

Welfare Reform Review

July 2017



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Introduction

This data report provides an update to the report presented in March 2016.

Welfare Reform roll outs are well underway in Kent and the initial impacts of changes to the benefits system can now be seen.

In Kent the removal of the Spare Room Subsidy (commonly known as the bedroom tax) was introduced in April 2013 and the Benefit Cap in July 2013.

From June 2013 Personal Independence Payment or PIP (replacing Disability Living Allowance - DLA) was introduced for new claimants aged 16 to 64 and from October 2013 existing DLA claimants who had changes to report or were reaching the end of an award were reassessed for PIP. From October 2015 the remaining DLA caseload began to be assessed for PIP.

Universal Credit roll out in Kent began in April 2015. Universal Credit is currently available in all areas in Kent however it is only available to single claimants without a partner and without child dependents. The government expanded the roll out of Universal Credit to all new claimant types from May 2016. The full roll out across the country is planned to be complete by September 2018. Following this rollout process the DWP will then begin to move all remaining existing benefit claimants to the full Universal Credit

Working age benefits and tax credits continue to be frozen until 2020 while pensioner benefits are protected. The rates of other benefits such as Disability Living Allowance, Personal Independence Payment and Employment and Support Allowance are increased in line with the Consumer Price Index (CPI).

In 2016 the most significant welfare change was the reduction in the benefit cap threshold to £20,000 (or £23,000 for those living in London).

Changes from April 2017 include a cut in the work related activity component for some new ESA claimants (equivalent to £29.50 a week); family support provided through Tax Credits and Universal Credit limited to two children, affecting families where any additional children were born on or after 6th April 2017; and some 18 to 21 year olds claiming Universal Credit no longer being entitled to help with housing costs.

Increasingly more statistical information is being made available which reflects the changes which are underway. However many of the data are still classified as experimental statistics and are subject to revision.

This update uses the latest data available from government sources to provide a holistic picture of the impact of welfare reform changes on Kent and Kent districts. National and regional comparisons are included.

Summary of findings

Since the original conception of the welfare reform programme, the health of the economy in general has improved, both locally and nationally. More people are finding employment, earnings have increased steadily and house prices have recovered. For this reason it is not possible to say whether changes in the population and those claiming benefits can be attributed solely to the changes that the benefits system is undergoing. Economic stability and greater business confidence is a significant factor in the increased numbers of people who are now in work and the reduction of the number of children in out of work benefit claimant households.

We are however able to look at each of the key changes individually and see how they have affected the population in Kent.

2016 saw further welfare reform changes. A reduction in the benefit cap threshold was phased in between November 2016 and January 2017. This change has had a significant impact on benefit claimant households.

In Kent 317 households had their benefit capped as at October 2016, just prior to the lowering of the cap threshold. In February 2017 this had more than trebled to 1,532 claimant households affected, an overall increase of 383%. The vast majority of those capped have child dependents, in particular those families with 3 or more children. However a significantly higher number of smaller families have found their benefit capped following these changes. The number of families with one or two children increased to 272 in February 2017 (from 14 in October 2016) an increase of over 1,000 percent.

As the number of capped households has increased dramatically so has the amount which claimants are being capped, resulting in a greater number of households being capped by a greater amount. While the majority of capped households are capped up to £50 per week there has been a significant increase in those households who are capped by a larger amount. In October 2016, 44 households were capped by £100 or more a week. This increased to 296 in February 2017, an increase of 573%.

To date 1,278 households have become exempt from the Benefit Cap since its introduction, the majority of which were because of claimants moving into some form of work which enabled them to claim Working Tax Credits or had moved to another exempt benefit.

Following the introduction of the benefit cap an increase in the migration of Housing Benefit claimants from high rent to lower rent areas was anticipated, particularly into local authorities surrounding London. Because historically Kent has attracted people moving out of London it is difficult to prove what level of inward migration is as a result of the benefit cap.

5,546 Housing Benefit claimants in Kent were affected by the removal of the spare room subsidy (bedroom tax) as at February 2017, accounting for 5.8% of all Housing Benefit claimants, below the national average of 8.3%. The number in Kent affected has fallen by 688 since its introduction in 2013. The

majority of those affected are subject to a reduction in their benefit of up to £20 per week.

The total Discretionary Housing Payments (DHP) expenditure in Kent in 2015/16 was just over £1.9 million. There was an overall underspend on its allocation of 2.1%. All districts in Kent spent under its allocation with the exception of Thanet which overspent by 2.8%. Just over a quarter of the welfare reform related DHP payments in Kent were to provide support to people affected by the removal of the spare room subsidy.

Universal Credit began to be introduced in Kent in April 2015 and is now available in all areas in the county however it remains available only to single claimants with no dependants. Roll out to all claimant types begins in Dover in May 2017 and will be available in all areas in Kent by September 2018. As at April 2017 there were 7,034 claimants in Kent, 63% of which were out of work claimants.

Personal Independence Payment (PIP) was introduced in April 2013 to replace Disability Living Allowance for 16-64 year olds. As at January 2017 there were 24,196 PIP claimants in Kent. The length of time it takes to process a claim in the South East has reduced from one of the highest waiting times in the country to one of the lowest with an average waiting time of 7 weeks.

Benefit changes

Benefit Cap

One of the most significant changes to be implemented in the last year is the change to the benefit cap threshold.

The cap on benefits for working age households was introduced to ensure that households in receipt of a working age benefit did not receive more in benefits than the average weekly wage for working households. Households where someone works more than 16 hours a week are exempt as are those where someone claims a disability or health related benefit, carers allowance and armed forces related benefits.

For the majority of households the cap is administered through Housing Benefit, with the household's Housing Benefit entitlement being reduced so that the total amount of benefit a household receives is not higher than the cap.

Initially when introduced in 2013 the cap was set at £26,000 per year however this changed in November 2016 to £20,000 per year for all areas outside London, and £23,000 in Greater London areas. This change was implemented between November 2016 and January 2017. This report compares the latest data (February 2017) with the month before the changes came into force (October 2016).

The change to the cap threshold has resulted in a significant increase in the number of households in Kent affected by the cap.

Table 1: Total households affected since the introduction of the benefit cap

	Total Number of Households (2014)	Households affected by benefit cap since 2013	Total households affected by the benefit cap since 2013 per 1,000 households
Feb-17			
Kent	628,927	2,790	4.4
South East	3,672,500	16,322	4.4
London	3,452,100	44,872	13.0
England	22,746,000	121,483	5.3

Source: DWP Stat Xplore; DCLG Household Projections 2014

Presented by: Research & Evaluation, Kent County Council

Overall since the introduction of the benefit cap in 2013 2,790 households in Kent have been affected. This equates to 4.4 households affected in every

1,000 which is lower than the national average of 5.3 and equals the regional average. Those affected in the London area equates to 13.0 households in every 1,000. Those households in the London area who have seen their benefit capped account for almost a third of all households capped in England.

The number of capped households in Kent has almost quadrupled since the month before the threshold changes, increasing from 317 households affected in October 2016 to 1,532 affected as at February 2017 (an increase of 383.3%, +1,215 households).

Proportionally Kent has seen a higher increase in households being capped than was seen nationally and regionally.

Table 2: Households affected by the benefit cap

Feb-17	Total Number of Households (2014)	Households affected by benefit cap Feb 2017	Households affected by the benefit cap per 1,000 households Feb 2017	Number change since month before cap threshold change (Oct 2016-Feb 2017)	% change since month before cap threshold change (Oct 2016-Feb 2017)
Kent	628,927	1,532	2.4	+1,215	+383%
South East	3,672,500	8,926	2.4	+6,904	+341%
London	3,452,100	15,309	4.4	+7,101	+87%
England	22,746,000	59,540	2.6	+41,717	+234%

Source: DWP Stat Xplore; DCLG Household Projections 2014

Presented by: Research & Evaluation, Kent County Council

Chart 1: Households subject to benefit cap – 2014-2017

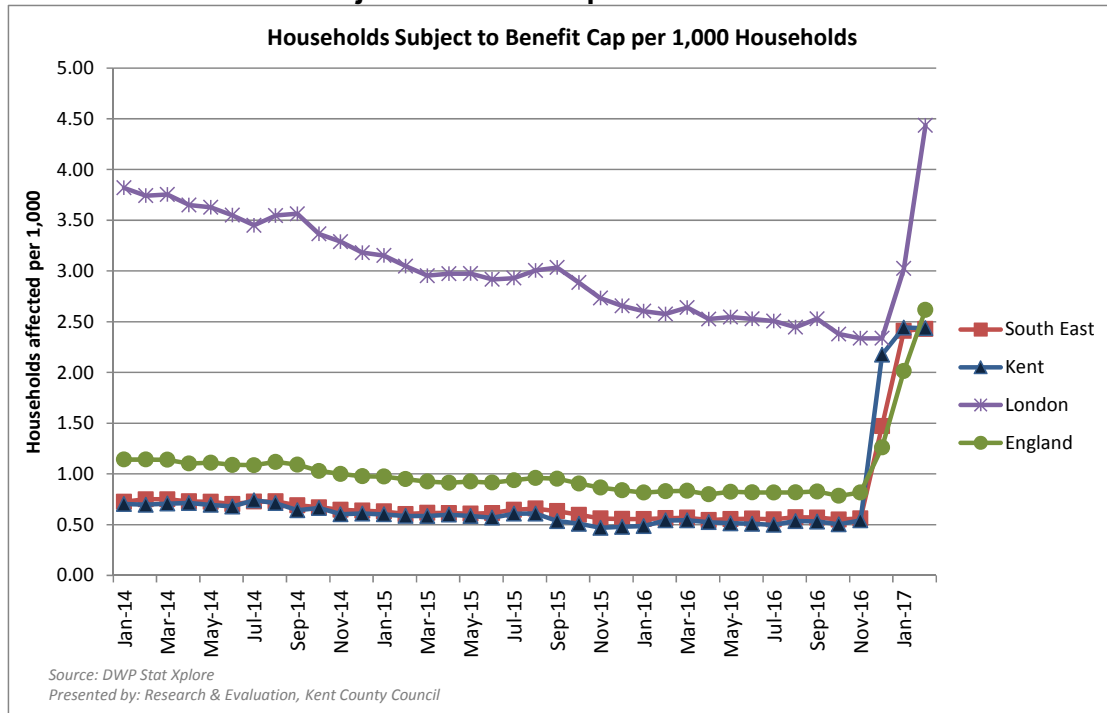
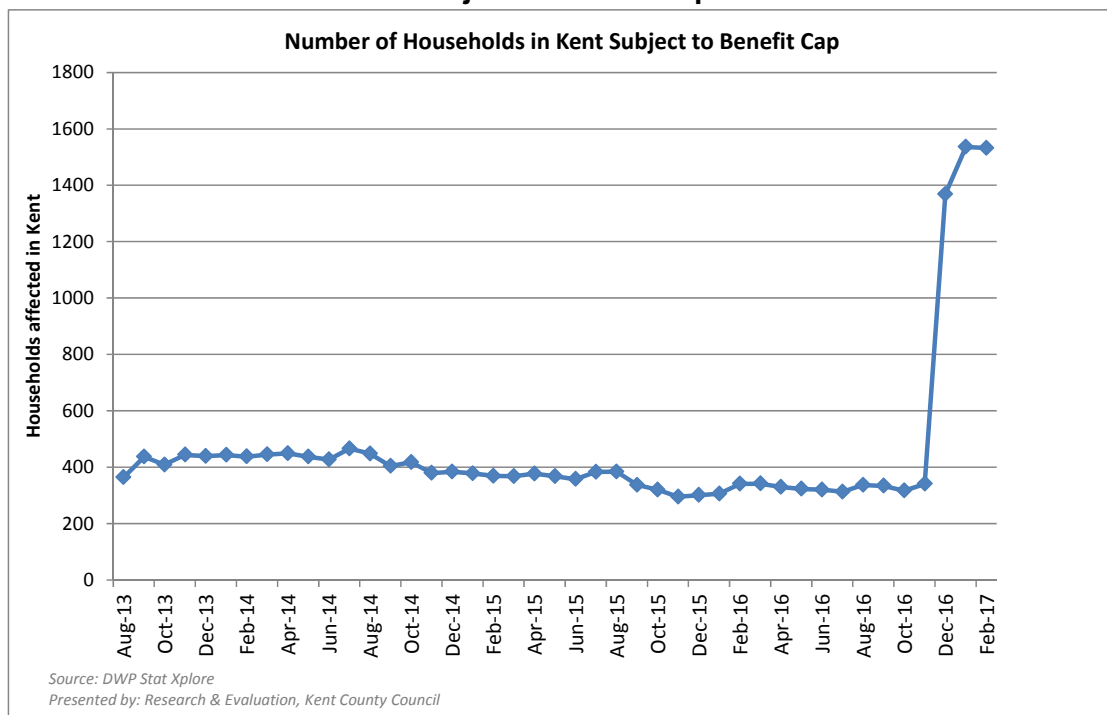


Chart 2: Households in Kent subject to benefit cap



When looking at the individual districts within Kent the figures show that Swale and Thanet have the highest number of capped households in Kent. When compared relatively to the number of households in each district we can see that Swale (3.5 per 1,000 households) and Gravesham (3.0 per 1,000) have the highest proportion of capped households in the county.

