

The impact of welfare reform on people in Scotland

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Housing Benefit Changes

Social Rented Sector

- **Bedroom Tax**
- **Introduction of direct payments**
- **Change in funding for LA temporary homelessness accommodation**

Private Rented Sector

- **LHA Capped & set at 30th Percentile**
- **Shared Accommodation Rate Change**

Both Sectors

- **Reduced housing benefit via benefits cap, changes to non-dependent deductions, uprating of benefits by CPI**

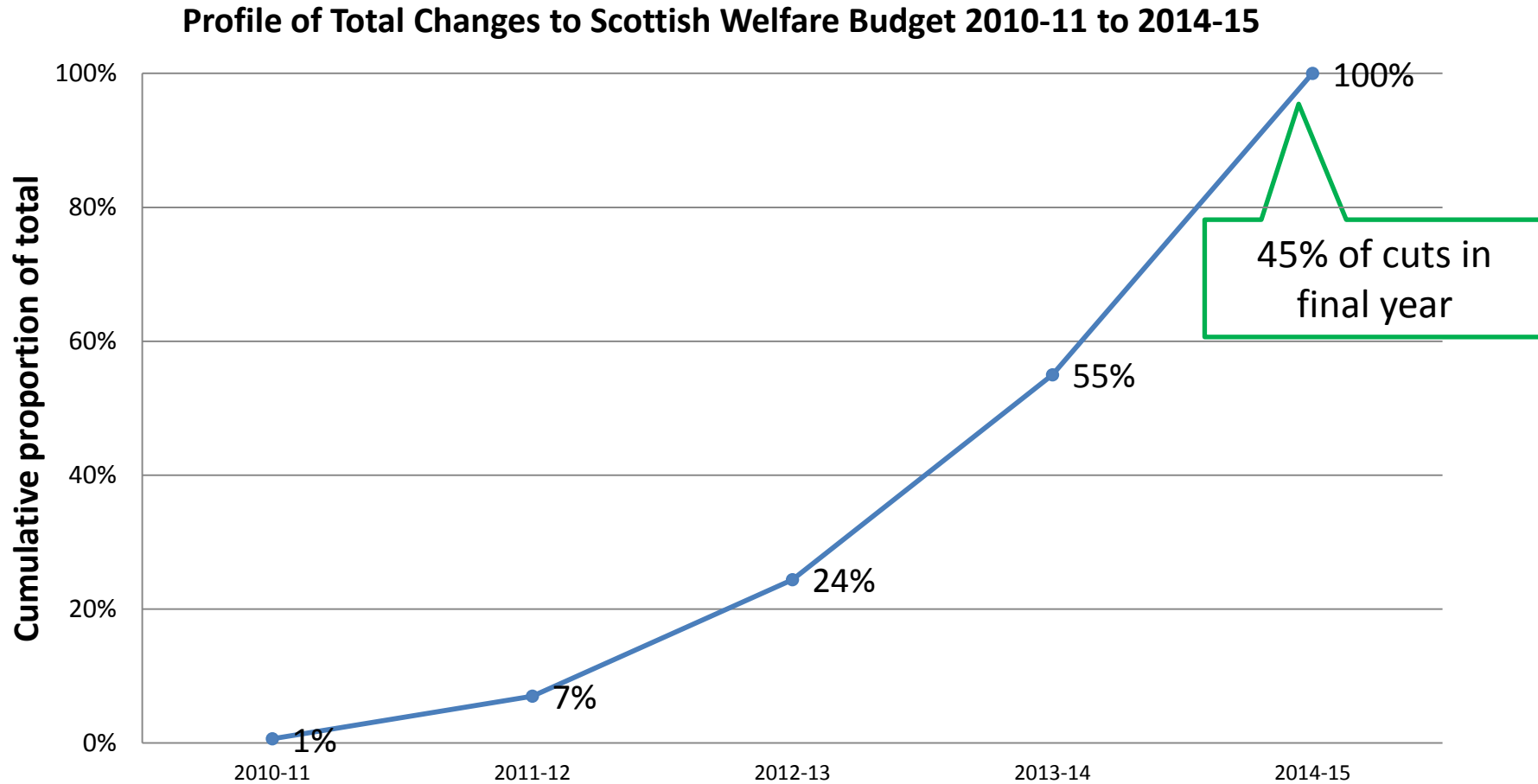
Reform	Sector affected	Date for implementation in Scotland
Local Housing Allowance (LHA) rates capped	Private	April 2011
Local Housing Allowance (LHA) rates set at 30 th percentile of local rents, rather than 50 th , 5 bedroom rate removed overall caps set for the other rates.	Private	October 2011
First phase of uprating of non-dependant deductions	Private Social	April 2011
Shared Accommodation Rate (SAR) for single people living in shared accommodation extended from under 25 to under 35s	Private	January 2012
Housing benefit reduced for under occupying tenants of working age	Social	April 2013
Benefit cap caps the total amount of benefit a household can receive at the national average earnings. The benefit cap was implemented from April 2013 in four local authorities in London, with the remaining LAs implementing the cap from 15 July 2013. All appropriate households capped by end September 2013.	Private Social	July 2013
All benefits uprated by Consumer Price Index (CPI) rather than Retail Price Index	Private Social	October 2013
Increase in LHA rates and certain working age benefits will be capped at 1% in 2014 and 2015.	Private Social	April 2014, April 2015
Phased introduction of Universal Credit for working age tenants incorporating direct payments as part of a single monthly unified benefits payment (housing component to replace housing benefit)	Private Social	October 2013-2017 (<i>Dates for inclusion of housing costs to be confirmed</i>)
Proposals to localise benefits support for Supported Accommodation	Private Social	To be confirmed
Housing benefit replaced with new element of pension credit (called housing credit) for those over qualifying age for pension credit	Private Social	To be confirmed

