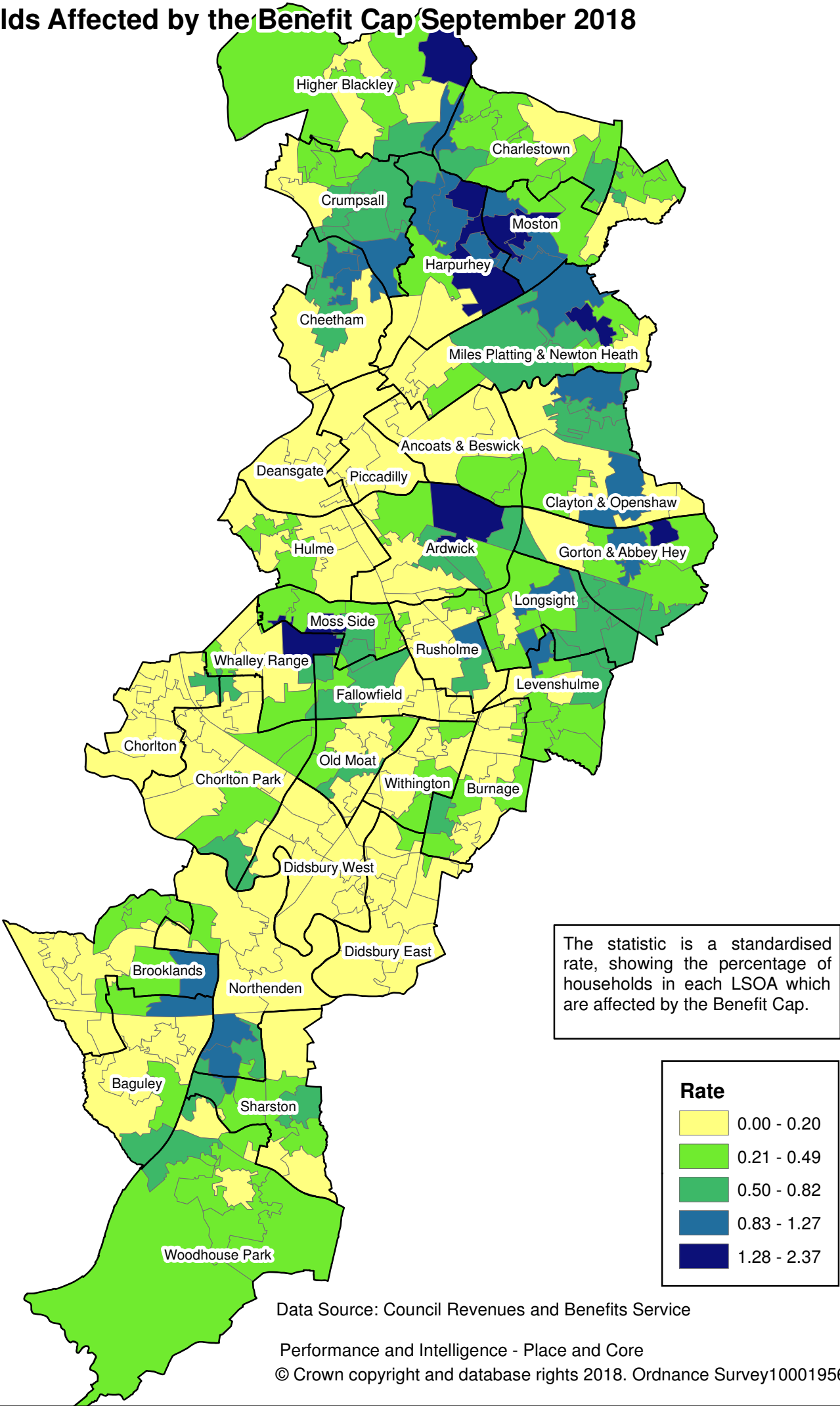
**Households affected by the benefit cap:** Hotspots of affected areas continue to be predominantly to the North and East. Notable small areas are affected in Moss Side, Ardwick, Harpurhey and Moston. In the most affected small areas, up to 2.4% of households are affected. These will correlate with areas where there are a large number of households with 3 or 4 children.

**Households in receipt of the Housing Element of Universal Credit:** The Housing Element caseload has increased substantially since December 2017, and stood at 10,284 households in August 2018. The areas where this cohort has increased the most include Moss Side, and a large area to the east of the city from Miles Platting, running south to Longsight. In the small areas with the highest proportion of claimants, up to 13% of all households in the area claim this element of the UC.