Table 3: Capped households in Kent districts

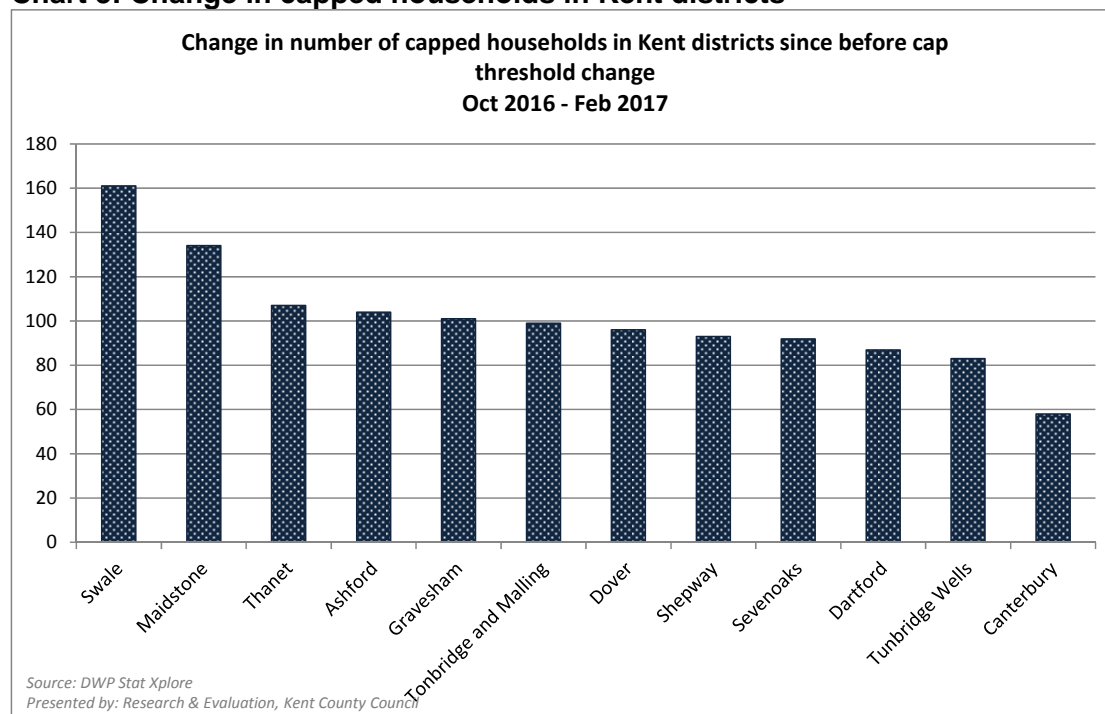
	Feb-17		Oct-16	
	Total Households capped	Households capped per 1,000 households	Total Households capped	Households capped per 1,000 households
Ashford	143	2.8	39	0.8
Canterbury	78	1.2	20	0.3
Dartford	104	2.5	17	0.4
Dover	117	2.4	21	0.4
Gravesham	125	3.0	24	0.6
Maidstone	170	2.6	36	0.5
Sevenoaks	107	2.2	15	0.3
Shepway	127	2.6	34	0.7
Swale	200	3.5	39	0.7
Thanet	153	2.5	46	0.7
Tonbridge & Malling	119	2.4	20	0.4
Tunbridge Wells	91	1.9	8	0.2

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

In February 2017 all districts saw an increase in capped households when compared to the month before the threshold changes. In real terms Swale saw the biggest increase with 161 more households capped. Tunbridge Wells saw the biggest percentage increase with capped households increasing by 1,037%, in real terms an increase from 8 households capped in October 2016 to 91 capped in February 2017.

Chart 3: Change in capped households in Kent districts



Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

Not only has there been an increase in the number of households subject to the cap in Kent but more claimants are now being capped by a higher amount. The majority of Kent households subject to the benefit cap (46.1%) were capped by up to £50 a week before the threshold changes however they account for a much smaller proportion of the total number of households capped in February 2017. The most significant increase in capped households was in those capped between £50 and £200 per week.

Table 4: Households affected by the benefit cap – amount capped

Feb-17	Households affected	up to £50	£50.01 to £100	£100.01 - £200	£200.01 - £300	£300.01 - £400 and above
Kent	1,532	707	533	291	5	0
South East	8,926	4,331	2,705	1,759	110	25
London	15,309	7,723	4,355	2,587	501	137
England	59,540	28,998	20,036	9,560	753	182
Kent	100%	46.1%	34.8%	19.0%	0.3%	0.0%
South East	100%	48.5%	30.3%	19.7%	1.2%	0.3%
London	100%	50.4%	28.4%	16.9%	3.3%	0.9%
England	100%	48.7%	33.7%	16.1%	1.3%	0.3%

Source: DWP Stat Xplore

Note: Due to DWP rounding methodology percentages may not sum.

Presented by: Research & Evaluation, Kent County Council

Table 5: Change in number of households affected by the benefit cap since cap threshold change – amount capped

October 2016 - February 2017						
Number change	Households affected	up to £50	£50.01 to £100	£100.01 - £200	£200.01 - £300	£300.01 - £400 and above
Kent	+1,532	+501	+465	+247	+5	+0
South East	+8,926	+3,060	+2,229	+1,513	+87	+25
London	+15,309	+3,029	+2,430	+1,358	+243	+42
England	+59,540	+18,365	+15,602	+7,225	+439	+67
Percentage change						
Kent	+383%	+243%	+684%	+561%	+500%	-
South East	+341%	+241%	+468%	+615%	-	+2,500%
London	+87%	+65%	+126%	+110%	+94%	+44%
England	+234%	+173%	+352%	+309%	+140%	+58%

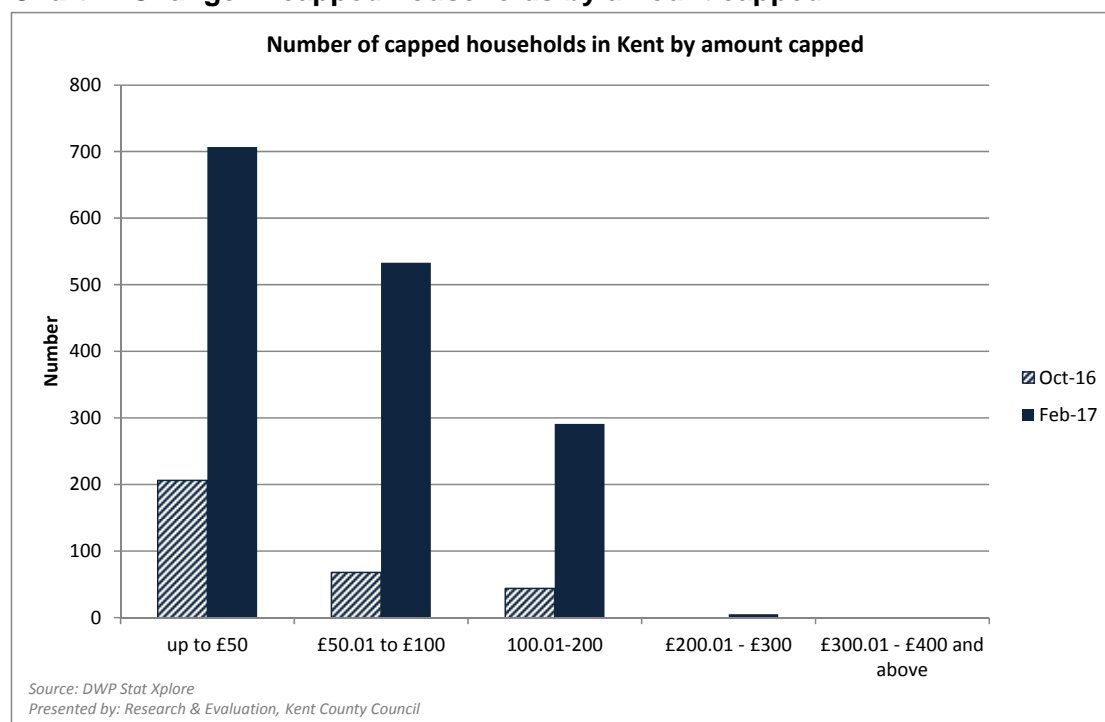
Source: DWP Stat Xplore

Note: Due to DWP rounding methodology percentages may not sum.

Presented by: Research & Evaluation, Kent County Council

The following chart shows the change in households in Kent being capped before and after the threshold changes and the amount they were capped each week.

Chart 4: Change in capped households by amount capped



In Kent the majority of benefit claimant households affected have children. Just over three quarters of those affected are single parents.

Table 6: Capped benefit households by family type

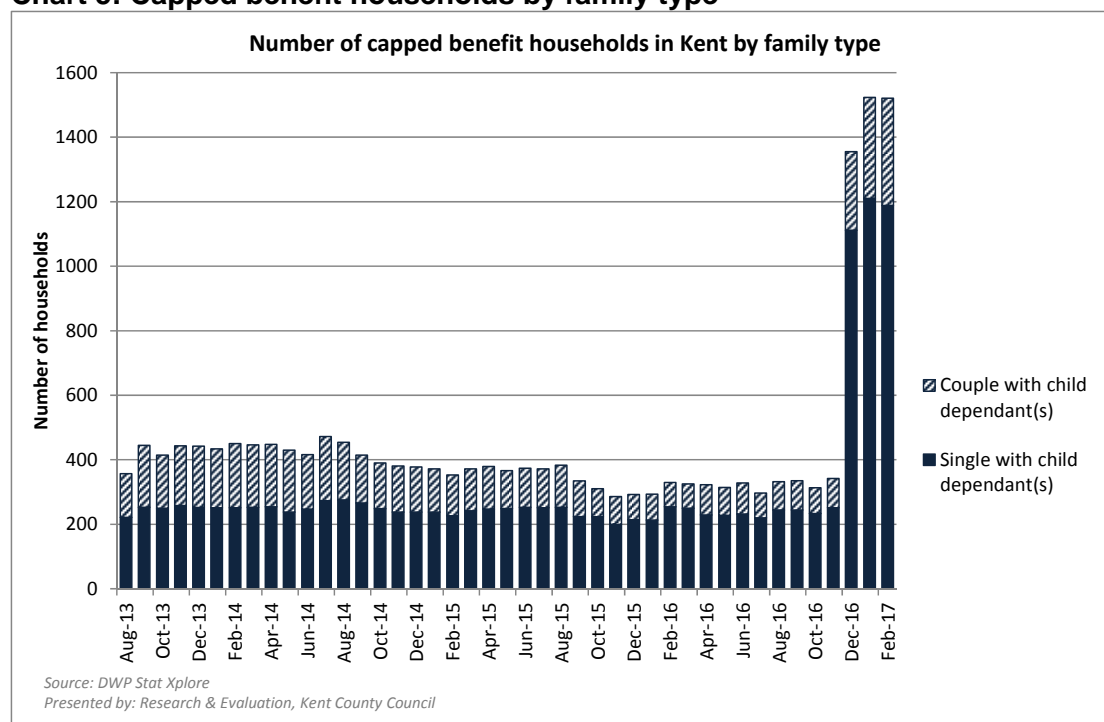
	Households affected	Single, no child dependant	Single with child dependant(s)	Couple, no child dependant	Couple with child dependant(s)
Feb-17					
Kent	1,532	12	1,188	0	333
South East	8,926	271	7,087	5	1,563
London	15,309	3,286	9,773	25	2,224
England	59,540	4,199	43,289	41	12,003
Kent	100%	0.8%	77.5%	0.0%	21.7%
South East	100%	3.0%	79.4%	0.1%	17.5%
London	100%	21.5%	63.8%	0.2%	14.5%
England	100%	7.1%	72.7%	0.1%	20.2%

Source: DWP Stat Xplore

Note: Due to DWP rounding methodology percentages may not sum.

Presented by: Research & Evaluation, Kent County Council

Chart 5: Capped benefit households by family type



Single parent families have increased to a greater extent (+410% households) than couple families (+316% households).

Table 7: Change in capped benefit households by family type since threshold change, October 2016 - February 2017

October 2016 - February 2017					
	Households affected	Single, no child dependant	Single with child dependant(s)	Couple, no child dependant	Couple with child dependant(s)
Kent	+1,215	+12	+955	+0	+253
South East	+6,904	+249	+5,541	+5	+1,108
London	+7,101	+2,328	+4,111	+12	+651
England	+41,717	+3,156	+31,262	+22	+7,265
Percentage change					
Kent	+383%	+1,200%	+410%	0%	+316%
South East	+341%	+1,132%	+358%	+500%	+244%
London	+87%	+243%	+73%	+92%	+41%
England	+234%	+303%	+260%	+116%	+153%

Source: DWP Stat Xplore

Note: Due to DWP rounding methodology percentages may not sum.

Presented by: Research & Evaluation, Kent County Council

The majority of families affected in Kent (81%) are larger families (those with at least 3 children).

Table 8: Households affected by the benefit cap – number of child dependants

Feb-17	Households affected	No child dependant	1-2 child dependants	3-4 child dependants	5 or more child dependants
Kent	1,532	12	272	1,095	152
South East	8,926	272	2,520	5,512	620
London	15,309	3,311	4,215	5,660	841
England	59,540	4,248	9,867	37,350	6,039
Kent	100%	0.8%	17.8%	71.5%	9.9%
South East	100%	3.0%	28.2%	61.8%	6.9%
London	100%	21.6%	27.5%	37.0%	5.5%
England	100%	7.1%	16.6%	62.7%	10.1%

Source: DWP Stat Xplore

Note: Due to DWP rounding methodology percentages may not sum.

Presented by: Research & Evaluation, Kent County Council

While larger families make up the highest number of capped households the greatest percentage increase since the threshold changes were made has been seen in families with fewer children. Families with one or two children has increased by 1,843% since October 2016, however in real terms the highest number increase was in those with three to four children.

Table 9: Change in capped benefit households by dependants since threshold change

October 2016 - February 2017					
Number change	Households affected	No child dependant	1-2 child dependants	3-4 child dependants	5 or more child dependants
Kent	+1,215	+12	+258	+923	+23
South East	+6,904	+250	+2,429	+4,186	+38
London	+7,101	+2,341	+1,999	+1,529	-55
England	+41,717	+3,190	+7,448	+28,824	+229
Percentage change					
Kent	+383%	+1,200%	+1,843%	+537%	+18%
South East	+341%	+1,136%	+2,669%	+316%	+7%
London	+87%	+241%	+90%	+37%	-6%
England	+234%	+302%	+308%	+338%	+4%

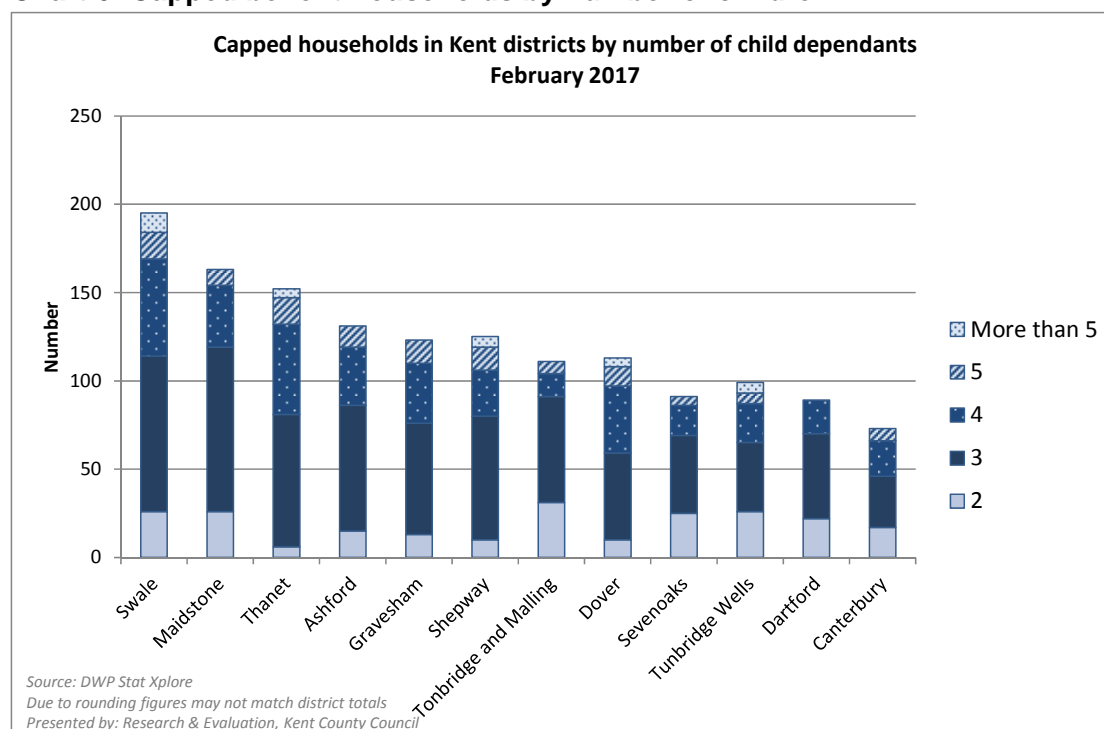
Source: DWP Stat Xplore

Note: Due to DWP rounding methodology percentages may not sum.