^[1] From April 2011, a cap on LHA was introduced at maximum rates of £250 per week for 1 bedroom, £290 per week for 2 bedrooms, £340 per week for 3 bedrooms and £400 per week for 4 or more bedrooms.

^[2] New rates and size cap applied to new claimants from this date and for existing claimants on the anniversary of their claim or when their circumstances changed.

^[3] SAR restrictions introduced for new claimants from this date and for existing claimants on the anniversary of their claim or when circumstances changed.

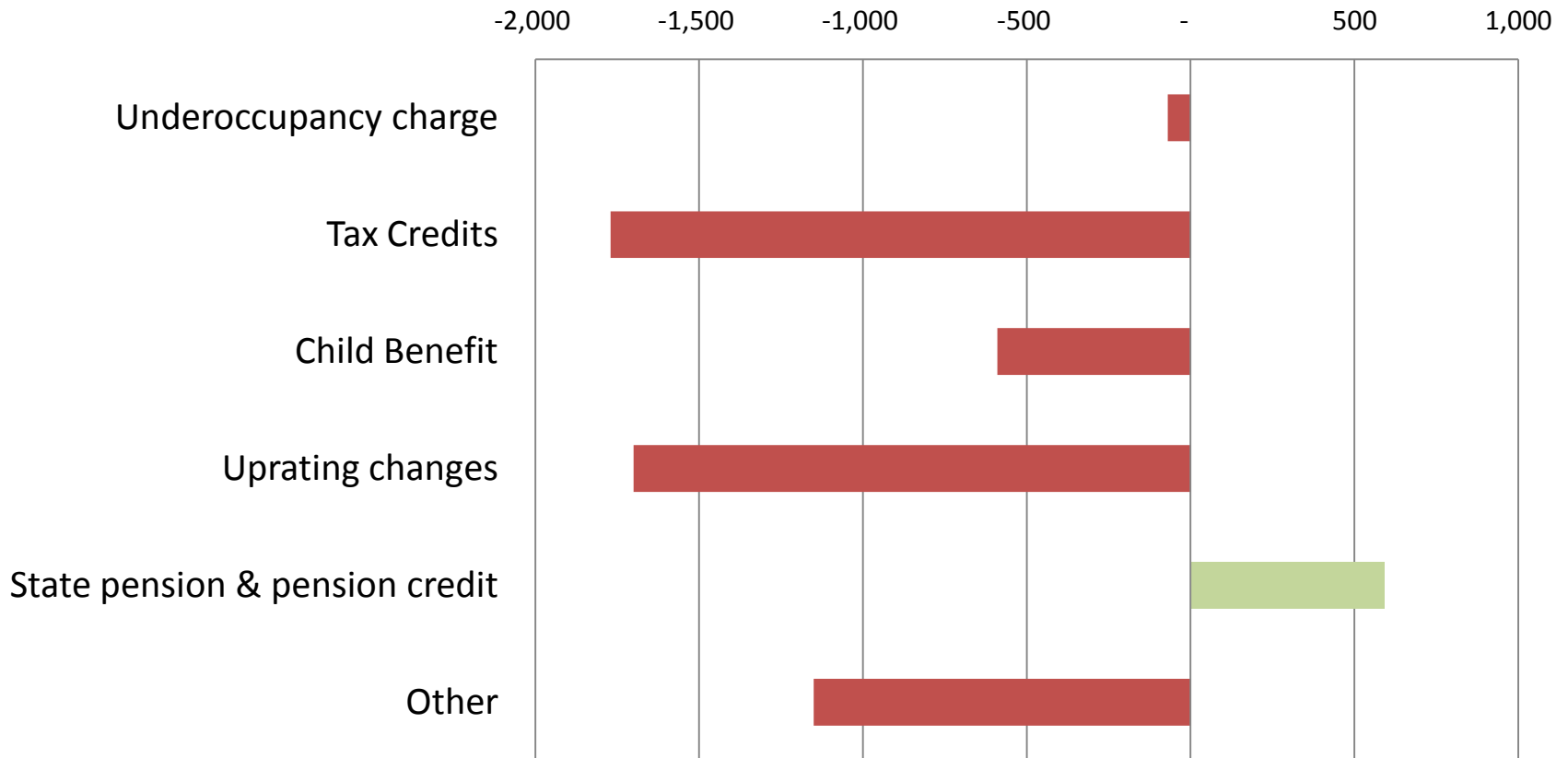
Almost half of the cuts are coming next year



All figures derived from HMT/DWP forecasts, which estimate over £4.5 billion worth of cuts in Scotland

