



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH MARCH 2014

SUBJECT: WELFARE REFORM PROGRAMME UPDATE

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

1.1 To inform Members of the progress of the Welfare Reform Programme.

2. SUMMARY

2.1 The changes in benefits introduced by the UK Government via the Welfare Reform Act 2012 and Local Government Finance Act 2012 have been seen as a priority by CCBC.

2.2 A Programme Board of senior officers and a steering group of officers from key service areas was established in July 2012 to oversee projects that would prepare the Authority and its residents for the changes.

2.3 This report is providing information on the relevant activities to-date.

2.4 All projects have ensured and are ensuring that the residents and our authority staff are prepared for the changes introduced by the Welfare Reform Act 2012 and the Local Government Finance Act 2012.

2.5 New support services have been introduced and are being monitored to ensure that residents, and especially the vulnerable ones, have access to the advice and support needed in order to adjust to the changes.

2.6 The allocation of funds for the Discretionary Housing Payments for the year 2014/2015 has increased to £382,715 compared to £292,597 for the previous year.

3. LINKS TO STRATEGY

3.1 This report provides an update on some of the Authority support activities directly linked to CCBC Improvement Objectives and the Caerphilly Delivers – Single Integrated Plan in relation to the Council anti-poverty strategy.

4. THE REPORT

4.1 The present report follows up on previous ones and in particular the one presented on 24th July 2013 included in Appendix 1, which, amongst other information, contains the programme background details and overall objectives.

- 4.2 The projects included in the programme are:
- Welfare Reform Act and Council Tax Reduction Scheme Awareness
 - Local Council Tax Reduction Scheme
 - Under-occupation (removal of spare room subsidy)
 - Other benefits changes (Benefit Cap, PIP, DAF)
 - Universal Credit Local Authority Led Pilot
 - Local Support Services Framework
 - Gwent Money Advice Service Project
- 4.3 The progress for each project is provided below (Para. 4.4 to 4.10) together with an update on the Discretionary Housing Payments (Para. 4.11).
- 4.4 **Project 1 - Welfare Reform Act and Council Tax Reduction Scheme Awareness**
- 4.4.1 The initiatives to raise awareness have been numerous and the initial focus of the programme. For details please refer to the previous report in Appendix 1.
- 4.4.2 New initiatives are being agreed and signed off by the Board as and when required.
- 4.5 **Project 2 – Local Council Tax Reduction Scheme**
- 4.5.1 Welsh Government have adopted a scheme very similar to the previous year (only technical adjustment).
- 4.5.2 CCBC adopted the scheme for 2014/15 on the 28th January 2014.
- 4.5.3 The impact of council tax increases upon CTRS (Council Tax Reduction Scheme) has been reflected in the draft report on budget proposals 2014/15 and Medium Term Financial strategy 2014/17 to be presented to Council on 26th February 2014.
- 4.6 **Project 3 – Under-occupation (removal of spare room subsidy)**
- 4.6.1 For detail around the removal of the spare room subsidy legislation and the other welfare changes please refer to the previous report in Appendix 1. Useful information is also available on the corporate website (<http://www.caerphilly.gov.uk/benefitschanges>).
- 4.6.2 On 8th January 2014 the Department for Work and Pensions announced that tenants who have been occupying the same property since 1996, have not moved house in this time (with limited exceptions) and have been in receipt of Housing Benefit continuously, except for short breaks of less than 4 weeks, will not be affected by the removal of the spare room subsidy from April 2013. The Authority's Benefit Section worked together with the Rents Section and Housing Associations and identified 307 claimants who were affected by the exception and consequently awarded the extra entitlement. On 12/02/2014 the Department for Work and Pensions announced that the regulations will be amended from 03/03/2014 and those who benefited from this exception will be affected again by the removal of the spare room subsidy from this date.
- 4.6.3 The Tenancy Support Officers are continuing to visit the under-occupying tenants (1750 to end of December 2013) to offer relevant support. Considerable savings for council tenants are being identified and other specific support and referral (e.g. debt advice) is provided and evidenced.
- 4.6.4 More detail about the activities relevant to under-occupation can be found in the dedicated report on the impact and risks of the welfare changes to the Housing Services being presented to this Scrutiny Committee on the same date as the present one (Appendix 2). The same report will also be presented to Caerphilly Homes Task Group.