Presented by: Research & Evaluation, Kent County Council

Some of the largest families affected by the benefit cap live in Swale and Thanet. More than 30% of the affected households in Kent with 5 or more children live within these districts.

Chart 6: Capped benefit households by number of children



Benefit Cap off-flows

Households may flow on and off the benefit cap numerous times as their circumstances change. Also, household circumstances may change whilst a household remains off the cap. Therefore, for reporting purposes, the benefit cap off-flow data reflects the total number of households who have become exempt at the latest point in time.

The total number of off-flows to date in Kent is 1,278.

Table 10: Housing cap off-flows to date

Feb-17	Total off-lows to date
Kent	1,278
South East	7,411
London	29,382
England	61,906

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

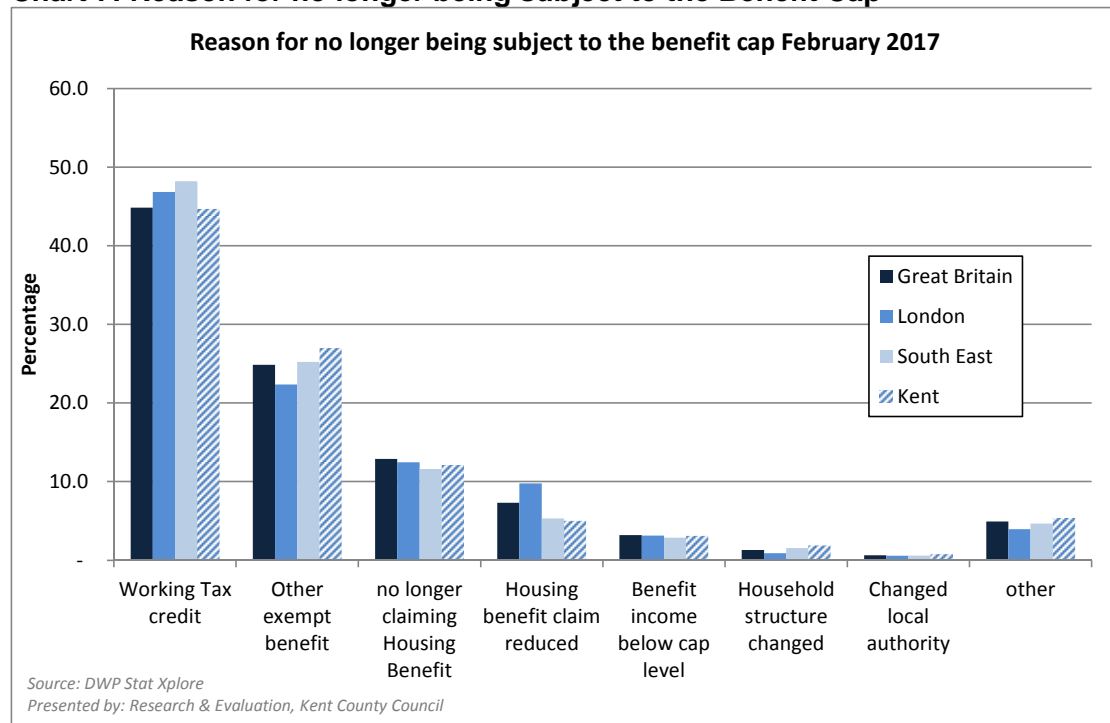
There are a variety of reasons why a claimant would no longer be subject to the benefit cap. A claimant could become exempt for any combination of these reasons, so to avoid double counting DWP take a hierarchical approach with only the top most reason for becoming exempt is recorded. The categories at the lower end of the hierarchy (such as changing local authority) are deemed not enough to show a reason for no longer being capped but they do show a household's change of circumstance and may be indicative of a reason to no longer be capped.

Compared with other reasons for becoming exempt to the cap, the data shows that the lowest reason for becoming exempt from the cap is changing local authority. Since the introduction of the cap less than one percent of those claimants who became exempt did so solely as a result of moving to another authority. In London this equates to 169 claimants moving authority since 2013. Many more may have moved home to avoid the cap but if in combination with another reason will not have been recorded as doing so.

The following chart shows the main reason for becoming exempt in hierarchical order.

The majority of claimants have become exempt from the benefit cap because they have moved off out of work benefits and into some form of work, thus enabling them to claim Working Tax credits.

Chart 7: Reason for no longer being subject to the Benefit Cap



Housing Benefit Flows

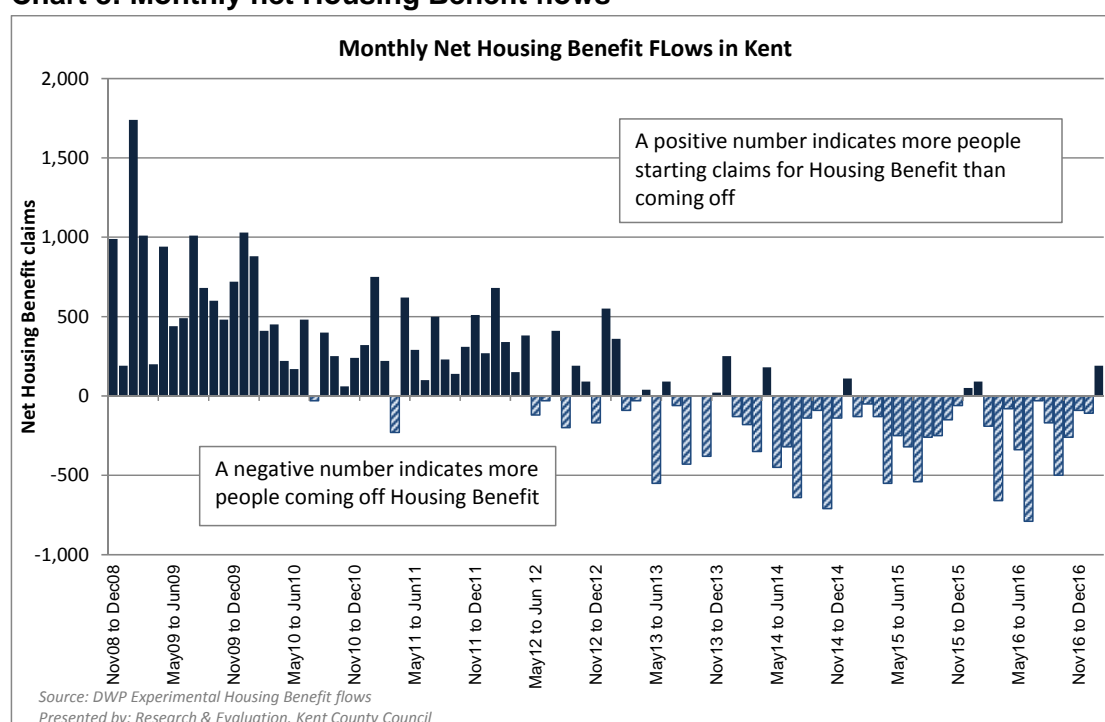
Housing Benefit flows data are new experimental statistics from the Department of Work and Pensions. The data shows that despite a net increase in Housing Benefit Claimants in January to February 2017 on the whole over the last three years more people were coming off Housing Benefit than starting new claims.

Table 11: Net Housing Benefit claimant flows

	Jan10 to Feb10	Jan11 to Feb11	Jan12 to Feb12	Jan13 to Feb13	Jan14 to Feb14	Jan15 to Feb15	Jan16 to Feb16	Jan17 to Feb17
Kent	880	750	680	360	-130	-130	90	190
South East	5,690	3,560	3,530	930	-1,100	-2,140	-350	370
London	8,960	3,000	2,740	700	-1,590	-2,640	1,270	-1,500
GB	57,020	33,370	31,050	7,040	-1,120	-12,860	5,520	-1,900

Source: DWP Housing Benefit Flows Experimental Statistics
Presented by: Research & Evaluation, Kent County Council

Chart 8: Monthly net Housing Benefit flows



Housing Benefit Movers

Migration into and out of Kent is a key component of population change and plays an important role in the county's population and economic profile.

Historically net migration (the difference between those moving into Kent and those moving out) has fluctuated considerably. Overall Kent has seen a positive growth in net migration, which means that there have been more people entering the county than there have been leaving. This contributes to the population growth of the county along with natural change.

Following the initial introduction of the benefit cap in 2013, an increase in the migration of Housing Benefit claimants from high rent to lower rent areas was anticipated, particularly into local authorities surrounding London.

Further changes to the benefit cap took place in November 2016, when the benefit cap threshold was lowered from £26,000 per year to £20,000 per year in the UK and to £23,000 in Greater London.

Because historically Kent has attracted people moving out of London it is difficult to prove what level of inward migration is as a result of the benefit cap.

The data provided by local authority districts shows only those people who move into Kent and then claim Housing Benefit in Kent. It does not record those people who move into Kent but still have their Housing Benefit paid by the local authority they have moved from.

Unfortunately local authorities are not able to provide information on those claimants who move out of Kent.

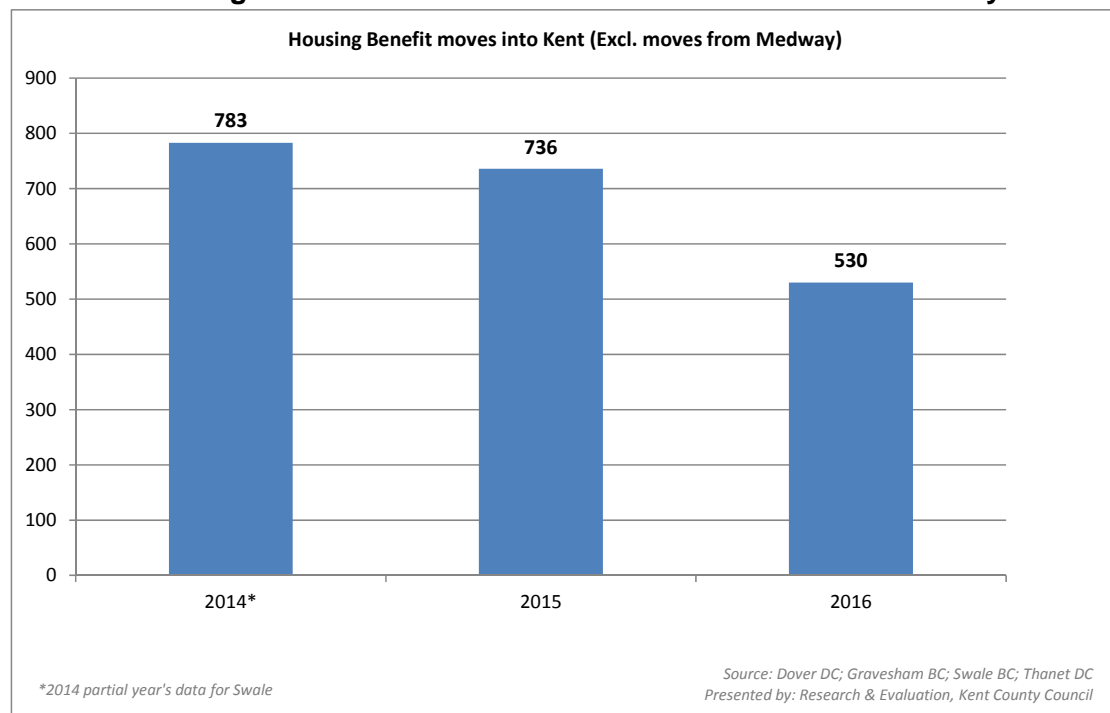
Data has been supplied by five Kent local authorities; Canterbury, Dover, Gravesham, Swale and Thanet. Data is available for 2014 to 2016 with the exception of Swale district where data is available for December 2014 and the complete years 2015 and 2016.

When we use the term movers into Kent we mean a sum of these five districts.

Moves into Kent from Medway have been excluded.

The number of Housing Benefit movers coming into Kent has fallen since 2014. The fall in reality is much larger as 2014 only includes one month's data for Swale.

Chart 9: Housing Benefit moves into Kent from outside Kent & Medway



When looking at the data from individual districts we can see that this fall is largely due to a significant reduction in benefit movers into Dover and Thanet.

Thanet has seen the most significant fall in numbers in 2016. It has gone from having the highest number of incoming benefit movers to one of the lowest, with less than a third of the number of claimants than was seen in 2014.

