

16 January 2017

Interim findings from Learning and Work Institute (LWI) research on the local impacts of welfare reform

Purpose

For discussion and direction.

Summary

Tony Wilson from the Learning and Work Institute (LWI) and Deven Ghelani from Policy in Practice will present interim findings from LWI's LGA-commissioned research on the local impacts of welfare reform. This research updates that provided to the LGA by the Centre for Economic and Social Inclusion (CESI, who are now part of LWI) in 2013.

We would welcome Members' views on how the research should inform LGA lobbying and support to councils, and advice on the design and presentation of the final report.

Recommendations

That the LGA Resources Board provide a steer on:

- i. how the research should inform LGA lobbying and support to councils; and
- ii. advice on the design and presentation of the final report.

Action

Officers to proceed as directed.

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Background

1. The previous Government began a substantial programme of welfare reform in 2012, with an overarching intention to significantly reduce expenditure on working age benefits. In 2013, the Centre for Economic and Social Inclusion (CESI) produced a report for the LGA setting out the local impacts of these reforms, which informed the LGA's support and lobbying on implementation and local responses. Councils were able to draw on CESI's report and findings to inform local spending and support for claimants. We have commissioned the Learning and Work Institute (LWI) to update the 2013 research to assess the present impact of the existing reforms and the projected impact of the new reforms.
2. The Coalition Government achieved £16 billion of savings against projected spend on working age benefits, although welfare spending overall remained static over the course of the parliament at £220 billion. The present Government has committed to continuing the programme of reform and implementing further changes. They are hoping to realise projected savings of a further £12 billion.
3. The LGA is keen to ensure that councils can support claimants to respond positively to the reforms. The principle ways in which people can do this are by increasing their income from employment, or reducing their outgoings through housing choice. The 2013 research identified that in many cases claimants' scope to mitigate the impacts through employment, housing or other lifestyle changes were constrained. This dovetailed with the LGA's key messages on employment and housing, where we have long argued for greater local freedoms and flexibilities to support the most disadvantaged jobseekers and increase the supply of genuinely affordable housing.
4. The research also supported strong lines on the need for a local safety net and support for claimants with additional needs. This complemented our work on the implementation of Universal Credit and funding for local, discretionary support.
5. Councils continue to express concerns that some households are struggling to manage the changes and absorb reductions in income. They are also concerned that rising housing costs, diminishing supplies of social housing, low wages and insecure employment are further constraining people's ability to cope, and placing pressure on a wide range of council services including homelessness, public health, social care and services for families.

Next steps

6. The findings from this research should provide a more robust foundation for discussion of whether the Government is achieving the overarching intentions of its welfare reforms – to reduce overall spending and increase employment, stability and self-reliance.

7. We welcome Members' views on how the findings should be presented, publicised and used.
8. We would also welcome views on whether we should be challenging Government on the unintended consequences of the reforms, including barriers to social mobility and local growth, and cost shunts to local government.
9. The final report will be published in March 2017.