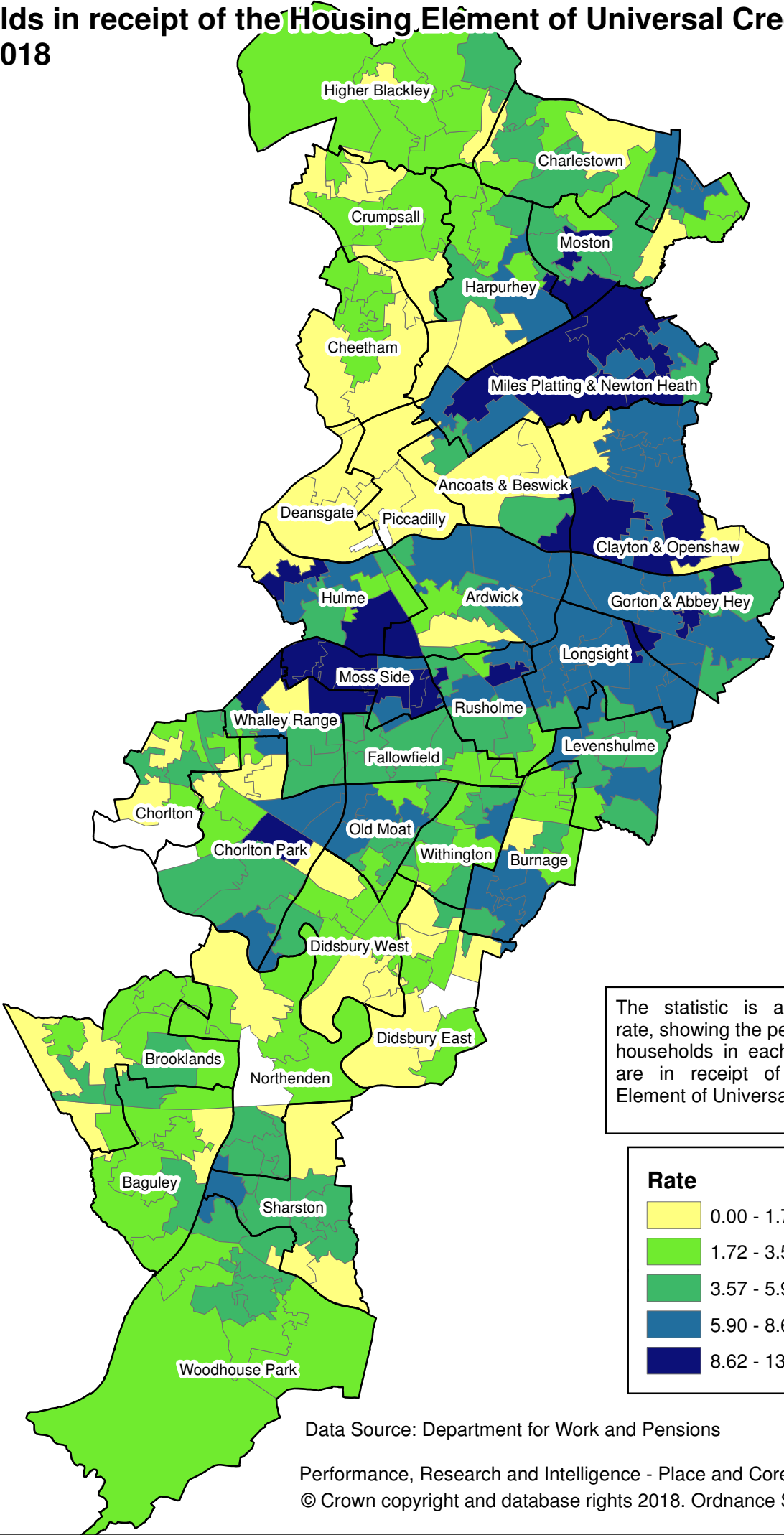
**Discretionary Housing Benefit Awards:** 4,386 awards are recorded at Q2, which includes future awards. Clusters of a high proportion of awards by households in the area are seen in Harpurhey, Sharston, and Longsight. The highest percentage rate of awards by households in a small area is 8.9%.