Chart 10: Housing Benefit moves into Kent districts from outside Kent & Medway

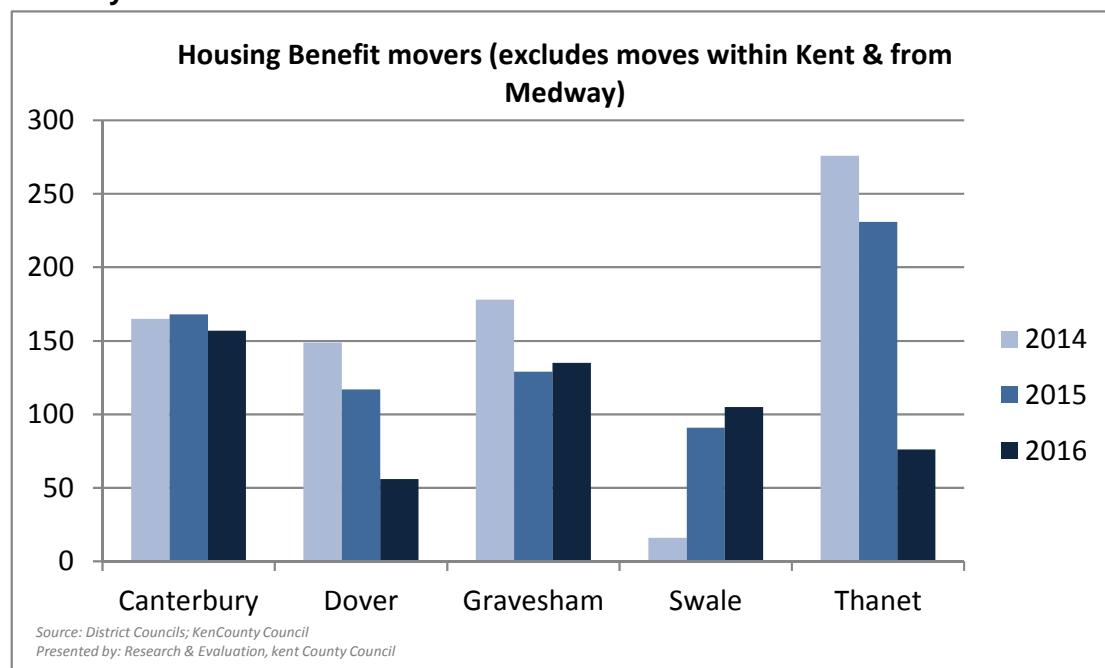


Table 12: Housing Benefit claimants moves into Kent districts

	2014	2015	2016
Canterbury	165	168	157
Dover	149	117	56
Gravesham	178	129	135
Swale	16*	91	105
Thanet	276	231	76
Grand Total	784	736	529

* Partial year

Source: Kent Local Authorities

Presented by: Business Intelligence, KCC

When looking at the broad area of origin each year we can see that while movers from overseas or other areas in the UK have fallen steadily the number of movers from London boroughs increased in 2015. This number has fallen again during 2016.

Chart 11: Housing Benefit moves into Kent by origin

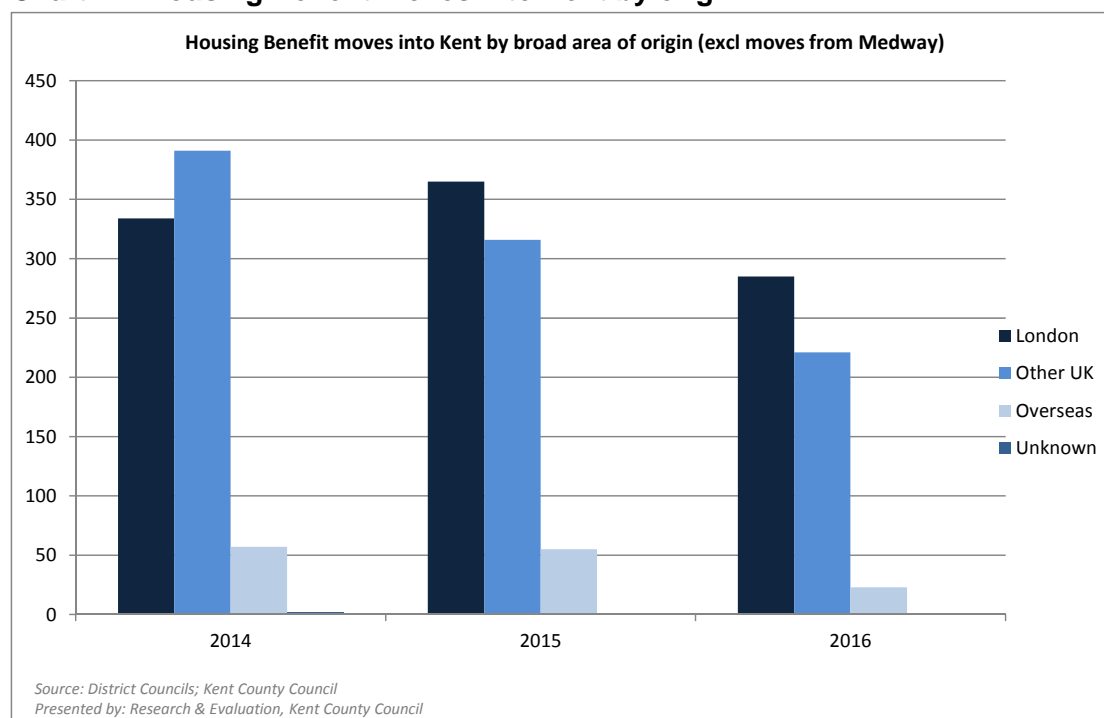


Table 13: Origin of Housing Benefit claimant moves into Kent districts

	2014	2015	2016
London	334	365	285
Other UK	391	316	221
Overseas	57	55	23
Unknown	2		
Grand Total	784	736	529

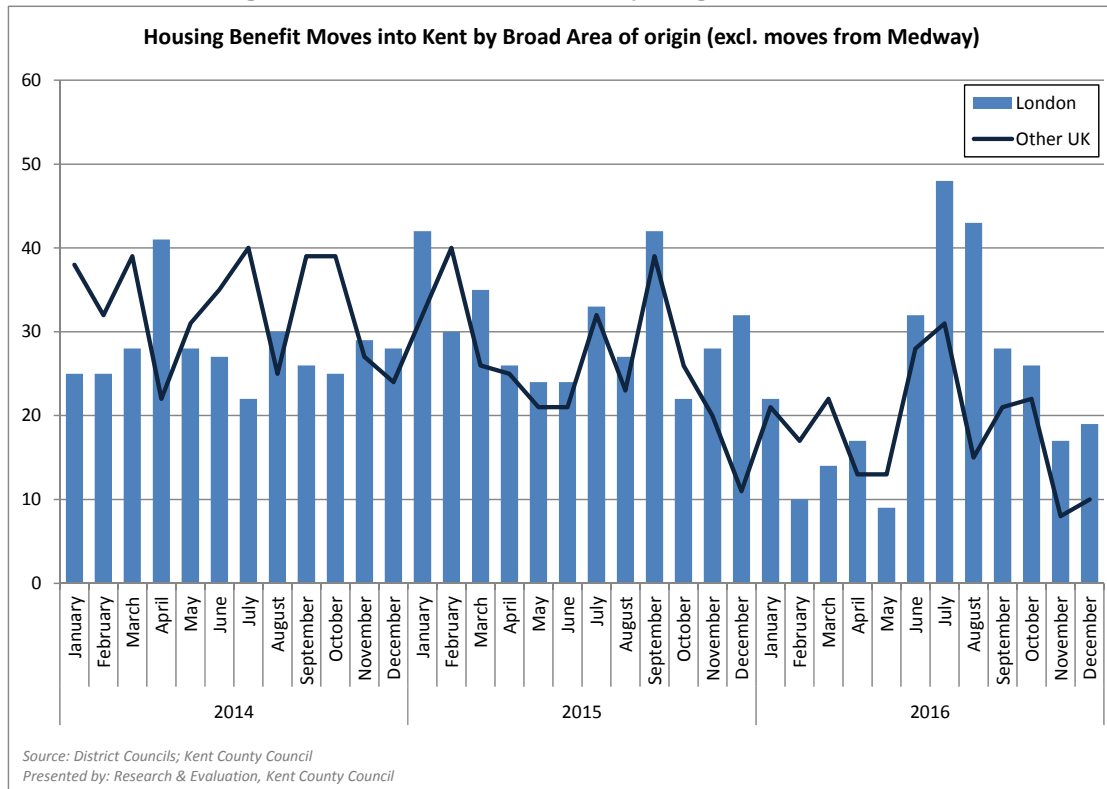
Source: Kent Local Authorities

Presented by: Business Intelligence, KCC

The number of movers into Kent fluctuates from month to month. Movers from London have remained fairly steady however the data does show some significant peaks. In April 2014, January and February 2015 the number of movers from London increased slightly in all five districts. In July and August 2016 number of London movers into Thanet fell to less than half the average for the district where as movers to Canterbury more than doubled the previous highest number.

This increase in Canterbury correlates with the increase in claimants from the London Borough of Redbridge.

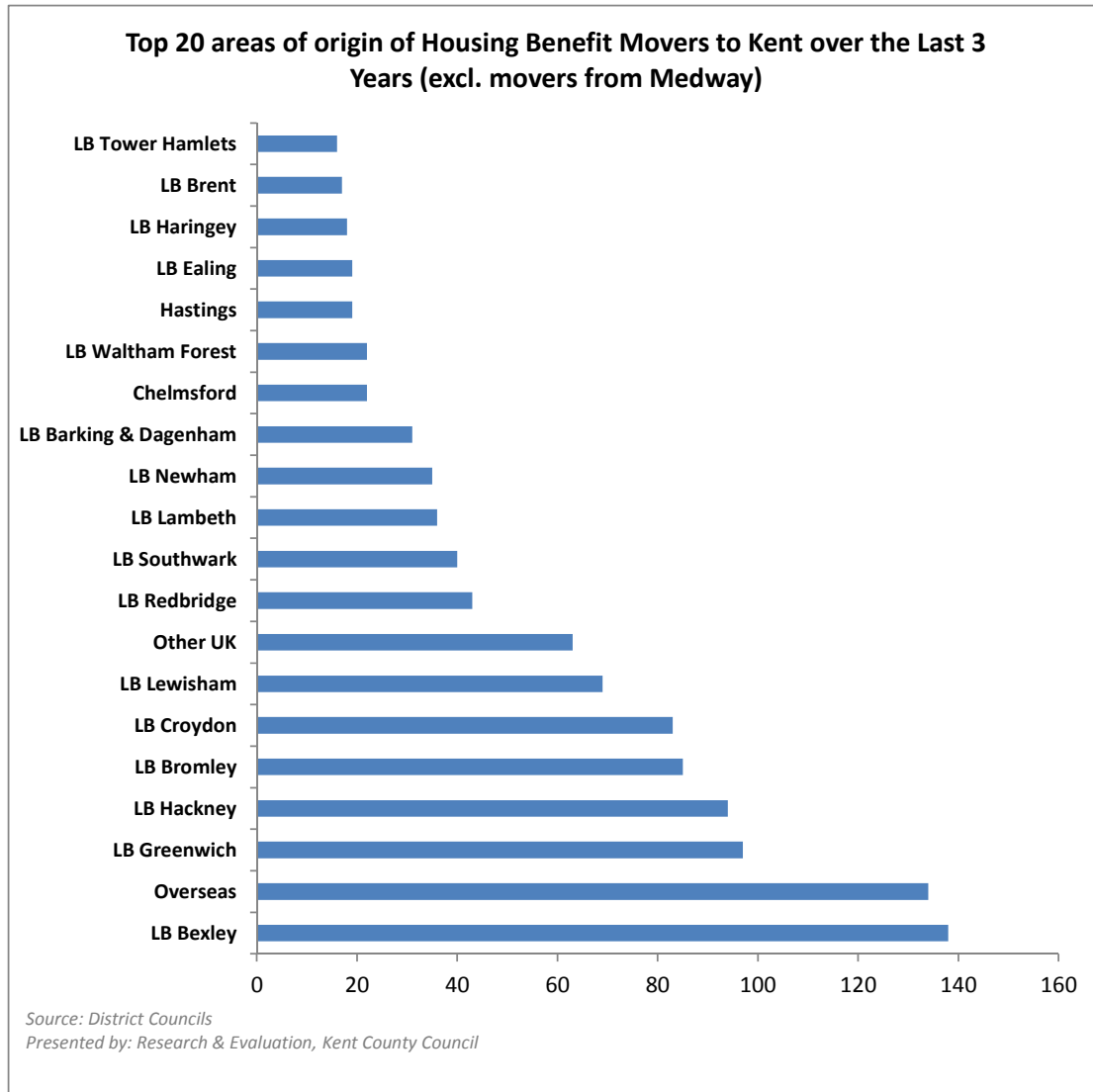
Chart 12: Housing Benefit moves into Kent by origin



The following chart shows the top areas of origin for claimant movers.

Many of the top areas of origin are London boroughs, largely from boroughs which neighbour Kent.

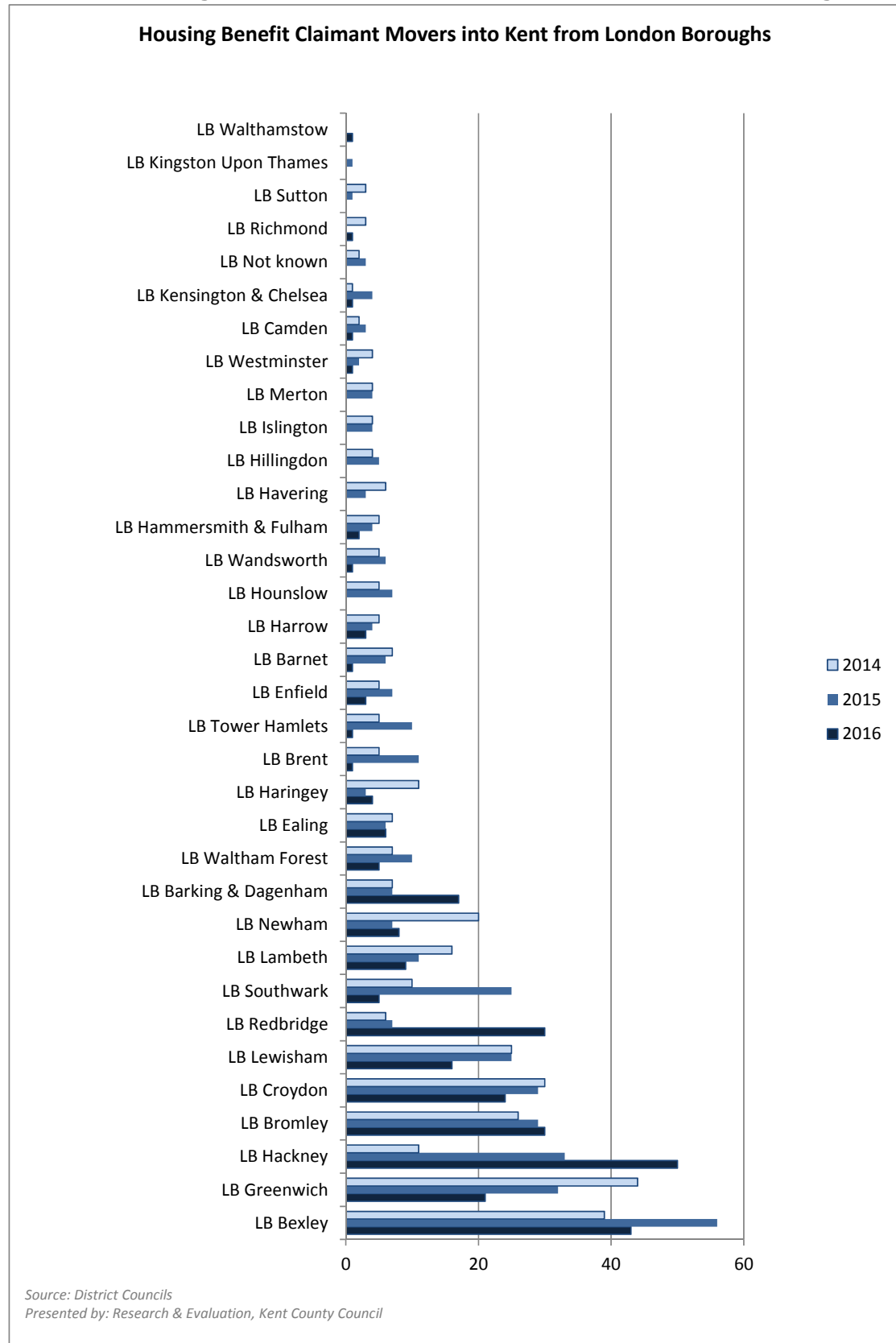
Chart 13: Top 20 areas of origin of Housing Benefit moves into Kent



The following chart shows the number of benefit movers from London boroughs over the last three years.

