

## 7 MINUTE BRIEFING

## Welfare Reform: Its Impact

## https://kscbtraining.knowsley.gov.uk/

## www.knowsley.gov.uk

Search: 'financial advice' for free and confidential local and national welfare benefit, debt and money advice services; 'welfare reform' for an overview of the changes and links to external websites

Further information on advice and support can be found on the <u>Family Information</u> <u>Service</u> website or visit <u>www.gov.uk</u> and search benefits. Check benefit entitlement at <u>Entitled to</u> and <u>Turn2us</u>. The 2012 Welfare Reform Act introduced a range of reforms to the benefit and tax credit system, the impact of which are still being felt by Knowsley residents.

The pace of change has been unprecedented and further changes are planned including the roll-out of the full Universal Credit system in Knowsley in February 2018.

Knowsley has many support services, but take-up is generally low. Residents can be referred, or encouraged to contact:

Employment and training (<u>Knowsley Works</u>, <u>Next Steps</u>); Welfare Benefits (<u>Citizens Advice Knowsley</u>, <u>Prescot Advice</u>) Money/debt (<u>Citizens Advice Knowsley</u>, <u>Jubilee</u> <u>Debt Advice</u>) Emergency food (<u>Knowsley Foodbank</u>) Social tenants can contact their landlord (for example <u>KHT</u> or <u>Villages</u>) Getting online (<u>FACE</u>, <u>Get Connected</u>)

> The reforms affect working age adults, whether in or out of work by either reducing or freezing income levels. Groups particularly affected are: lone parents, larger out-of-work families, working families with children, working age social tenants and those claiming sickness or disability benefits. Families with one source of income whether from work or benefits (or both) are particularly vulnerable.

Knowsley is the area most affected by the Bedroom Tax and the second most affected by the full range of reforms. By 2020-21 it is estimated Knowsley will have lost £1,070 p.a. for every working age adult. A sustained low income may cause a range of difficulties and be detrimental to areas such as health, wellbeing, nutrition and educational attainment. Knowsley has a larger working age population than average but has fewer adults in work. The percentage of residents claiming out of work or disability benefits was almost double the Great Britain rate in 2016. Working residents tend to earn less than the average workplace earnings in Knowsley.

Numerous changes have affected residents with many impacting repeatedly on the same groups. Knowsley has been particularly affected by the Bedroom Tax (limiting Housing Benefit to family size), the freeze on Child Benefit and changes to Working and Child Tax Credits. The impact of Universal Credit and the Benefit Cap will be felt more widely in 2018.

For more information regarding 7 minute briefings, please email <u>sarah.herron@knowsley.gov.uk</u> Knowsley Safeguarding Children Board, 2<sup>nd</sup> Floor, Nutgrove Villa, Westmorland Road, Huyton L36 6GA Tel: 0151 443 3859 www.knowsleyscb.org.uk