- 4.6.5 A motion on the removal of spare room subsidy was discussed initially at this scrutiny committee on 24th July 2013 and finally at Council on 19th November 2013. A report was also presented to Members to provide them with further information, as requested by Council on the 8th October 2013, in relation to proposals that were agreed by the Caerphilly Homes Task Group and supported with additional proposals by the Policy and Resources Scrutiny Committee held on the 1st October, 2013, to mitigate against the introduction of the under-occupancy rules following Welfare Reform. Council resolved that the Notice of Motion could not be supported, but requested further reports be presented to the Caerphilly Homes Task Group on a number of initiatives to mitigate the impact of the under occupation rules.
- 4.6.6 Evidence has been provided to the consortium commissioned by the Department for Work and Pensions (DWP) to monitor the impact of Housing Benefit reform.
- 4.6.7 The Work and Pensions Committee is undertaking an inquiry into provision of support to meet housing costs in the reformed welfare system, and relevant evidence was submitted by CCBC.
- 4.6.8 The Wales Audit Office (WAO) is conducting an Improvement Study on the impact of welfare reform specifically in housing and CCBC is part of the study. Relevant documentation was submitted in December 2013 and interviews with key officers took place in January 2014.

4.7 Project 4 – Other benefits changes (Benefit Cap, PIP, DAF)

- 4.7.1 The Benefit Cap was implemented in Caerphilly on 15/07/2013.
- 4.7.2 The Personal Independence Payment (PIP) due to replace Disability Living Allowance (DLA) is currently being rolled out for new claims and for time limited awards. Reassessment for existing claimants commenced in Oct 2013 in defined areas and these areas will be extended during 2014. Caerphilly is not currently planned to be one of these defined areas. From October 2015 the DWP plan to start contacting all other existing claimants to invite applications for PIP with the expectation that everyone will be contacted by late 2017.
- 4.7.3 The corporate website was updated with key information for the Benefit Cap, PIP and Discretionary Assistance Fund (DAF) that replaced Social Fund and Crisis Loans.
- 4.7.4 Support workers were briefed regarding DAF.

4.8 Project 5 – Universal Credit Local Authority Led Pilot

- 4.8.1 The project was extended to December 2013 and the Final Evaluation Report has been submitted to DWP. The activities focussed on three key areas: digital support, financial inclusion/budgeting advice and employment access support.
- 4.8.2 A synopsis of the project and key features and outcomes for each areas are provided in Appendix 3.

Digital Inclusion

- 4.8.3 The digital inclusion activities, in partnership with Get Caerphilly Online, included drop-in IT support sessions (known as “Digital Fridays”) delivered in 6 libraries with 15 volunteers (digital champions) regularly supporting staff at the sessions. Two of the sessions are delivered solely by volunteers. The on-line housing benefit and change of circumstance forms went live on the corporate website in January 2013 and the take-up has so far been about 60% of the total claims.

Financial Advice Support

- 4.8.4 As part of the pilot, 250 frontline staff including Supporting People providers, JCP staff and local volunteers have attended the awareness raising training on the financial impact of the welfare reform on households, which was commissioned to CAB as part of the Pilot. Feedback from questionnaires to staff indicates that a high percentage of those who attended the training have used the information to support, advise and signpost local residents.
- 4.8.5 Tenancy Support officers are also providing tenants affected by the removal of spare room subsidy with support to address any financial needs and more information on the outcomes of their activities is provided in the report in Appendix 2.
- 4.8.6 The Pilot also introduced a new referral process to CAB for casework and preliminary results indicate that there could be a wide significant extent of debt amongst some of the tenants. In particular an average of £7,500 pre-existing debt per person referred was recorded during the first three months of the referral process. More statistics on the support are provided in Appendix 3.

Employment Access Support

- 4.8.7 In relation to the employment options support delivered in partnership with JCP, the number of residents referred to the fast track employment access support has exceeded 200 and the outcomes have been very positive. In particular 30 residents referred have found employment and 45 have accessed training.
- 4.8.8 The final pilot evaluation report was submitted to the DWP beginning of February 2014.

4.9 Project 6 - Local Support Services Framework

- 4.9.1 In February 2013 DWP published the Universal Credit Local Support Services Framework which was developed in partnership with local authorities and sets out the principles for providing support for claimants with additional or complex needs to help them make and manage Universal Credit claims and prepare for work. The Framework sought comments on the proposed approach received 149 responses from across the local government, housing and the voluntary sectors. The documentation is available online at <https://www.gov.uk/government/publications/universal-credit-local-support-services-framework>.
- 4.9.2 The framework will be providing a collaborative structure for planning holistic and integrated localised support for claiming and maintaining a claim for Universal Credit. Caerphilly has been involved in a number of working groups supporting the development of the framework, the Welsh Support and Exceptions group and also the local support services reference group (a national group).
- 4.9.3 Further updates to the framework are planned and will take into account the current universal credit implementation timelines. The LSS Framework was updated and released in December 2013 (<https://www.gov.uk/government/publications/universal-credit-local-support-services-update-and-trialling-plan>) to include information from the various pilot and pathfinder projects, as well as proposals for further testing. A fully updated framework is expected to be released in autumn 2014 in order for partners to plan for the financial year 2015/16.
- 4.9.4 A Task and Finish Group made of CCBC and JCP resources has been set-up to map current provision and funding streams of relevant services in CCBC area. The slowdown in the roll out of Universal Credit has removed some of the urgency to develop the framework however further dialogue will take place over the next few months.