Overall the largest number of movers into Kent have come from those London Boroughs which neighbour Kent; Bexley, Greenwich, Bromley, Croydon and Lewisham. However a large increase in movers from Hackney in 2015 and 2016 make it the third highest origin of movers from London to Kent.

Chart 17: Housing Benefit claimant moves into Kent from London Boroughs



The following table shows the top authority of origin for movers to each of the individual districts in 2016.

Table 14: Top origins of Housing Benefit movers into Kent districts

Destination	Origin	2016
Canterbury	LB Redbridge	29
Dover	LB Lambeth	8
Gravesham	LB Bexley	29
Swale	LB Hackney	16
Thanet	LB Hackney	17

Source: Kent Local Authorities

Presented by: Business Intelligence, KCC

Removal of spare room subsidy

The removal of the spare room subsidy (also known as bedroom tax) means that Housing Benefit claimants living in social rented properties have their Housing Benefit reduced if they have more bedrooms than they need.

To avoid having their benefit reduced claimants in social housing need to move into a property with fewer bedrooms. They can apply to their social housing provider to be added to their waiting list to enable them to move to a property with fewer bedrooms when one becomes available.

The number of people in Kent that have been affected by the spare room subsidy has fallen since it was introduced in 2013 however there remain 5,546 Housing Benefit claimants affected.

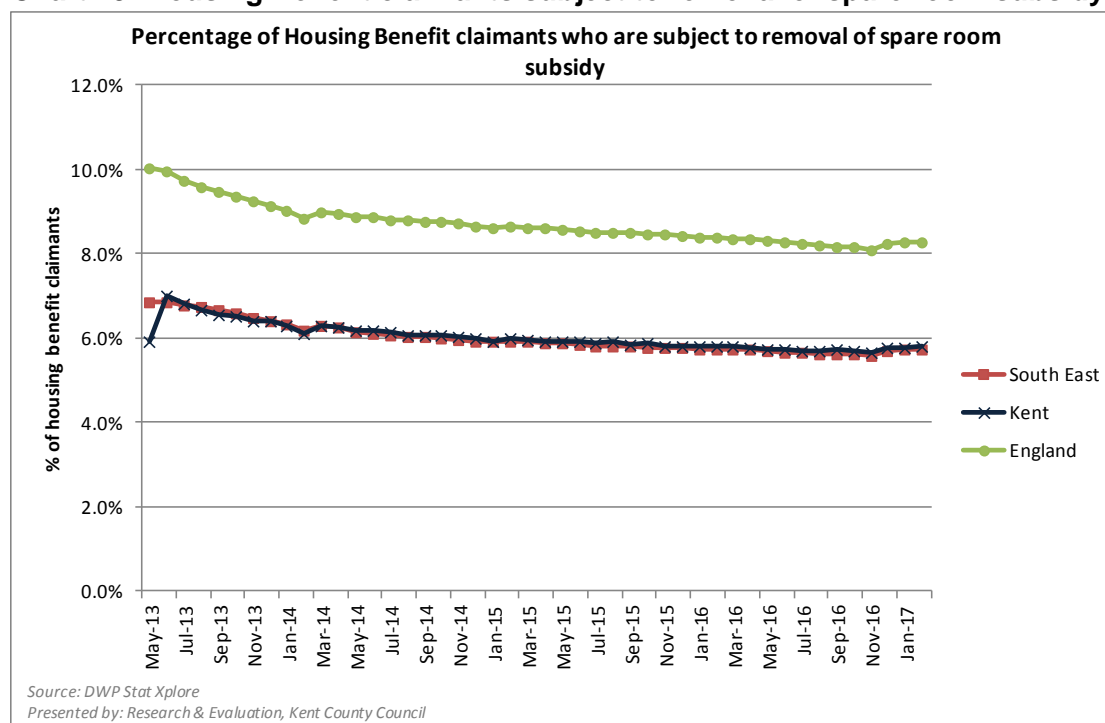
Table 15: Housing Benefit claimants subject to removal of spare room subsidy

February 2017	Housing Benefit Claimants	Claimants subject to removal of spare room subsidy		Change in claimants subject to removal of spare room subsidy since May 2013		Change in claimants subject to removal of spare room subsidy since Feb 2016	
	Number	Number	Percentage	Number	Percentage	Number	Percentage
Kent	95,701	5,546	5.8%	-688	-11.0%	-207	-3.6%
South East	497,531	28,438	5.7%	-9,412	-24.9%	-1,190	-4.0%
London	768,075	40,433	5.3%	-19,370	-32.4%	-3,236	-7.4%
England	3,855,151	318,525	8.3%	-115,940	-26.7%	-20,803	-6.1%

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

Chart 19: Housing Benefit claimants subject to removal of spare room subsidy



The majority of those affected (almost 80%) are subject to a reduction of up to £20 per week. 1,184 claimants in Kent have their benefit reduced by £20 or more.

Table 16: Proportion of claimants subject to removal of spare room subsidy by weekly reduction amount

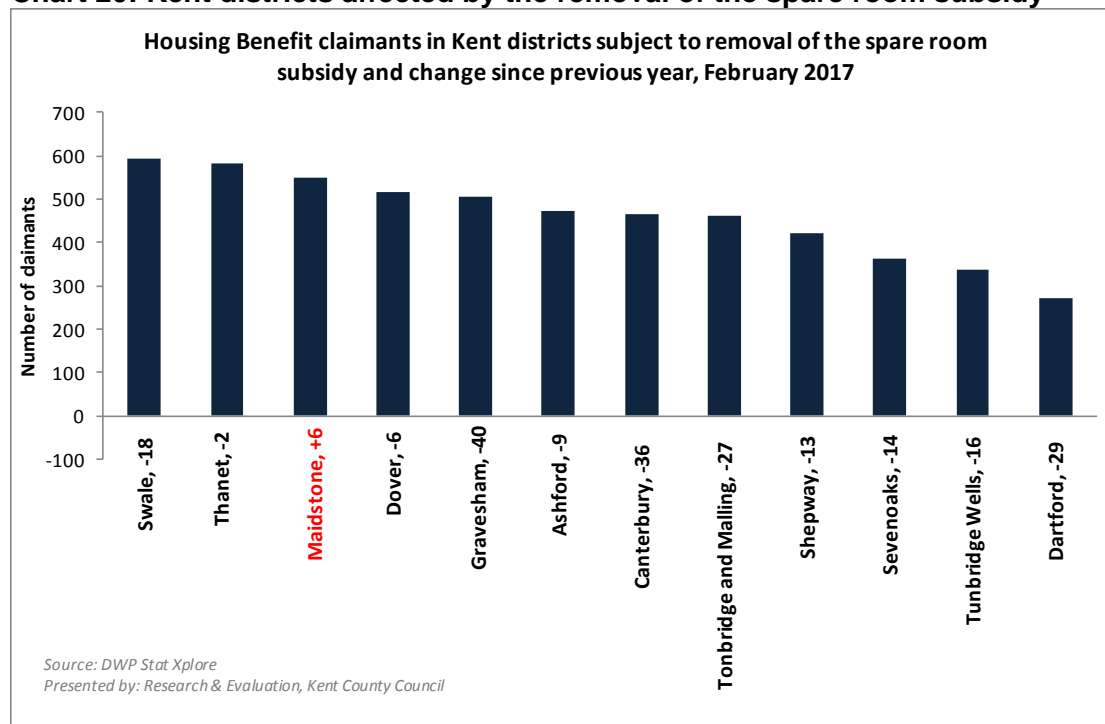
	Number subject to removal of spare room subsidy	Up to £4.99	£5 to £9.99	£10 to £14.99	£15 to £19.99	£20 to £24.99	£25 and above
February 2017							
Kent	5,546	0.0%	1.2%	43.8%	33.6%	9.3%	12.1%
South East	28,438	0.1%	0.8%	30.4%	44.9%	8.8%	15.0%
London	40,433	0.0%	0.5%	8.7%	51.2%	18.1%	21.4%
England	318,525	0.0%	3.3%	56.5%	20.1%	12.1%	8.0%

Source: DWP Stat Xplore
Presented by: Research & Evaluation, Kent County Council

Swale district has the highest number of households subject to the removal of the spare room subsidy (593). All districts saw a reduction in the number of households affected with the exception of Maidstone which saw 6 more households affected than the same time last year. Gravesham saw the greatest reduction with 40 fewer households affected.

Swale and Thanet have the highest number of claimant households affected and account for more than 20% of all affected households in Kent.

Chart 20: Kent districts affected by the removal of the spare room subsidy



Discretionary Housing Payments

Starting in year 2013 to 2014, local authorities were requested to provide details to DWP of their use of Discretionary Housing Payment (DHP) funds. This information gives an indication of how DHP funding is supporting people affected by the welfare reforms and the type of choices that people are making in response to the reforms.

Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make awards to people experiencing financial difficulties with housing costs and qualifying for Housing Benefit (HB). As a result of the passage of the Welfare Reform Act 2012, the government contribution towards DHPs significantly increased to help LAs support people affected by some of the key welfare reforms, namely:

- introduction of the benefit cap;
- removal of the spare room subsidy (RSRS) in the social rented sector;
- Local Housing Allowance (LHA) reforms.

The various types of shortfalls that a DHP can cover include (but are not limited to):

- reductions in HB where the benefit cap has been applied;
- reductions in HB due to the RSRS in the social rented sector;
- reductions in HB as a result of LHA restrictions;
- rent officer restrictions such as local reference rent or shared room rate;
- non-dependant deductions in HB, or housing cost contributions in UC;

- rent shortfalls to prevent a household becoming homeless whilst the
- housing authority explores alternative options;
- reductions due to income tapers.

The total DHP expenditure in Kent in 2015/16 was just over £1.9 million. There was an overall underspend on its allocation of 2.1%. All districts in Kent spent under its allocation with the exception of Thanet which overspent by 2.8%.

Table 17: Discretionary Housing Payments Allocation & Expenditure 2015/16

	DHP Financial Expenditure 2015/16 (£)	Original allocation (£)	Amount over/under spent (£)
Ashford	148,945	149,212	-267
Canterbury	157,484	159,534	-2,050
Dartford	100,028	101,075	-1,047
Dover	156,463	156,875	-412
Gravesham	175,162	176,894	-1,732
Maidstone	159,113	162,344	-3,231
Sevenoaks	96,624	112,420	-15,796
Shepway	147,785	163,284	-15,499
Swale	243,959	247,614	-3,655
Thanet	307,494	299,187	8,307
Tonbridge and Malling	139,924	140,671	-747
Tunbridge Wells	128,435	135,178	-6,743
Kent	1,961,416	2,004,288	-42,872
Great Britain	161,313,669	123,547,928	37,765,741

Source: DWP Discretionary Housing Payments

Presented by: Research & Evaluation, Kent County Council

Data about the reason for awarding a DHP is available at district level. County figures have been achieved by summing these district figures. It is important to remember that figures are not available for all districts where a monitoring report was not provided by that district (in Kent figures for Maidstone, Tonbridge & Malling and Tunbridge wells are missing). Kent calculated figures will therefore exclude these areas.

Looking at the ways authorities help people who face problems directly as a result of welfare reform, the figures show that in Kent the largest expenditure was providing support to people affected by the removal of the spare room subsidy, accounting for just over a quarter of the expenditure in the county.

This is reflected in the majority of areas in Kent which submitted information with the exception of Dartford district which saw a greater allocation towards help with problems arising from Local Housing Allowance (LHA) reforms.

LHA is used by authorities to calculate the amount of Housing Benefit that can be awarded to a claimant who is privately renting.

Changes have been made to Housing Benefit and the way it is calculated. These changes include a change to the way benefit is calculated in each area, limiting benefit to working age tenants based on property size and capping benefit to out of work tenants of working age.

Table 18: Discretionary Housing Payments District Expenditure

	Benefit cap (£)	Removal of the spare room subsidy (£)	LHA reforms (£)	Combination of reforms (£)	Other (non welfare reform) (£)
2015/16					
Ashford	2.2%	27.1%	26.2%	0.3%	44.2%
Canterbury	3.6%	32.0%	4.7%	0.0%	59.8%
Dartford	0.0%	21.7%	56.8%	0.0%	21.5%
Dover	1.7%	20.5%	5.3%	0.0%	72.6%
Gravesham	1.0%	40.4%	37.5%	0.0%	21.0%
Maidstone	-	-	-	-	-
Sevenoaks	3.5%	47.3%	20.6%	0.0%	28.6%
Shepway	1.0%	9.8%	3.0%	0.3%	85.9%
Swale	6.4%	33.2%	3.1%	0.9%	56.4%
Thanet	0.4%	16.5%	8.4%	0.0%	74.8%
Tonbridge and Malling	-	-	-	-	-
Tunbridge Wells	-	-	-	-	-
Kent	2.3%	26.7%	15.5%	0.2%	55.4%
GB	10.1%	59.7%	10.1%	1.4%	18.6%

Source: DWP Discretionary Housing Payments

Presented by: Research & Evaluation, Kent County Council

Universal Credit Claimants

From April 2015 Universal Credit started to be rolled out within Kent. It is currently available in all areas of the county however it is only available to single claimants without a partner and without child dependents.

The government expanded the roll out of Universal Credit to all new claimant types from May 2016. The full roll out across the country is planned to be complete by September 2018. Following this rollout process the DWP will then

begin to move all remaining existing benefit claimants to the full Universal Credit.

The table below shows the planned roll out of Universal Credit to all new claimant types in Kent as published by DWP in November 2016.

