

# **MANAGEMENT SCRUTINY COMMITTEE**

## **WELFARE REFORM – PRESENTATION**

**REPORT OF THE CHIEF EXECUTIVE**

**16 FEBRUARY 2012**

### **1. Purpose of the Presentation**

- 1.1 The presentation will provide Members with an overview of the Welfare Reform Bill, and actions being taken/planned to mitigate the negative impact of the proposed changes.

### **2. Background Information**

- 2.1 The Welfare Reform Bill provides for the introduction of a 'Universal Credit' to replace a range of existing means-tested benefits and tax credits for people of working age, starting from 2013. The Bill follows the November 2010 White Paper, 'Universal Credit: welfare that works', which set out the Coalition Government's proposals for reforming welfare to improve work incentives, simplify the benefits system and tackle administrative complexity.
- 2.2 Besides introducing Universal Credit and related measures, the Bill makes other significant changes to the benefits system, including changes to the housing benefit system, including:
- introduces Personal Independence Payments to replace the current Disability Living Allowance;
  - restricts Housing Benefit entitlement for social housing tenants whose accommodation is larger than they need;
  - up-rates Local Housing Allowance rates by the Consumer Price Index;
  - amends the forthcoming statutory child maintenance scheme;
  - limits the payment of contributory Employment and Support Allowance to a 12-month period; and,
  - caps the total amount of benefit that can be claimed.

### **3. Current Position**

- 3.1 The current position of the Bill is that the House of Lords returned the Bill to the House of Commons with amendments. The amendments were considered on the floor of the House on 1 February 2012.
- 3.2 The presentation will provide an overview of the Welfare Reform Bill and highlight the significant changes to the benefits system/service, how this will impact on Sunderland City Council and its residents, and actions being taken/planned to mitigate the impact of the proposals.

#### **4. Recommendations**

4.1 That the committee notes and comments on the Welfare Reform presentation.

#### **5. Background Papers**

There were no background papers used in the preparation of this report.

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