4.10 **Project 7 – Gwent Money Advice Service Project**

- 4.10.1 Caerphilly is the lead authority of a Gwent wide project on Mitigating Welfare Reform across Gwent. The project aims at better aligning local delivery of money advice services and improving the signposting and awareness of financial inclusion issues across the Gwent, ameliorating the consequences of welfare reform, tackling poverty and combating financial exclusion.
- 4.10.2 The Project Manager has started in her role and the Research Officer will be starting next month. The original plan is being rescheduled.
- 4.10.3 Current and predicted demand for money advice, financial services and service provision will be mapped. This will inform a development programme to better align current resources to need and to develop capacity to meet gaps in service provision. This will be through training programmes and developing capacity in new and existing organisations and guiding funding decisions.

4.11 **Discretionary Housing Payments (DHP)**

- 4.11.1 Discretionary Housing payments (DHPs) are additional payments made towards rent. They are only paid to residents already receiving housing benefit who need more help with their housing costs over and above their benefit award.
- 4.11.2 Caerphilly County Borough Council, like every other Council, is given a fixed amount each year by the Central Government to pay DHPs. The allocation that Caerphilly received for 2013/14 was £292,597. The Authority also secured extra funding from Welsh Government of £63,000 to top up this amount in order to help people cope with the impacts of Welfare Reform, in particular Under Occupation.
- 4.11.3 To date Caerphilly has spent £303,560 and awarded future payments of £35,299 totalling £338,859. These awards have given financial support to 1014 tenants.

Social Sector Size Criteria	887
Benefit Cap	13
LHA	99
Other	15
Total	1014

- 4.11.4 In the Autumn Statement, the government announced that there would be an additional £40 million available for DHP in 2014/15, thus making the total amount of Government Contribution £165 million. Caerphilly's allocation for 2014/15 has increased to £382,715.
- 4.11.5 The current criteria for dealing with DHPs, as presented to this Committee on 16th April 2013 (Appendix 3), has proved to be successful in that the allocation for 2013/14 has been used effectively and has helped lessen the impact of Welfare Benefit changes on tenants' finances. It is therefore the intention to keep to these criteria and continue to involve partners, e.g. social sector landlords and supporting bodies to help in the process. It is important that these guidelines are in place so that all claimants are treated fairly and those in most need are given the financial assistance they require to support them to maintain or achieve a solution to secure their tenancy.

5. **EQUALITIES IMPLICATIONS**

- 5.1 The report is for information only and has therefore no equalities implications.

6. FINANCIAL IMPLICATIONS

- 6.1 The report is for information only and has therefore no financial implications. The Welfare Reform and relevant preparation activities have financial implications that have been and will be detailed in other suitable reports.

7. PERSONNEL IMPLICATIONS

- 7.1 The report is for information only and has therefore no personnel implications. The Welfare Reform and relevant preparation activities have personnel implications that have been and will be detailed in other suitable reports.

8. CONSULTATIONS

- 8.1 This report includes all consultations as listed below.

9. RECOMMENDATIONS

- 9.1 That the report is noted for information.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The report contains information for the consideration of the Policy and Resources Committee.

11. STATUTORY POWER

- 11.1 This report is for information only. The Programme activities described in this report are to comply with the Welfare Reform Act 2012 and the Local Government Finance Act 2012.

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Shaun Couzens – Chief Housing Officer
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Background Papers:
Programme Working Documents

Appendices:
Appendix 1 Report to Policy and Resources Scrutiny Committee 24th July 2013 – Welfare Reform Programme Update
Appendix 2 Report to Policy and Resources Scrutiny Committee 4th March 2014 – Update - Housing Benefits Under-Occupation Rules - Please see Agenda Item No. 7(2)
Appendix 3 Universal Credit Local Authority Led Pilot – Key Outcomes
Appendix 4 Report to Policy and Resources Scrutiny Committee 16th April 2013 – Discretionary Housing Payments 2013/14