Bedroom Tax is a small part of a much bigger cut

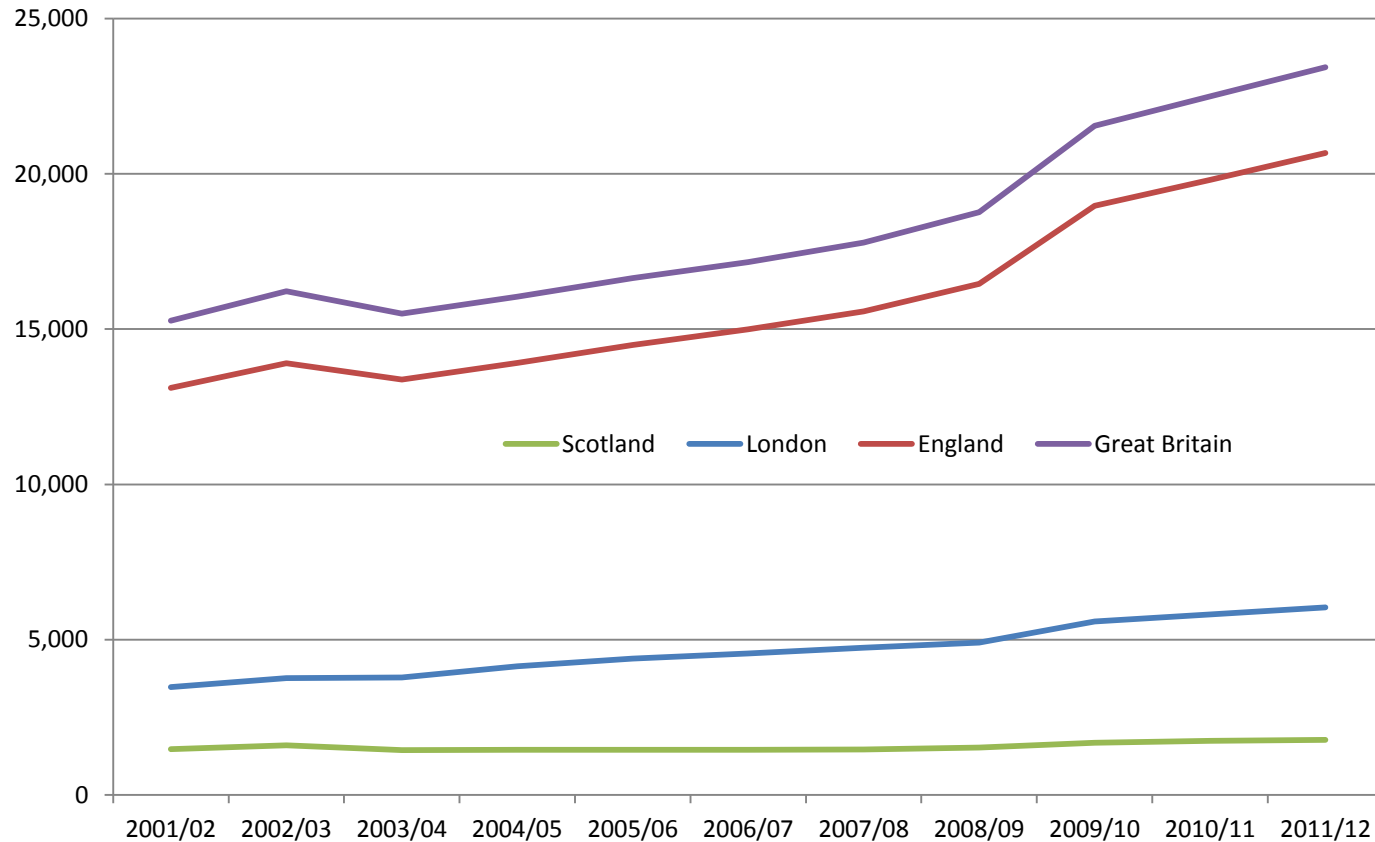
Total Changes to Scottish Welfare Budget 2010-11 to 2014-15 (£M)



Notes: 'Other' category includes Benefit Cap, DLA, ESA, etc.

