

Welfare Reform Act 2012 and its implications for Care & Targeted Outcomes

National Context

The following changes that will have an impact for children and young people involved with Children's Services are:

From January 2012

- The single room rate for young people under 25 who are living in a 1 bedroom shared accommodation will be extended to single people under 35

From April 2013

- Funding for the Social Fund will be devolved to Local Authorities. This fund looks to provide financial support to families or individuals where they have insufficient resources to prevent a serious risk to health and/ or safety to themselves or their family, or supporting people to return or remain within the community or family (Crises Loans & Community Care Grants)
- DLA to be replaced by a new Personal Independence Payment
- Housing entitlements for working age people in the social sector will reflect family size

From October 2013

- Roll out of the new universal credit. Between October 2013 and April 2014, those making a new claim will receive universal credit in place of JSA, employment support allowance, housing benefit, working tax credit or child tax credit. Existing claimants will also be moved onto universal credit if they are already receiving one of these benefits and their circumstances change significantly.

Those people that have not been moved onto universal credit during this time will be moved during the period end of 2015 to the end of 2017.

Local Context

The Local Authority have been allocated funding to run the social fund scheme. A Service Level Agreement is in the process of being set up with Southend who will run the social fund on the Local Authority's behalf.

Contact has been established with 'TRUP' a charity organisation based in East Tilbury.

It is expected that the Social Fund will be 'cash free' although it is anticipated that in a few exceptions cash may be the only solution.

Applications for the Social Fund will be made on line via Thurrock internet link or by telephone to Southend Council Benefits Team.

Food items – It will be expected that a card/voucher scheme will be developed with major retailers whereby people will be given vouchers that they spend it one of these stores

Furniture – The use of exiting furniture recycling schemes in the local area, charitable second hand furniture providers and /or retailers such as Argos will be used by placing orders and using TRUP to do the delivery.

Electrical goods – An arrangement has been made with a local second hand company to supply all white goods and deliver them. The payment for these goods will be made direct by the Council.

Utility payments – It will be expected that people take up the company's hardship scheme, the use of prepaid cards to be encouraged, but reconnection charges will be paid direct to the supplier.

Impact on specific groups involved with Children's Services

Foster Carers

The issue for our current foster carers will be the 'bedroom tax', which is that housing benefit will be reduced if the carer is deemed to have a spare bedroom in their council or housing association home

The Children's Minister, Edward Timpson has stated that it has been agreed that foster carers are one of the groups that would be entitled to the housing discretionary budget. He has also agreed to look further into this matter and discuss it with the DWP.

For foster carers this will obviously be a loss of income. I am unclear as to what extent this will affect our carers, but it would be useful to have a discussion with Housing Benefit about this matter and get some agreement as to how we can use the housing discretionary budget for this purpose.

Care Leavers

For care leavers who are 18 and over they will receive the universal credit (UC), which will be a monthly payment and include payment for housing costs (ie housing benefit element)

Issues in respect to UC will be that most young people have a difficulty in budgeting and the expectation that they will be receiving **all** their allowances in a lump sum on a monthly basis, and then having the responsibility of having to pay the housing provider presents a risk in that they may not pay it, they do not necessarily understand what they have to do, they do not understand how much of the monthly payment goes towards the rent and they get into difficulties in managing this money over a monthly period, as this is an adjustment to receiving benefits on a fortnightly basis and not having to worry about payments to housing, as this was done originally direct to the housing provider.

The use of the discretionary housing payments to provide rent in advance, deposits and other associated costs, such as removal costs will also need to be discussed and addressed with Housing/housing benefit, so that there are some local protocols for our care leavers.

Social fund payments will be administered locally via the SLA with Southend, which means payments will not be financial but via vouchers etc, which is not too much of a change to what the Department does already.

Thurrock Council have adopted the scheme that for working age claimants the maximum support they will be allowed is 75% of the full Council Tax bill for the banding of the property. Therefore it will be expected that a proportion of their UC will need to be paid towards their Council Tax, which they currently do not have to.

Another issue that will need to be further explored will be those young people who are in full time education after their 19th birthday and the implications for Council Tax.

The Department also needs to bear in mind those young people who have a disability, where perhaps their primary service will come from Adults, but also have an entitlement to services from the After Care Team due to their time in care.

We also have to acknowledge that there may be families where their income decreases because of the new legislation, who will approach Children's Services for support and assistance. These families will be looked at on a case by case basis and decisions will be made on their circumstances, having undertaken an assessment. The extent to which this legislation has an impact on Children's Services may not be known until the changes in the UC and housing benefit take effect.

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