

Committee:	Date:
Community and Children's Services	13 th May 2016
Subject: Welfare Reform and Work Act	Public
Report of: Remembrancer	For Information

Summary

This Report advises the Committee of the enactment of the Welfare Reform and Work Act, the Bill for which was reported to the Committee last year. The Act requires the Common Council to reduce its social rents by one per cent in each of the financial years from 2016–17 to 2019–20, and abolishes the statutory duties of the Common Council with respect to child poverty.

Recommendation

It is recommended that the Committee receive this Report.

Main Report

1. The Welfare Reform and Work Bill was the subject of a written report to the Committee in September last year. As detailed in that report, the Bill proposed a number of measures, including a reduction in the 'benefit cap', a five-year freeze in working-age benefits and the restriction of child tax credits to two children per family. Of more direct relevance to the Committee, the Bill proposed to require local housing authorities to reduce rents by one per cent in each of the financial years from 2016–17 to 2019–20, and to abolish local authorities' statutory duties concerning child poverty.
2. The Bill received Royal Assent in March of this year and passed into law as the Welfare Reform and Work Act. The measures affecting the functions of the Committee survived the parliamentary passage of the Bill. The Government was, however, persuaded to make some concessions about the reduction in social housing rents, most notably by excluding various forms of supported accommodation (such as sheltered housing and domestic violence refuges) for one year to allow a review of the likely effect of rent reductions on providers in that sector.
3. The requirement to reduce rents took effect shortly after Royal Assent, at the beginning of April. The Director of Community and Children's Services was kept informed of the progress of the Bill and of the detailed regulations which support it, so that officers could take the necessary steps to implement the reduction in time.

4. The duties of the Common Council with respect to child poverty—namely to prepare a local child poverty needs assessment, to prepare a joint child poverty strategy, and to promote co-operation among various local bodies in order to reduce child poverty—will be removed with effect from 16th May. As Members noted when discussing the report on the Bill for the Act, this will not prevent the Committee from continuing to carry out work in this area if it so chooses.

Background papers

- Report of the Remembrancer on the Welfare Reform and Work Bill, 11th September, Item 7.

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