**Local Welfare Provision Scheme Applications:** Cumulatively there were 2,025 applications up to Q2. Small clusters continue to show around supported accommodation addresses. Wider areas are affected across several Wards across the city. The highest percentage rate of applications by households in a small area is 6.2%.

# Households Affected by the Benefit Cap September 2018



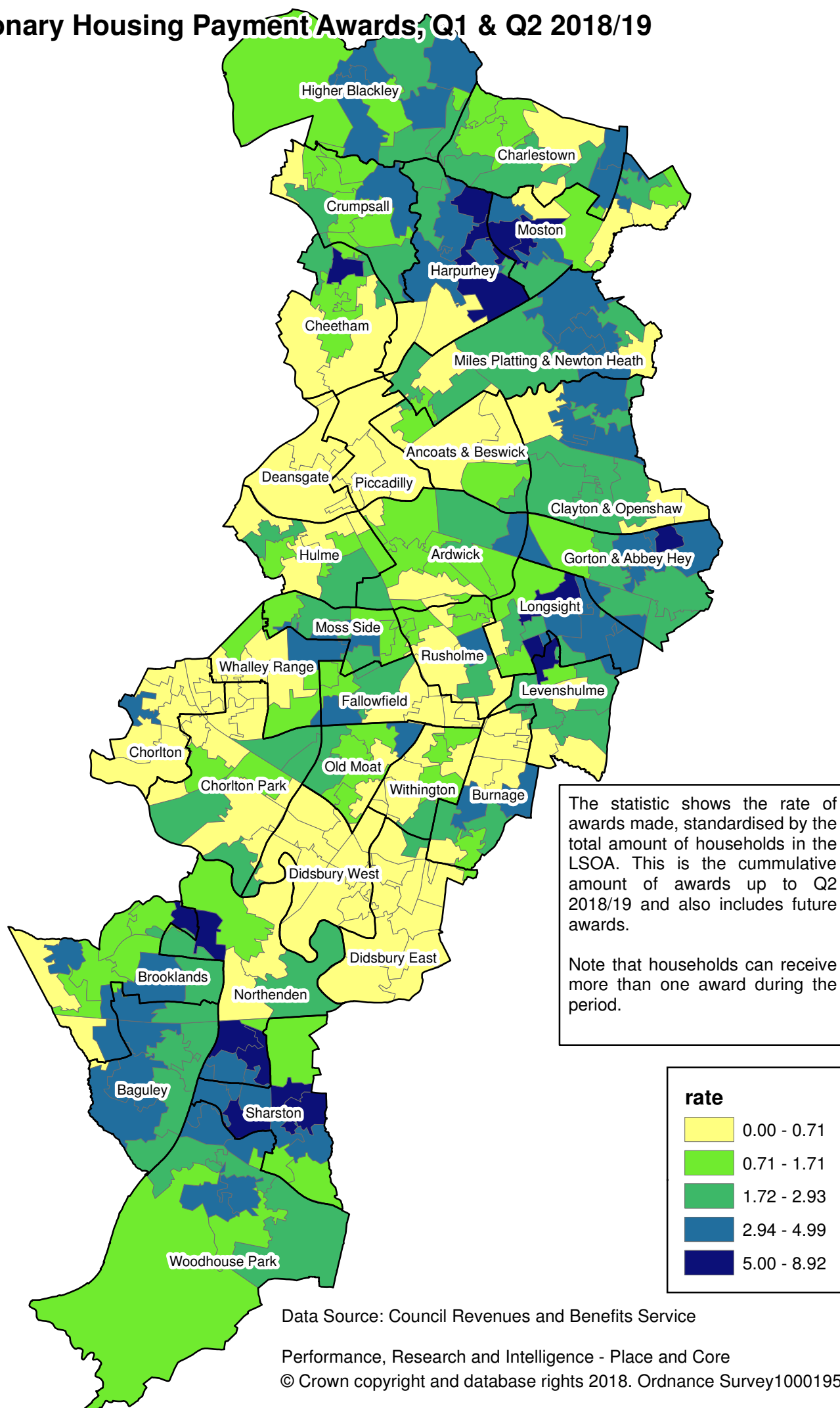
# Households in receipt of the Housing Elément of Universal Credit, August 2018



Data Source: Department for Work and Pensions

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# Discretionary Housing Payment Awards, Q1 & Q2 2018/19