Table 19: Timetable for full roll out of Universal Credit in Kent

Date of roll out	Job Centre Plus Office	District
May-17	Dover	Dover
Jul-17	Margate	Thanet
Jul-17	Ramsgate	Thanet
Dec-17	Sheerness	Swale
Dec-17	Sittingbourne	Swale
Feb-18	Gravesend	Gravesham
Feb-18	Gravesend	Sevenoaks (part)
Feb-18	Folkestone	Shepway
Feb-18	Chatham	Medway
Mar-18	Ashford	Ashford
Apr-18	Canterbury	Canterbury
Apr-18	Hernebay	Canterbury
Apr-18	Whitstable	Canterbury
May-18	Dartford	Dartford
May-18	Dartford	Sevenoaks (part)
Aug-18	Maidstone	Maidstone
Aug-18	Tonbridge	Sevenoaks (part)
Aug-18	Tonbridge	Tonbridge and Malling
Sep-18	Tunbridge Wells	Sevenoaks (part)
Sep-18	Tunbridge Wells	Tunbridge Wells

From May 2015 the Department for Work and Pensions (DWP) began to release figures showing the number of people claiming Universal Credit. These figures are new and are considered as experimental, therefore may be subject to revision.

In Kent as at April 2017 there were 7,034 claimants of Universal Credit. 63.4% of those claimants were out of work, the remaining claimants being in work but with low incomes.

Table 20: Change in Universal Credit claimants

	Apr-16	Apr-17	Number change since April 2016	% change since April 2016
Kent	3,739	7,034	3,295	88.1%
South East	15,357	34,017	18,660	121.5%
London	24,199	89,718	65,519	270.8%
England	215,423	445,447	230,024	106.8%

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

Table 21: Universal Credit claimants

Apr-17	Total Number of Universal Credit Claimants	Universal Credit Claimants in Employment	Universal Credit Claimants Not in Employment
Kent	7,034	2,576	4,460
South East	34,017	13,473	20,538
London	89,718	32,634	57,081
England	445,447	166,774	278,670

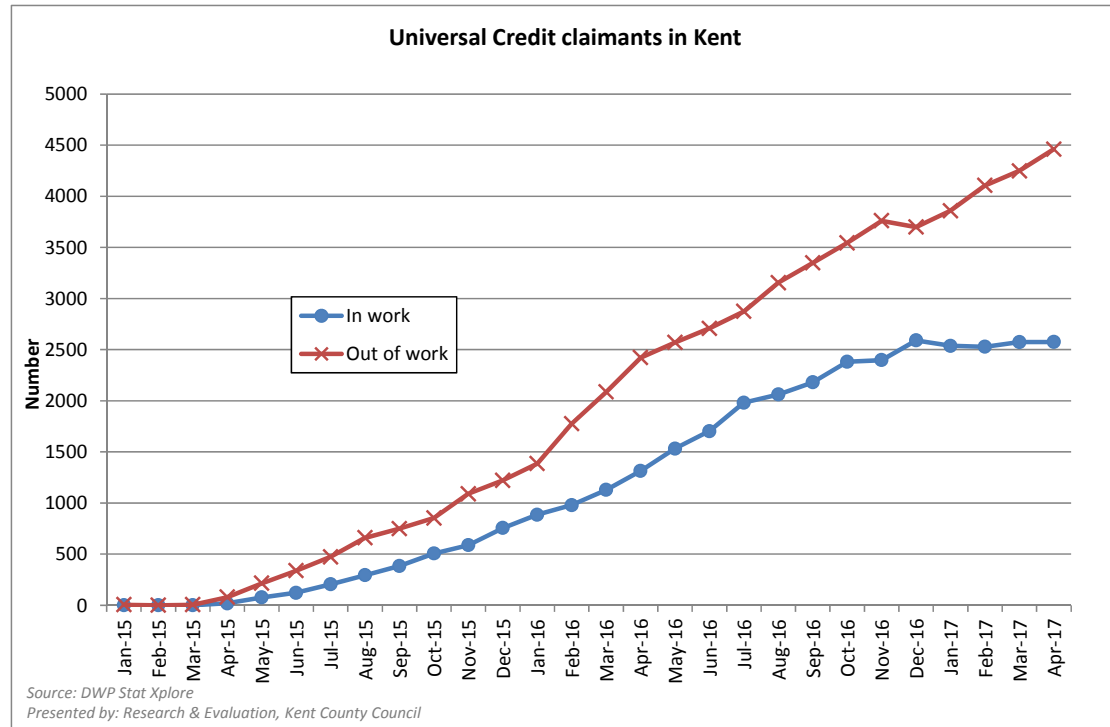
Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

Universal Credit paid to single claimants without dependents has been available in all areas in Kent since mid 2016.

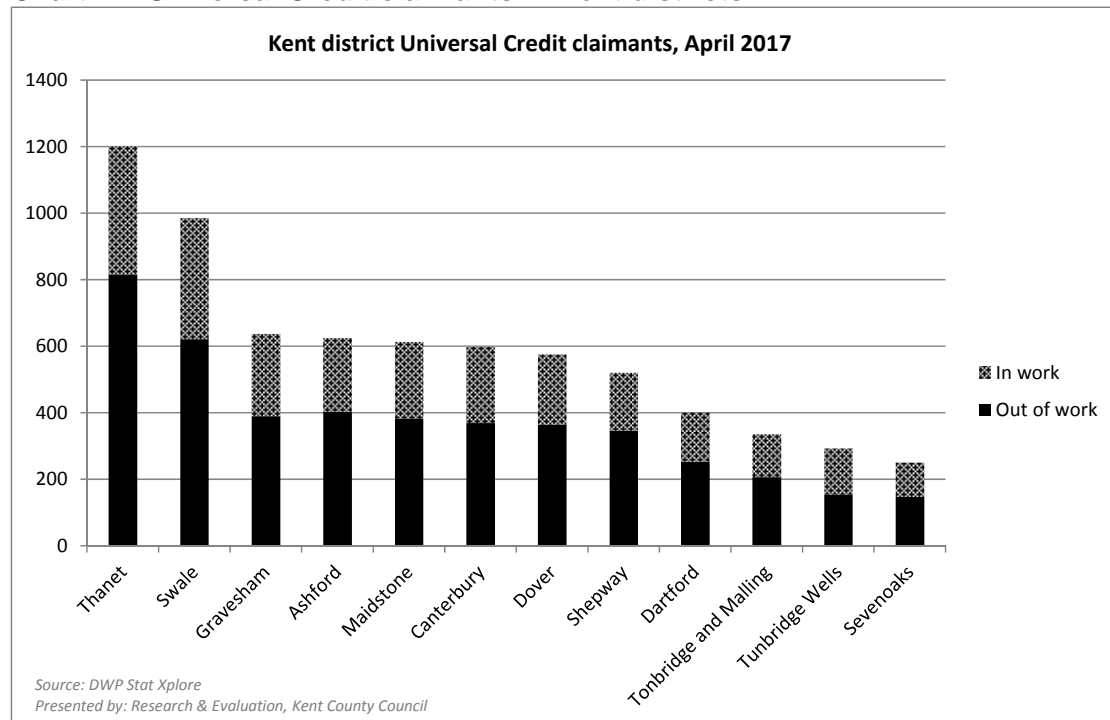
Looking at a time series of the number of claimants of Universal Credit the number of claimants who are not in work has increased steadily. The number of claimants who are in work has stayed fairly constant since December 2016.

Chart 21: Universal Credit claimants – time series



Thanet district has the highest number of Universal Credit claimants in Kent, 68% of which are out of work claimants. Districts in the west of the county have the lowest numbers of claimants.

Chart 22: Universal Credit claimants in Kent districts



The majority of Universal Credit claimants are aged 18 to 24, for both in work and out of work claimants, however this is unsurprising as the benefit is currently only available in Kent to single claimants without dependents.

Table 22: Kent Universal Credit claimants by age

Apr-17	Total UC claimants	Out of work UC claimants	In work UC claimants
18-24	45.1%	44.5%	45.9%
25-34	22.1%	21.6%	23.0%
35-44	11.9%	12.2%	11.4%
45-54	13.8%	14.2%	13.4%
55+	7.0%	7.5%	6.3%

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

Child Benefit

Child benefit is a tax-free payment that is aimed at helping parents cope with the cost of bringing up children.

From January 2013 the eligibility rules for claiming Child Benefit changed. The benefit is no longer universal and contains some element of means testing.

Families with at least one parent earning more than £50,000 a year can no longer claim the total amount of child benefit. If one of the parents earns more than £60,000, they may choose to stop claiming Child Benefit altogether. Alternatively, it can continue to be claimed however it must be disclosed in a self-assessment tax form. It is then recovered by Her Majesty's Revenue and Customs by taxing the parent's earnings.

Table 23: Child Benefit claimants – August 2016

	Number of families in receipt	Number of children in families in receipt
Kent	168,175	291,560
South East	945,350	1,629,015
London	978,825	1,728,685
England	6,219,065	10,864,980

Source: HMRC

Presented by: Research & Evaluation, Kent County Council

As at August 2016 168,175 families in Kent were in receipt of Child Benefit, with 291,560 children benefitting.

7.3% of families in Kent opted out of Child Benefit when the financial eligibility rules came into force in 2013. This increased to 8.6% in 2016. This is below the average for the region (11.4%) but is higher than the national average (6.7%).

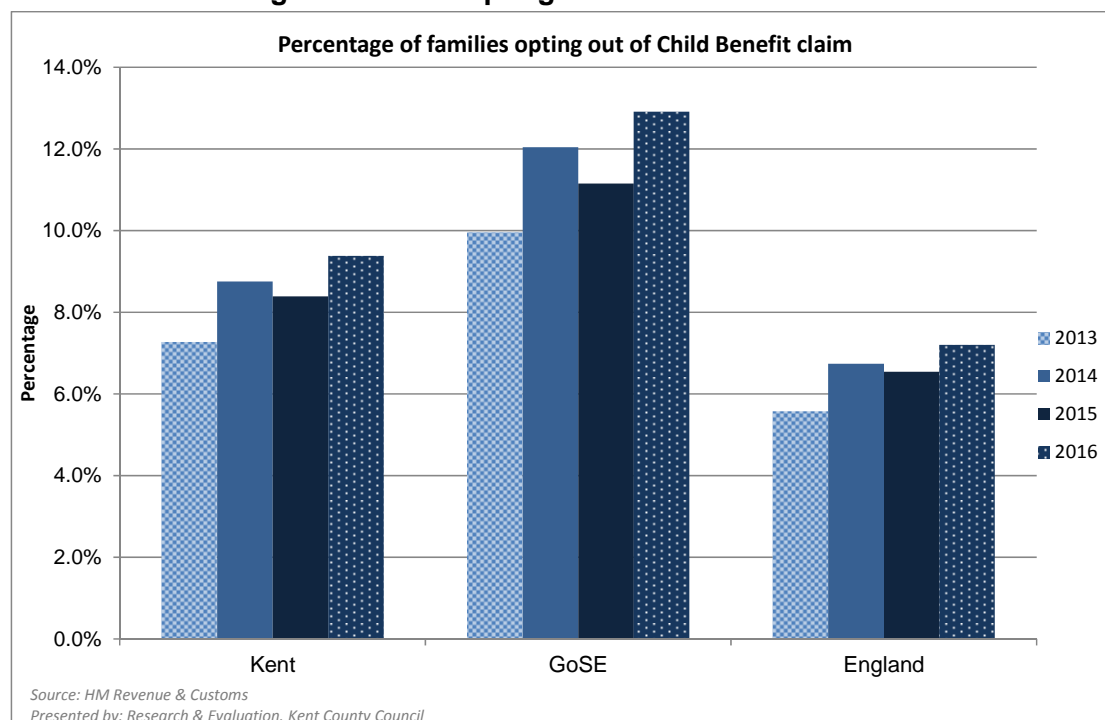
Table 24: Families opting out of Child Benefit

	Number				%			
	2013	2014	2015	2016	2013	2014	2015	2016
Kent	12,530	14,895	15,460	15,775	7.3%	8.7%	8.4%	8.6%
South East	97,455	115,545	119,380	122,065	10.0%	12.0%	11.2%	11.4%
London	47,325	89,190	92,330	96,005	4.5%	8.3%	8.6%	8.9%
England	352,725	421,715	435,755	447,880	5.6%	6.7%	6.5%	6.7%

Source: HMRC

Presented by: Research & Evaluation, Kent County Council

Chart 23: Percentage of families opting out of Child Benefit claim

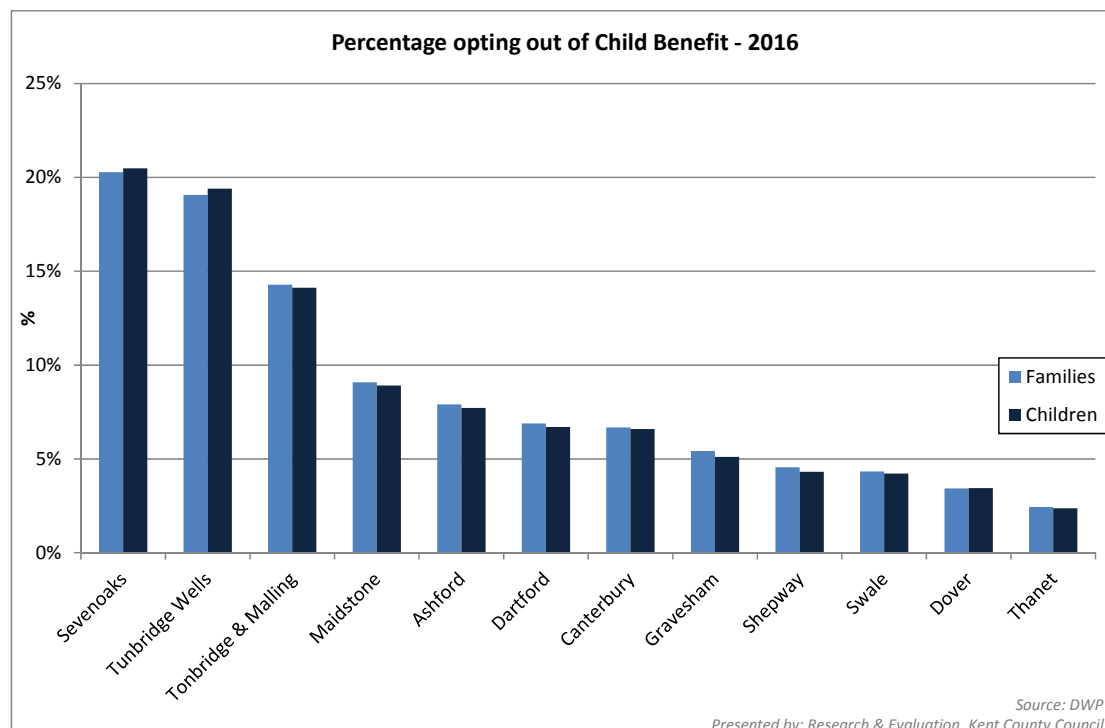


The proportion of families opting out of Child Benefit varies across the county. In Sevenoaks just over one in five families have earnings above the Child Benefit income threshold. Tunbridge Wells and Tonbridge and Malling also have a high proportion opting out. These areas in the West of the county have some of the highest average earnings in the county. In the east of the county

where earnings are lower fewer than 5% of families opt out of a Child Benefit claim.

