



AGENDA ITEM: 12

NORTH WALES FIRE AND RESCUE AUTHORITY

17th December 2012

WELFARE REFORM

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 To inform Members of the potential impact of the Welfare Reform on the North Wales Fire and Rescue Service.

Background

- 2 In 2009, *Dynamic Benefits: towards welfare that works* was published by the Centre for Social Justice, an independent think tank founded by Iain Duncan Smith to investigate and promote solutions to deep rooted poverty in Britain. This report proposed a total overhaul of the benefits system. It proposed replacing the current complex system of 51 different benefits and tax credits with a 'universal life credit' and 'universal work credit'. The costs of the new system would be partially offset by increased tax revenue from more people in work and, in the longer term, would save money by reducing other costs to society.

Information

- 3 Based on this philosophy, the U.K. Government has started to implement changes to the benefit system, on a phased basis. It is commonly referred to as Welfare Reform. One key change which is due to be introduced in April 2013 will result in all the benefits of a particular recipient being combined into one monthly payment which will be capped at £500 per week for couples and single parent households and £250 per week for single person households.
- 4 In addition Housing Benefit will become a Local Housing Allowance and will be based on a regional assessment of the lowest 30% of rental charges. From 2013 it will be linked to the consumer price

index instead of the higher retail price index. As the payments will be combined into the Universal Credit it will no longer be paid directly to the landlord. This raises concerns over rent arrears.

- 5 Further pressure will be added to recipients of Local Housing Allowance in the form of an under occupation penalty which applies to working age tenants. This will take the form of a tax of up to 14 per cent of their housing benefit if they have a spare room.
- 6 The transitional effect of these changes is of grave concern to local authorities, police, health and fire and rescue authorities. These changes could result in an increase in homelessness and social upheaval, as people move around to find accommodation and the formation of some non-homogeneous households where the potential for dysfunctionality is greater.
- 7 One of the consequences may well be a reduction in the amount of revenue generated by Housing Authorities and Social Landlords, which could result in deterioration in the quality of accommodation available to tenants.
- 8 There continues to be considerable partnership work led by local authorities to mitigate the risks as a result of Welfare Reform but Members should be aware of the potential increase on the demand for the services provided by the Fire and Rescue Authority.
- 9 Any deterioration in accommodation as a result of rent arrears would increase the level of enforcement action required following audits under the Fire Safety Order 2005. Of more concern is the likely impact of additional financial pressures on vulnerable people with chaotic lifestyles. This could result in an increase in accidental dwelling fires and deaths and injuries as a result of these fires. Members will recall that rented accommodation was one of the risk factors contributing to accidental fire deaths, identified by the Chief Fire Officer's Task Group Report in 2007.

Recommendation

- 10 Members are requested to continue to support the preventative work of North Wales Fire and Rescue Service, as it works with other community safety partners to mitigate the risks which may arise as a consequence of Welfare Reform.