Data Source: Council Revenues and Benefits Service

Performance, Research and Intelligence - Place and Core

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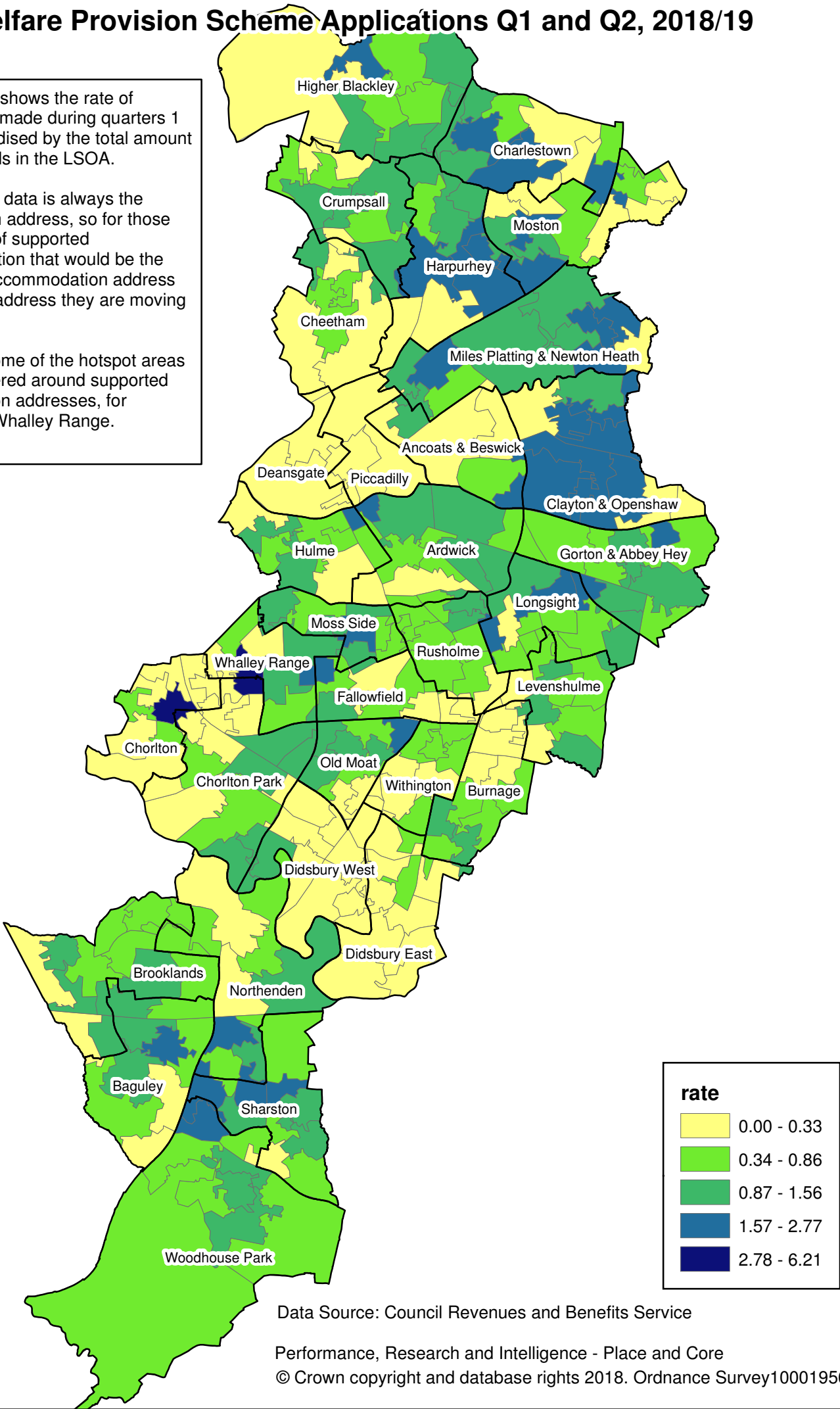


# Local Welfare Provision Scheme Applications Q1 and Q2, 2018/19

The statistic shows the rate of applications made during quarters 1 & 2, standardised by the total amount of households in the LSOA.

The address data is always the claimed from address, so for those moving out of supported accommodation that would be the supported accommodation address and not the address they are moving to.

Therefore some of the hotspot areas will be clustered around supported accomodation addresses, for example in Whalley Range.