The majority of affected children live in families in the west of the county.

Chart 25: Percentage of children and families opting out of Child Benefit claim in Kent districts



PIP & health related benefits

Personal Independent Payment (PIP) was introduced in April 2013. It is paid to eligible people aged 16 to 64. It is a new benefit which is replacing Disability Living Allowance (DLA) for working age people. From June 2013 this incorporated all new disability related claims in the country from anyone aged 16-64. Gradually existing 16-64 year old claimants of DLA will be asked to claim PIP until all existing DLA claimants will have been invited to claim PIP and reassessed accordingly. Claimants under the age of 16, both new and existing, will continue to be able to claim DLA.

Claims for PIP are sent to assessment providers who decide whether or not an applicant needs a face to face interview. Most applicants will be invited for interview with a healthcare worker however written evidence alone may be acceptable under special circumstances for example for those who are terminally ill.

By the end of January 2017 51,644 people in Kent had registered for PIP, 45,589 claims had gone through the clearance process, where a decision whether or not to award PIP had been made, and 24,901 people had been awarded PIP.

Table 25: Total PIP registrations, clearances & awards up to January 2017

	Registrations	Clearances	Awards
Kent	51,644	45,589	24,901
South East	249,538	219,982	122,062
London	260,437	227,637	118,696
England	2,084,154	1,860,198	1,032,450

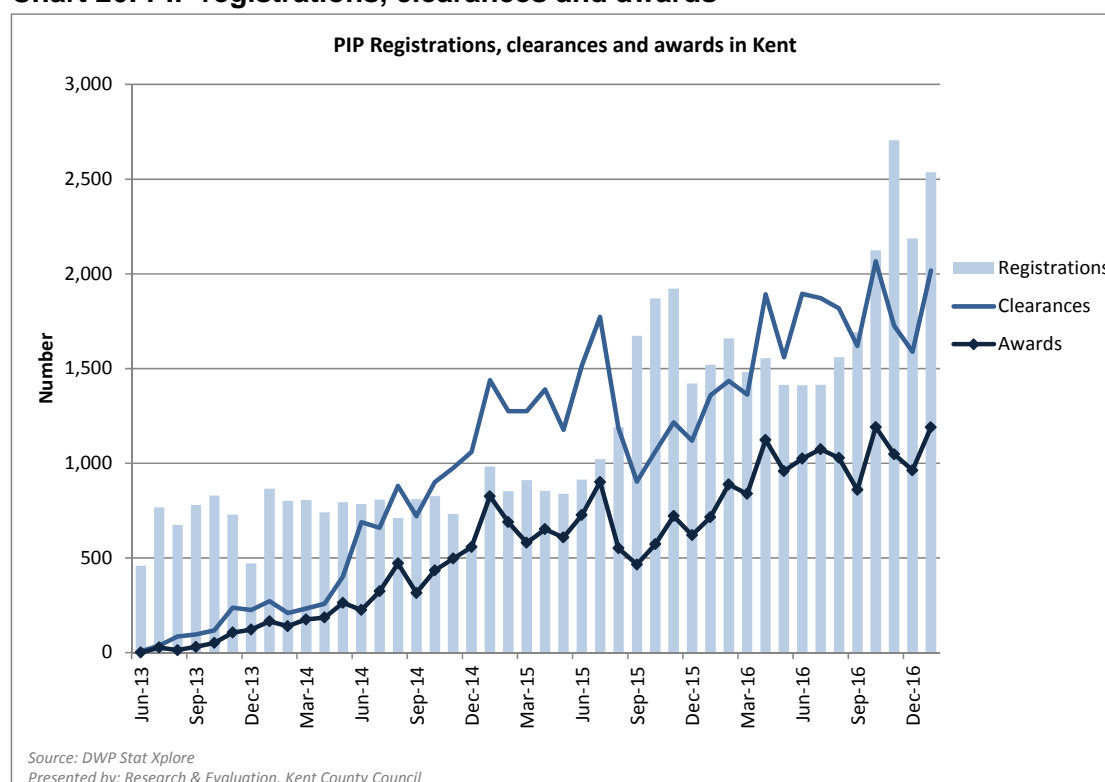
Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

The number of registrations for PIP has increased as reassessment of DLA claimants has been rolled out.

The number of decisions made to claimants (clearances) increased significantly from April 2014 in Kent.

Chart 26: PIP registrations, clearances and awards



The average length of time an application for PIP takes is the same in the South East as is seen nationally. As at January 2017 the average time taken to process a claim in the South East, from referral to assessment providers to a final decision being made, was seven weeks, the same as the national average.

Chart 27: PIP waiting times

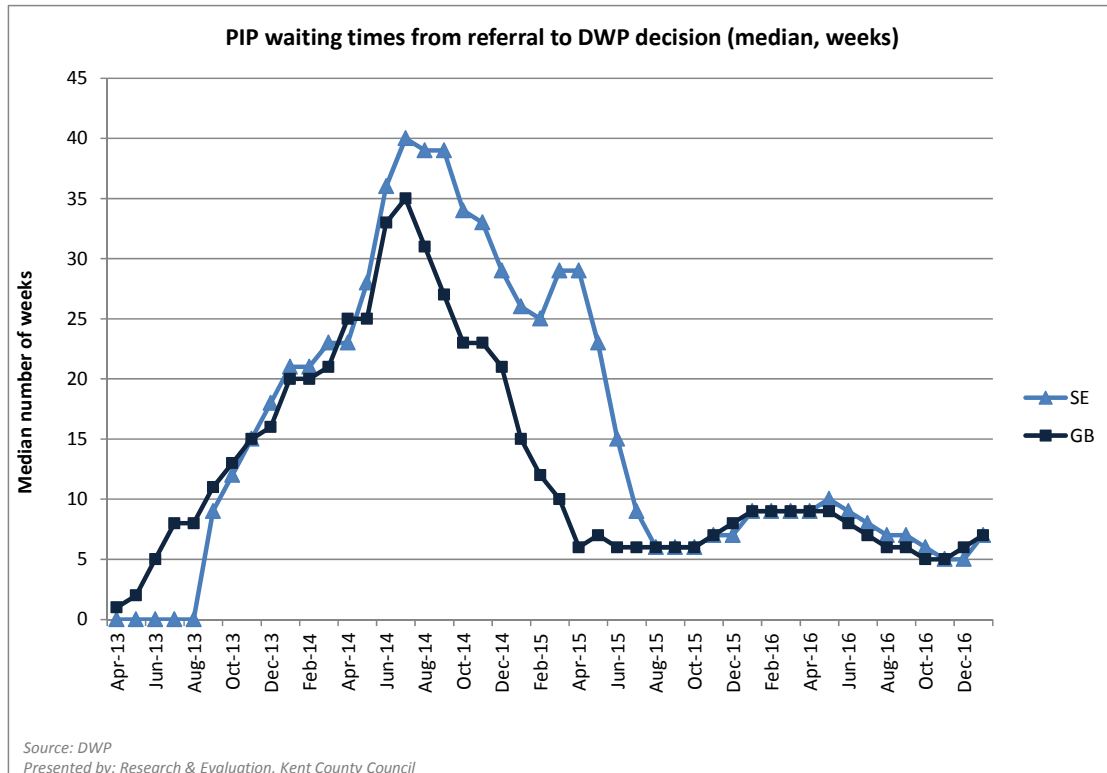
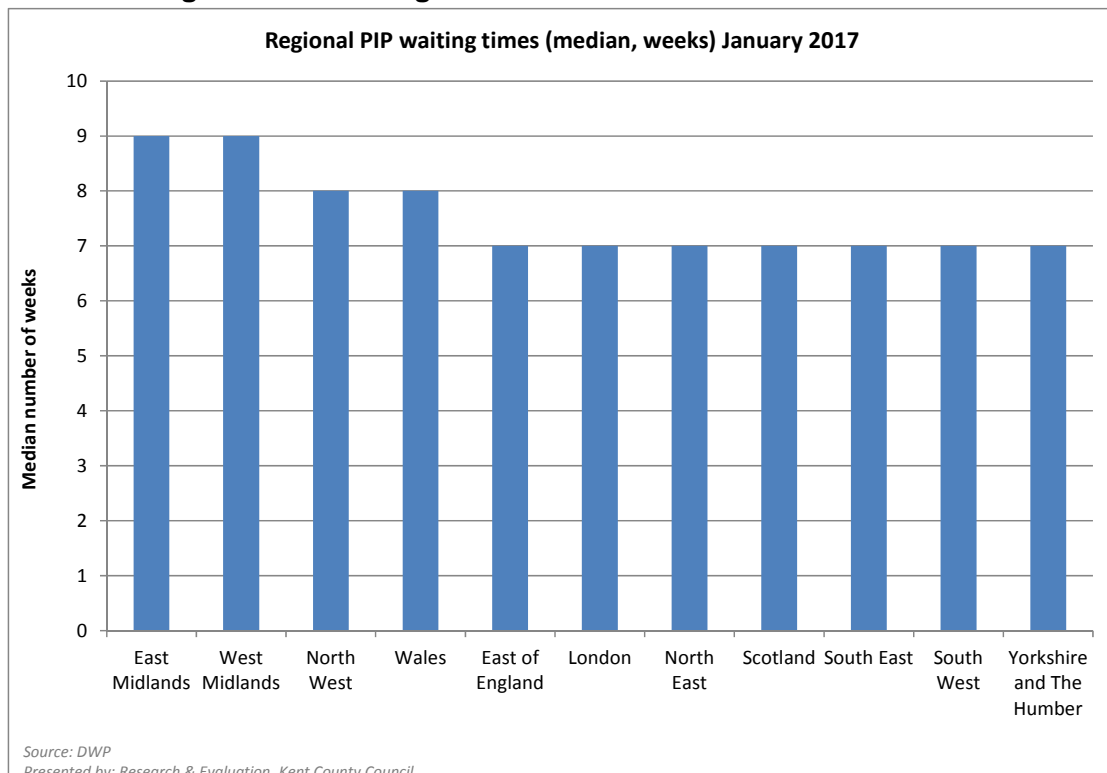


Chart 28: Regional PIP waiting times



Waiting times in the South East for a PIP claim to be processed were previously the highest in the country however they have fallen steadily since mid 2014 and are now just below the national average.

Currently 2.6% of the 16-64 year old population in Kent have been assessed as being eligible and are now claiming PIP (24,196 claimants).

Table 26: Personal Independence Payments – January 2017

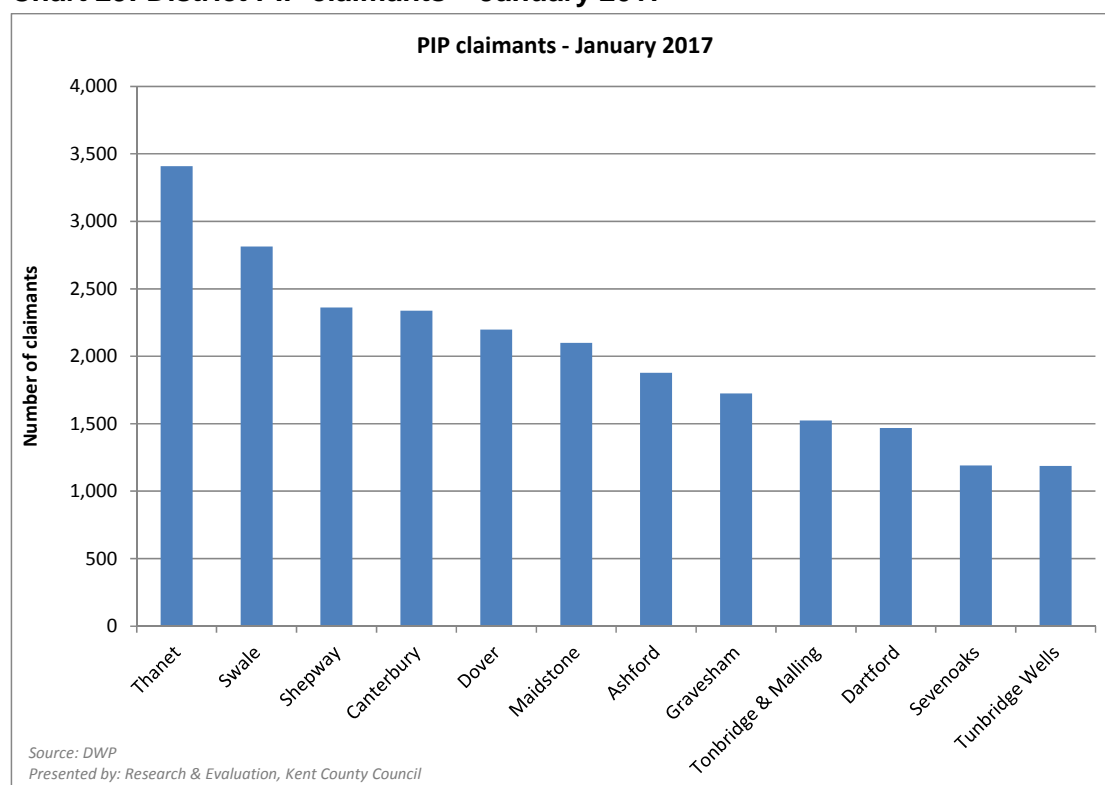
	Total PIP Caseload January 2017	% of 16-64 population
Kent	24,196	2.6%
South East	117,533	2.1%
London	119,219	2.0%
England	997,186	2.9%

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

Thanet district has the highest number of claimants in the county (3,409); Tunbridge Wells has the fewest with 1,187 claimants receiving PIP as at January 2017.

Chart 29: District PIP claimants – January 2017



Benefits Sanctions

Benefit claimants must comply with the rules which apply to the individual benefit that they are claiming. If they do not comply with these rules and do not have a good reason for not doing so then their benefit may be suspended, stopped or their claim ended altogether. This is called a sanction.

Depending on the benefit a sanction may last for between 7 days and 3 years for UC claimants depending on the level of sanction and the number of times the claimant has broken the rules previously, 4 weeks and 156 weeks (JSA) or for an indeterminate time (ESA) depending on which rules or how many rules the claimant has failed to comply with.

