



**Assessing the Impact of the Welfare Reform and Work Act (2016) on Children and Disabled Adults:**

**A Submission of Evidence to the All Party Parliamentary Group for Health in All Policies by Hammersmith & Fulham Council**

**1. Introduction**

1.1 Hammersmith & Fulham Council welcomes this inquiry into the impact of the Welfare Reform and Work Act (WR&WA), three years on, and we welcome the opportunity to submit evidence to the inquiry.

1.2 It is clear to this authority, and to organisations working with deprived communities in this borough, that the measures introduced by the Act have had a detrimental impact on levels of child poverty, inequalities and health in Hammersmith & Fulham.

**2. Specific Measures in the Act**

***i) Reduction of the benefit cap***

2.1 Hammersmith & Fulham has some of the highest house prices and private sector rents in the whole of London. The benefit cap of £23,000, has excluded a number of claimants, especially families with children, from remaining in the borough. The health impacts on those who are forced to uproot their families and move to cheaper areas of the country are not monitored, but they can be devastating. Children's schooling is disrupted and community support networks are lost.

***General Numbers***

2.2 In Hammersmith & Fulham, 179 households were capped at the end of Q2 2016/17, before the new limits were introduced. This figure has trebled since the reduced caps have commenced in November 2016 -- as at Q3 of 2018/19 the number of capped households has risen to 547.

### ***Effect on Children***

- 2.3 Local evidence suggests that the benefit cap has had a disproportionate impact on children as the new caps have now included the smaller families who were not originally affected. The number of children in capped households has significantly increased from the original numbers under the 2013 cap rules to the new lower amounts from 2016, as set out in the table below.

Cap Rule	No. of Children Affected	No. of Households Affected
In 2013	286 (at Q3 2016/17)	179
From 2016	805 (at Q3 2018/19)	547

### ***Spend on Discretionary Housing Payments (DHP)***

- 2.4 About 20% (£168,000) of DHP in 2016/17 in Hammersmith and Fulham was awarded to help bridge the gap between the affected households' rents and their capped benefit entitlements. As at Q4 2018/19, about 28% (£241,000) has been spent for the benefit cap households.

### ***ii) 4 year freeze in the value of certain benefits***

- 2.5 The Joseph Rowntree Foundation described the four-year freeze in working-age benefits and tax credits as the “single biggest policy driver behind rising poverty, hitting families in and out of work”.<sup>1</sup> A report by the National Audit Office links homelessness with the Government's welfare reforms ‘including the benefit cap and freeze’, together with less affordable rents in the private sector.

### ***Impact on Property Procurement for Homelessness Prevention***

- 2.6 The average cost incurred by Hammersmith & Fulham Council for procuring and renewing properties to temporarily house homeless households, or prevent homelessness, has effectively doubled since April 2016 – from £1,735 to £3,507 per property unit.
- 2.7 This significant increase is not solely attributable to the freeze in Local Housing Allowance (LHA) rates from April 2016, although the freeze has inevitably widened the gap between the Private Rented Sector (PRS) rates and benefit subsidy. Anecdotal unfavourable views on Universal Credit among PRS landlords, the benefit cap which restricts household affordability and the areas that they can move into, and competition from the professional and corporate markets, are contributing factors.

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<sup>1</sup> <https://www.jrf.org.uk/report/uk-poverty-2017>

***iii) Limiting support (from child tax credit or the child element of Universal Credit) to 2 children***

2.8 The cost of the 2-child element limit in Universal Credit is £50+ per child per week. This, combined with other aspects of welfare reform (benefit cap and LHA freeze), limits the affected households' ability to sustain their tenancies and maintain independent living.

***iv) Reducing social rents by 1% pa over 4 years***

2.9 The cumulative loss of income to the Council's Housing Revenue Account, as a result of the annual 1% decrease in rents, from 2016/17 to 2019/20 inclusive, is approximately £24.5m. This is based on the difference between the effect of the rent reductions and the expected rent levels, had the 1% rent reduction not been implemented. The expected rent levels were based on increases of CPI (Consumer Price Index for Inflation) plus 1%, plus an additional £1 per week for any tenant who was not already paying target rent. This £24.5m could have been used to fund programmes to alleviate child poverty, inequalities and ill health.

**3. The Impact of the Act on Earlier Welfare Reforms**

- 3.1 Action on Disability (AoD) is a local organisation run by and for disabled people in the borough. Among other services, it provides welfare benefits advice and support for local disabled people. The AoD Benefits Advisor is dealing daily with the fallout from poor assessments relating to Personal Independence Payment (PIP) and Work Capability Assessments (WCA). The AoD is clear that the PIP and WCA assessments are way below standard and resulting in increased poverty, inequality and ill health.
- 3.2 Evidence we have obtained from AoD suggests that the assessors often fail to fully understand the various benefits' rules as they apply to a medical condition. The high success rate of appeals at First Tier Tribunal (some 60-70%) is a clear indication that the assessments are inadequate and unfair in the first instance.
- 3.3 Although there is a high level of success from appeals there is a very low level of appeal take up, which could suggest that a lot of disabled people are unclear on their rights or do not have the will to go to appeal, which can be a very tiring and stressful process.
- 3.4 The AoD benefits advisor recommends that a PIP/WCA assessor's contract of employment with the DWP, ATOS or Maximus be amended to require them to attend a Tribunal hearing to explain to a Tribunal Panel their assessment

findings and conclusions. Such a requirement should ensure that assessors give more careful consideration, fairness and rigour to their assessments.

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