## MEASURE DEFINITIONS

Measure	Definition	Data Source
1. HOUSING: Housing Benefit and Universal Credit Housing Element	Count of Households receiving either Housing Benefit or Universal Credit Housing Element. A split by tenure is provided, and a combined total of Housing Benefit and UC Housing Element to show overall caseload.	Department for Work and Pensions, and Council Revenues and Benefits Service
2. HOUSING: Social Housing Rent Arrears	Number of social housing arrears cases and total amount owed at quarter end. Coverage is of total citywide for main six providers (Adactus, Northwards, One Manchester, Southway, Wythenshawe Community Housing)	Survey of Registered Providers
3: HOUSING: Social Housing Rent Arrears - Universal Credit Claimants	LEFTHAND CHART: Number of social housing arrears cases and total amount owed at quarter end for UC claimants. Coverage is of total citywide for main six providers (Adactus, Northwards, One Manchester, Southway, Wythenshawe Community Housing)	Survey of Registered Providers
	RIGHTHAND CHART: Comparison of average social housing arrears per tenant for UC claimants in contrast with social tenants overall (on HB or UC). Coverage is of total citywide for main six providers (Adactus, Northwards, One Manchester, Southway, Wythenshawe Community Housing)	Survey of Registered Providers
4: HOUSING: Social Housing Rent Arrears - Universal Credit Claimants (continued)	LEFTHAND PIECHART: Total number and proportion of social tenants who are on either HB or UC. Coverage is of whole citywide social tenant caseload.	Department for Work and Pensions, and Council Revenues and Benefits Service
	RIGHTHAND PIECHART: Total arrears amount and proportion owed citywide for social tenants on UC compared to HB. Coverage is of total citywide for main six providers (Adactus, Northwards, One Manchester, Southway, Wythenshawe Community Housing)	Survey of Registered Providers
5: HOUSING: Social Housing Notices and Evictions	Total Number of Notices to Seek Possession, Court Orders and Evictions for social tenants per quarter. Coverage is of total citywide for main six providers (Adactus, Northwards, One Manchester, Southway, Wythenshawe Community Housing)	Survey of Registered Providers
6: HOMELESSNESS: Homelessness Presentations	The number of presentations, owed full duty, and in temporary accommodation at quarter end.	Department for Communities and Local Government
7: CLAIMANTS AFFECTED BY LEGISLATION: Benefit Cap	The number of working age households affected by the benefit cap as their total benefits exceeded the thresholds. The threshold is £20,000 per household per year, or £13,400 for single people with no children.	Council Revenues and Benefits Service

## MEASURE DEFINITIONS (CONTINUED)

Measure	Definition	Data Source
8: CLAIMANTS AFFECTED BY LEGISLATION: Working age social housing tenants in under-occupation	The number of households of working age, where the household is under-occupied according to the Bedroom Standard (this determines how many bedrooms the household is entitled to based on the number of couples, single adults, children aged 10-16 and children under 10). Households with 1 surplus room have their housing benefit reduced by 14% and households with 2 surplus rooms reduce by 25%.	Council Revenues and Benefits Service
9: Benefit Cap Rate Map by LSOA	The statistic is a standardised rate, showing the percentage of households in each LSOA which are affected by the benefit cap. NUMERATOR: number of households in LSOA affected by the benefit cap. DENOMINATOR: total number of occupied houses in LSOA from Council Tax records.	Council Revenues and Benefits Service, Council Tax
10: Households in receipt of the Housing Element of Universal Credit Map by LSOA	The statistic is a standardised rate, showing the percentage of all households in each LSOA which are in receipt of the Housing Element of Universal Credit. NUMERATOR: number of households in LSOA in receipt of the Housing Element of Universal Credit. DENOMINATOR: total number of occupied houses in LSOA from Council Tax records.	Department for Work and Pensions, Council Tax
11: Discretionary Housing Payment Awards by LSOA	The statistic shows the rate of awards made during the quarter, standardises by the total amount of households in the LSOA. NUMERATOR: DHP awards by LSOA. DENOMINATOR: total number of occupied houses in LSOA from Council Tax records.	Council Revenues and Benefits Service, Council Tax
12: Local Welfare Provision Scheme Applications	The statistic shows the rate of applications made during the quarter, standardised by the total amount of households in the LSOA.. NUMERATOR: number of applications by LSOA. DENOMINATOR: total number of occupied houses in LSOA from Council Tax records.	Council Revenues and Benefits Service, Council Tax