JSA Sanctions

Jobseekers Allowance claimants are expected to take specific agreed steps to look for employment. If they fail to do this a sanction (suspensions of benefit) will be applied.

From October 2012 new JSA sanction rules were introduced:

- 3 categories of sanction – ‘higher’, ‘intermediate’ and ‘lower’ – depending on the nature of the offence

- different levels of sanction for first, second and third offences

- changes to the date a sanction starts

Previously, a sanction started from the beginning of the benefit week after it was decided to impose the sanction. However, to ensure that claimants see the consequences of their actions or inactions sooner, the new rules enable sanctions to be imposed at a time closer to the offence.

The level and length of a sanction for a JSA claimant depends upon:

- the reason for claiming JSA – if dismissed for misconduct or left former job without good reason

- what the claimant has done to find work

- whether an earlier sanction has been received within the last year.

A lower or intermediate sanction (4 to 13 weeks) may be applied if the claimant fails to turn up for meetings with their work coach, take actions they are told to do or take part in interviews, fail to attend recommended training courses, fail to take part in employment schemes or lose their place on an employment scheme due to misconduct or if they aren't available for and actively seeking work.

A higher level sanction (13-156 weeks) may be applied if the claimant was dismissed from their last job for misconduct, left their last job for no good reason, don't apply for suitable jobs or don't take a job that has been offered.

The following data shows the number of claimants who received a sanction each month; it does not show the cumulative total number of claimants who have their benefit sanctioned at any one time.

In December 2016 there were 292 sanction referrals to JSA claimants in Kent and 176 adverse sanctions applied.

Table 27: JSA sanction decisions

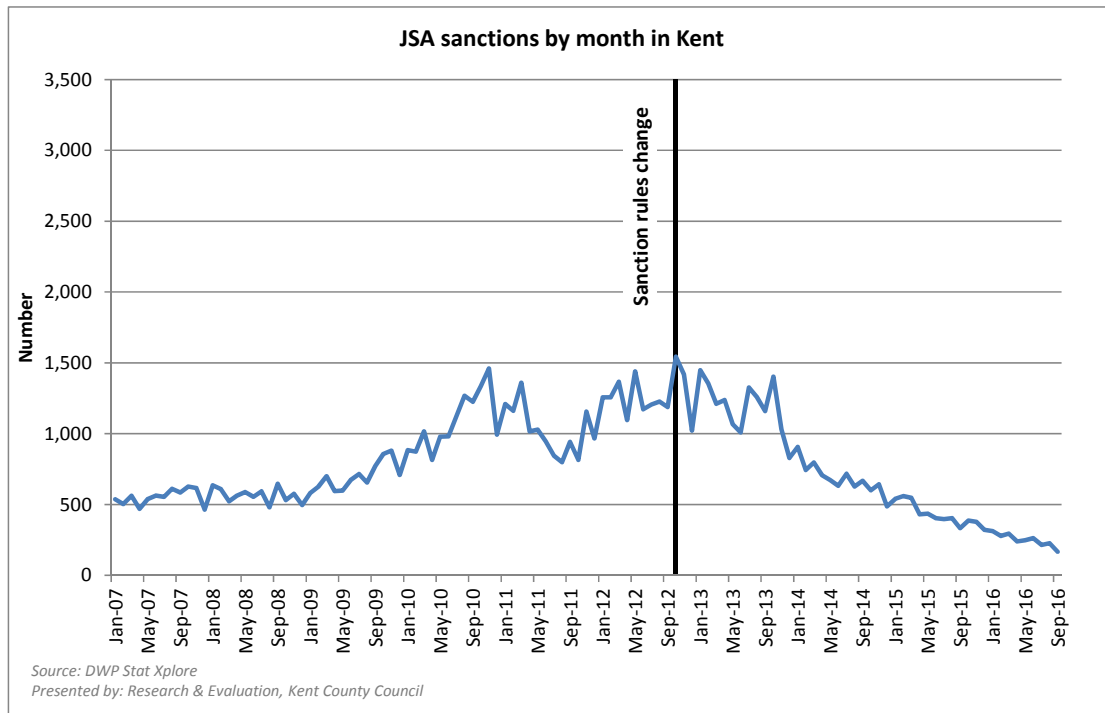
	JSA sanction referral	Adverse sanction applied
December 2016		
Kent	292	176
South East	1,116	590
London	1,989	1,111
England	9,592	5,478

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

The number of JSA adverse sanctions applied each month has fluctuated. They reached a peak in October 2012 when 1,543 claimants had sanctions applied. This has gradually fallen.

Chart 30: JSA sanctions



There were a variety of reasons for a JSA claimant to be receiving a sanction in December 2016. The majority (28.8%, 84 claimants) were sanctioned because they did not take part in a scheme to obtain employment and they did not have a good reason for not doing so.

Table 28: JSA sanction decisions by reason for sanction

Reason for Sanction - December 2016	Number of adverse sanction decisions	% of all sanctions
Work Programme - Failure to participate in a scheme for assisting person to obtain employment without good reason	84	28.8%
Failure to attend or failure to participate in an Adviser interview without good reason	38	13.0%
Not actively seeking employment	19	6.5%
Left employment voluntarily without good reason	11	3.8%
Losing employment through misconduct	9	3.1%

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

% may not sum to 100 due to rounding

ESA Sanctions

ESA claimants have to undergo a work capability assessment to determine to what extent an illness or disability affects their ability to work. If a claimant is assessed as being able to take part in work-related activity (to prepare them for returning to work) they are placed in the Work Related Activity Group (WRAG) and expected to take part in regular interviews with an adviser to help with things like job goals and improving skills. If a claimant fails to attend interviews or do work-related activity then their benefit can be sanctioned (suspended).

From 3 December 2012 revisions to the sanctions for ESA claimants who are in the Work Related Activity Group were introduced.

Prior to December 2012 ESA claimants in the Work Related Activity Group who failed to meet requirements were subject to an open ended sanction

which was lifted when they re-complied. The sanction amount was 50% of the work related activity component of the benefit rising to 100% after 4 weeks.

From December 2012 the sanctions were changed so that claimants in the WRAG who did not comply with the conditions for receiving benefit would receive an open ended sanction, followed by a fixed period sanction when they re-comply. The amount sanctioned would increase to 100% of the benefit amount for a single claimant and a hardship regime for ESA claimants was introduced.

The following data shows the number of claimants who received a sanction each month; it does not show the cumulative total number of claimants who have their benefit sanctioned at any one time.

In December 2016 82 Kent ESA claimants were reviewed and 36 claimants adversely sanctioned.

Table 29: ESA sanctions

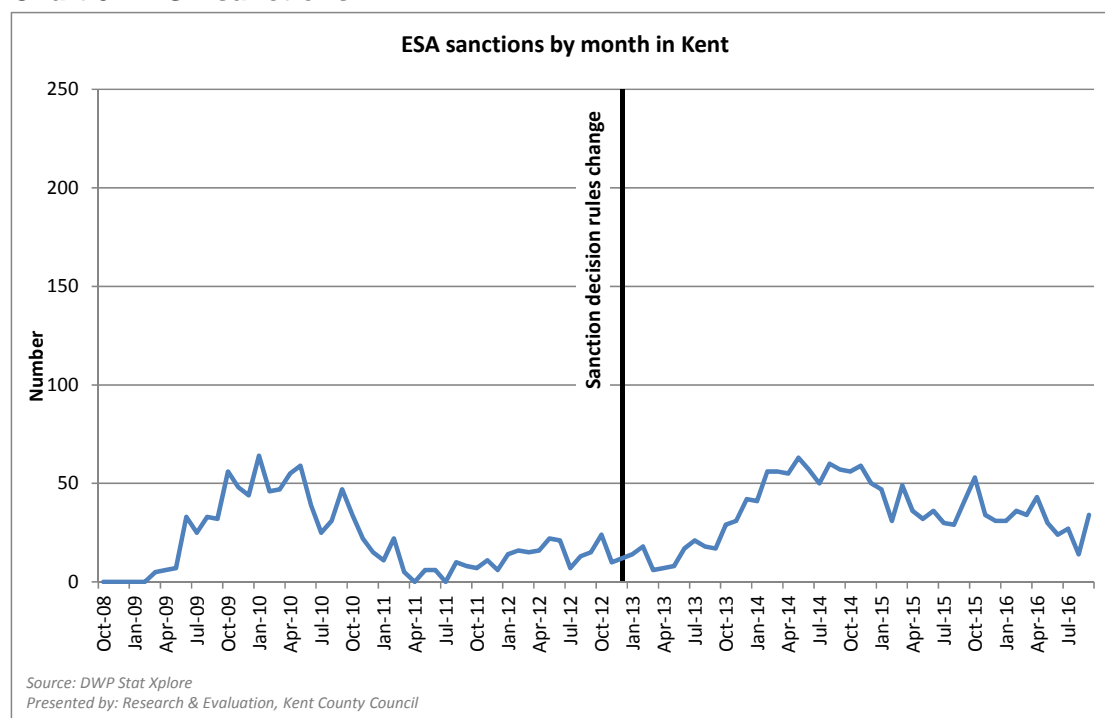
December 2016	ESA sanction referral	Adverse sanction applied
Kent	82	36
South East	516	187
London	417	131
England	2,856	1,009

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

The number of ESA claimants having a sanction made against them each month increased between mid 2013 and mid 2014. Overall, since 2014 the number of claimants who have been sanctioned has decreased, although there has been a slight increase over the last three months of 2016.

Chart 31: ESA sanctions



The majority of ESA claimants (80.6%) who were sanctioned in December 2016 were sanctioned because they had failed to take part in work related activity.

Table 30: ESA sanctions by reason for sanction

Reason for Sanction - December 2016	Number of sanctions	% of all sanctions
Failed to attend mandatory interview	5	13.9%
Failure to participate in work related activity	29	80.6%

Source: DWP Stat Xplore
Presented by: Research & Evaluation, Kent County Council
% may not sum to 100 due to rounding

Universal Credit Sanctions

In order to receive Universal Credit a claimant needs to sign a claimant commitment to say they understand what is expected of them. A claimant could be sanctioned if they fail to do one of the activities in their claimant commitment.

The rules for the level of Universal Credit sanctions are based on the rules for JSA and ESA sanctions. Anyone who receives Universal Credit can be

sanctioned and the level of the sanction depends upon the conditionality group that they are placed in. The group determines what is expected of a claimant during their claim.

The conditionality groups include: **no work-related requirements group** (claimant does not have to do any activities to prepare for or look for work); **work-focused interview group** (attending interviews at the jobcentre to get support with preparing for work); **work preparation group** (activities for preparing to work such as training, work experience and writing CVs); **all work-related requirements group** (looking and applying for work).

Data looking at UC sanctions was released for the first time in May 2017. These figures are new and are considered as experimental, therefore may be subject to revision.

As at December 2016 752 claimants in Kent were referred for a sanction. Of those more than half received an adverse sanction, meaning their benefit was reduced for a time.

Table 31: UC sanctions

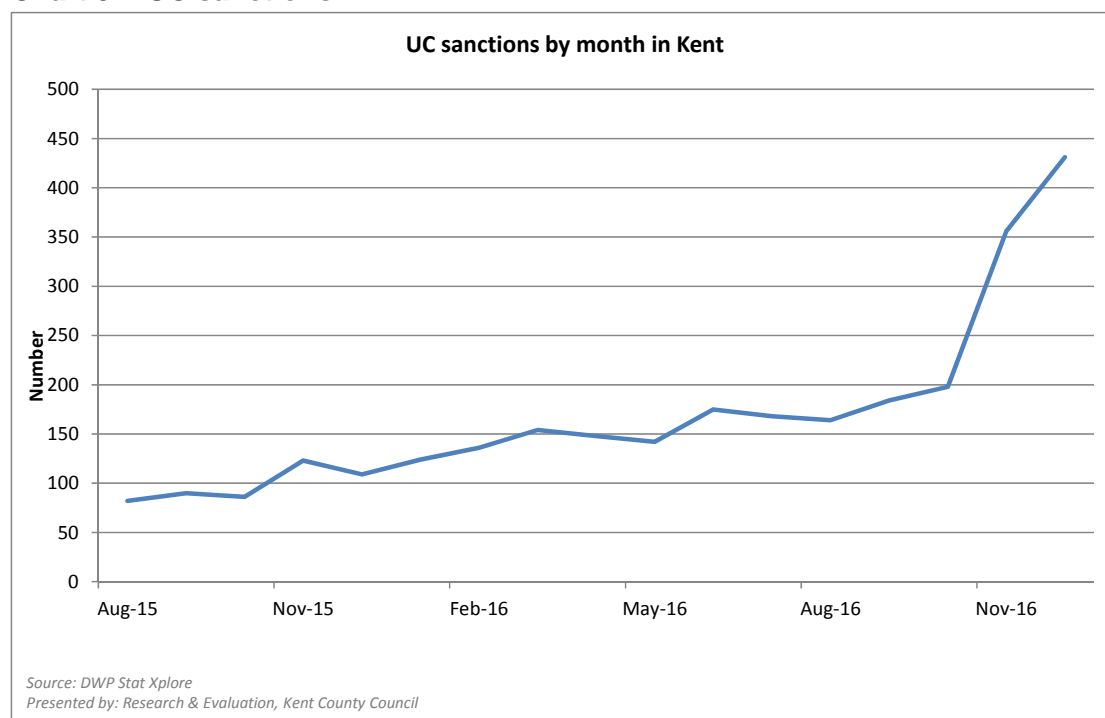
December 2016	UC sanction referral	Adverse sanction applied
Kent	752	431
South East	3,186	1,869
London	4,398	2,732
England	35,143	21,258

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

The following chart shows the number of adverse sanctions received by Kent claimants of UC. The number of claimants sanctioned rises each quarter, and will continue to rise as the benefit is rolled out across all areas of the county and to all claimant types (i.e. new and existing claimants).

Chart 32: UC sanctions



There are a range of reasons why a claimant may be sanctioned. Most commonly in Kent failure to attend a work-focused interview resulted in an adverse sanction being applied, accounting for more than three quarters of sanctions applied in Kent as at December 2016.

Table 32: UC sanctions by reason for sanction

Reason for Sanction - December 2016	Number of sanctions	% of all sanctions
Availability for Work	108	25.1%
Employment Programmes	9	2.1%
Reason For Leaving Previous Employment	12	2.8%
Work-Focused Interviews	343	79.6%
Other	-	-

Source: DWP Stat Xplore

Presented by: Research & Evaluation, Kent County Council

% may not sum to 100 due to rounding

Produced by: Research & Evaluation
Strategic Business Development & Intelligence
Strategic & Corporate Services
Kent County Council

☎ : 03000 417444

✉ : research@kent.gov.uk

Web: www.kent.gov.uk/research