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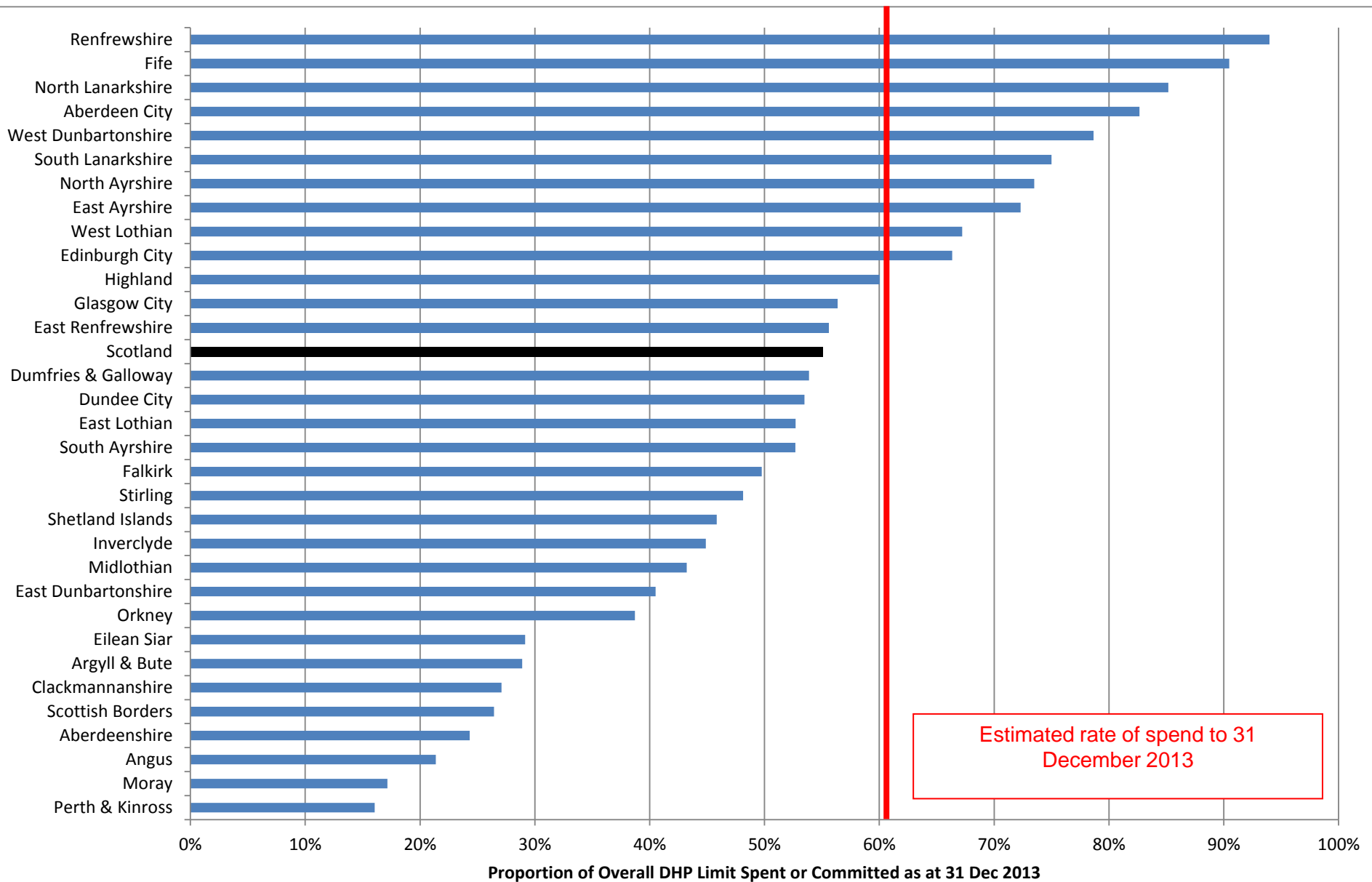
Total Housing Benefit Expenditure Real Terms (2012-13 prices)



Scottish Government Mitigation

- **£40m with local government in 2013/14 and 2014/15 for council tax benefit**
- **£33m in 2013/14 and 2014/15 for Scottish Welfare Fund**
- **£20m for Discretionary Housing Payments in 2013/14.**
- **£35m for DHPs (and possibly an alternative scheme) in 2014/15**
- **£7m for welfare mitigation in each of the three years from 2013/14 to 2015/16 for advice and support services.**

Proportion of Overall DHP Limit Spent or Committed as at 31 December 2013 by LA



Scottish Government Research

- **Reach & Diversity**
 - Numbers affected, impact of different groups, rural/urban
- **Tenant Finances & Behaviours**
 - Strategies for management, DHPs, Advice Services
- **Landlord Finances & Management**
 - Arrears, sustainability of tenancies, lending environment
- **Housing Dynamics**
 - Supply/demand, tenant mobility, impact on other services