

Motion on Welfare Reform

1. Motion: Welfare Reform

Mayor Sir Steve Bullock of Lewisham Council, supported by Councillor Philip Atkins of Staffordshire County Council

Proposes that:

“This Association accepts the need for reform of the existing welfare system in the current economic climate and supports the introduction of reforms that ensure that money goes to those who most need it.

There is no doubt that the impact of the reforms on local communities will vary from place to place and across the country. However this Association has a number of serious concerns, in particular in relation to the rollout of Universal Credit, the imposition of the size criterion, and the benefit cap. These include:

- the impact of direct payment of benefits on the collection of rents;
- the impact of direct payments on the private rented sector;
- the impact of migration of families to cheaper localities; and
- the effect of the reforms on the use of the badly limited social housing stock.

Councils are committed to continuing to serve their residents who are affected by these reforms and are currently piloting ways they might work with government and others to serve Universal Credit clients in 12 areas.

This Association calls on Government to examine properly the evidence generated by the pilots, to assess fully the overall impact of the welfare reforms on individuals, communities and local economies and to make the changes to the planned reforms, including recognising and funding the future role of local government, that are needed to reflect that learning and protect the most vulnerable members of society.”

LGA Comment

- The LGA has two main objectives: to help councils as they support their residents through the changes the government’s welfare reform programme will make; and to influence the government’s decisions about councils’ future role in the welfare system.
- The LGA supports local measures to help more people into employment, encourage people to take rational choices to reduce their living costs, and – consequentially – to cut the overall benefit bill without detriment to society’s most vulnerable. We are, therefore, broadly aligned with the Government’s overarching intentions for the reforms, but feel that the key role of local government in achieving these intentions needs to be more clearly recognised.

Item 9

- We are ensuring that Government recognises and draws on local authorities' knowledge and leadership of their communities. Councils must have a lead role in delivering face-to-face support for the implementation of Universal Credit. But this is also about the crucial role of local government in developing strong local economies and the wide range of support – for example with mobility, childcare, education and stability of housing tenure – that will enable individuals to enter and remain in employment.
- The success of the reforms depends on addressing the current under-supply of appropriate, affordable housing. We would like to see the centrally set Housing Revenue Account borrowing cap removed. This would allow councils to invest an additional £7 billion over five years which could result in up to a further 60,000 homes over and above current plans.
- The reforms will result in considerable reductions in income for a number of households, particularly through the implementation of the benefit cap and the social sector size criterion. Many of those affected will be able to mitigate their loss through an employment or housing option as outlined above. However some will not, or will need considerable support and investment to do so. This presents a whole range of potential risks – from the impact of rent arrears on RSLs' ability to borrow, to increased pressure on mental health providers. This must be adequately funded through new burdens money, and recognised in future policy design.
- The LGA is in favour of a local Community Budgets approach to supporting those furthest from the workplace back into work, recognising the complex range of barriers that people might face, from skills and confidence to mobility, health and childcare.