



## Report of the Cabinet Member for Better Communities - People

Council - 20 December 2018

### Welfare Reform Impact Analysis

<b>Purpose:</b>	The report presents the findings of the 'Welfare Reform Impact Assessment – September 2018 Update'.
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<b>For Information</b>	

#### 1. Background

- 1.1 'Policy in Practice' carried out the third and final analysis of Swansea's Single Housing Benefits Extract (SHBE) data using the September 2018 extract. The analysis identifies the impact of multiple welfare reforms at a household level. The September 2018 SHBE data contains information on 24,500 low income households in Swansea.
- 1.2 Previous analysis of Swansea's SHBE data was carried out utilising the March 2017 and March 2018 extract.
- 1.3 This report provides a summary only of the findings and predictions made by the analysis of the September 2018 data. The full report is included as a background paper.

#### 2. Demographic change between March 2018 and September 2018

- 2.1 The total SHBE cohort has dropped from 24,973 in March 2018 to 24,427 in September 2018. This may reflect households moving onto Universal Credit and not claiming Council Tax Reduction as of September 2018.

- 2.2 The number of households that are in receipt of Universal Credit has more than doubled, from 1,002 to 2,394.
- 2.3 Single households remain the most common household type making up 53.9% of all working age households in the cohort. Lone parents make up a further 28.8%.
- 2.4 The proportion of working age households in work has decreased from 13.2% to 7.7%.
- 2.5 Living with a disability remains the largest cause of unemployment (decreasing slightly from 53.7% to 53%).
- 2.6 The proportion of residents that are worse off under Universal Credit has increased from 41.8% to 45.2%.

### **3. Living Standards in Swansea (September 2018)**

- 3.1 38.3% of the cohort are in relative poverty in September 2018. This is an increase of 1.6% since March 2018. (Relative poverty: income below 60% of the median household income).
- 3.2 30.8% of the cohort have a monthly shortfall of over £100 per month.
- 3.3 9.9% of the cohort are in financial crisis (income is less than rent) or at financial risk (household costs exceed income).

### **4. Predictions (September 2018 / 2020)**

- 4.1 5,889 households are likely to be highly impacted (loss of more than £30 per week) due to welfare reform by 2020.
- 4.2 The number of households in financial crisis is predicted to drop from 206 to 102, while the number of households at risk or struggling is predicted to increase from 3,740 to 5,476.
- 4.3 The number of households under the poverty line is predicted to rise from 9,362 to 10,720 and the number of children living in households under the poverty line is predicted to rise from 6,987 to 8,408.
- 4.4 The number of households with a shortfall of over £100 per month is predicted to rise from 7,513 to 9,414 and the number of children living in households with a shortfall of over £100 per month is predicted to rise from 5,190 to 7,358.
- 4.5 The number of households with a shortfall of less than £100 per month is predicted to fall from 1,849 to 1,306 and the number of children living in households with a shortfall of less than £100 per month is predicted to fall from 1,797 to 1,050.

- 4.6 The number of households not in relative poverty is predicted to fall from 15,065 to 13,707 and the number of children living in households not in relative poverty is predicted to fall from 4,883 to 3,462.
- 4.7 38.3% of the cohort is predicted to have a high impact with a loss of £30 or more per week compared to 2.4% in 2018.

## **5. Equality and Engagement Implications**

- 5.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

This report is for information only and subsequently there are no equality implications relating to this report.

## **6. Legal Implications**

- 6.1 There are no legal implications.

## **7. Financial Implications**

- 7.1 There are no financial implications.

**Background papers:** Policy in Practice Welfare Reform Impact Analysis September 2018.

**Appendices:** None