



**POLICY AND RESOURCES SCRUTINY COMMITTEE –  
24TH JULY 2013**

**SUBJECT: WELFARE REFORM PROGRAMME UPDATE**

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

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**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 Localised Finance Act 2011 have been seen as a priority by CCBC.
- 2.2 A Programme Board was established in July 2012 to oversee projects that would prepare the authority and its residents for the changes.
- 2.3 The report is providing information on the relevant activities to-date.

**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 Introduction**

The wide ranging changes introduced by the U.K. government to the welfare system, including Universal Credit, benefit cap, council tax reduction scheme, social sector size criteria housing benefit reduction and other general welfare changes<sup>1</sup> have been seen as a priority by CCBC from a very early stage.

A Programme Board of senior management and a cross-functional team was established to oversee and coordinate initiatives in July 2012.

The core team is made of officers from all key service areas, including Housing Benefit and Council Tax Benefits Section, Housing, Community Regeneration / Communities First, Social Services, Supporting People, Customer Services, Education/Children and Young People

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<sup>1</sup> The latest timeline of the main changes is attached in Appendix 1 for information.

Partnership.

The overall aim of the programme is to ensure that the Local Authority and its residents are adequately prepared for the impact of the Welfare Reform Act and the Council Tax Reduction Scheme.

The programme currently includes four projects: 1) Welfare Reform Act and Council tax reduction Scheme Awareness; 2) Under-occupation (also known as "Bedroom tax"); 3) Universal Credit Local Authority Led Pilot; 4) Local Support Service Framework.

The programme team has specifically been working on:

- (i) Raising the awareness of the forthcoming benefits changes, both internally and externally to ensure the impact is fully understood and allow sufficient time to prepare for the transition
- (ii) Identifying, engaging with and preparing front-line services that will have a direct contact with affected residents and will be directly affected by the changes in their service delivery
- (iii) Identifying and planning contact with the affected residents to inform them of all changes, implement those that are within the area of responsibility of CCBC and offer the relevant support in the transition to the new benefits rules.
  - This will be achieved also by means of the pilot run in partnership with the DWP in the months prior to the introduction of the Universal Credit. The pilot is aiming at learning on how the Local Authority can better support locally the residents claiming working age benefits once migrated into the Universal Credit being introduced gradually from October 2013.

The activities for each of the above points are summarized below.

## 4.2 Raising Awareness

The initiatives to raise awareness are numerous and have been the initial focus of the programme. Below are some of the main ones.

- From July through to October, awareness sessions were held with members, the local service board, voluntary sector, leadership team, staff and management (over 500 attendees), local tenants' participation strategy group, head teachers, Children and Young People Partnership board.
- Early in September, two new pages and a FAQ's document were created and added to the corporate website ([www.caerphilly.gov.uk/benefitschanges](http://www.caerphilly.gov.uk/benefitschanges) and [www.caerphilly.gov.uk/underoccupation](http://www.caerphilly.gov.uk/underoccupation)), followed up by relevant intranet news item, email to all internal users and relevant press release. Subsequently and to provide more clarity for residents a page to highlight changes and news relevant to the welfare reform was added ([www.caerphilly.gov.uk/benefitschangesnews](http://www.caerphilly.gov.uk/benefitschangesnews)).
- Targeted briefing was undertaken within all teams in social services and a task and finish group established to review risk and impact for the directorate of Social Services.
- A workshop organised with staff and external organisations in relation to the future launch of the on line housing and council tax benefit claims was also used to provide a briefing on the benefit changes and engage with key external stakeholders, such as Housing Associations and Support Providers.

- Specific events were and are being organised in the community to promote awareness of the welfare reform changes (more detail below).
- A specific leaflet was created to inform about the UK Government Changes to the Housing Benefits
- Affected residents were also sent appropriate letters accompanied by the leaflet
- Presence in two “Newline” editions (November 2012 and March 2013)
- A programme of visits to the under-occupying council tenants started in November and is still underway (more detail below).

#### **4.3 Frontline Services And Residents Preparation, Specifically For The Under Occupation In The Social Housing Rented Sector<sup>2</sup>**

The latest data shows that Caerphilly CBC has approximately 2,741 social housing tenants who will be affected by the under occupation, of these 560 are Registered Social Landlords (RSL) tenants and 2,181 are council tenants.

Of the 2,181 council tenants affected by the change 78% are under occupying by at least one bedroom and the rest (22%) by two or more. Under-occupancy will reduce the housing benefit of these tenants by 14% of the eligible rent for 1 bedroom (on average £11 per week for Caerphilly) and 25% of the eligible rent for 2 bedrooms (on average £21 per week for Caerphilly). These figures and others are included in Appendix 2.

Apart from the updating of the website, a leaflet to explain changes and to signpost tenants was also developed and made available to support providers and Caerphilly Citizens Advice Bureau (CAB), and at key sites such as our libraries, customer first centres and GP surgeries.

Early in November 2012 the leaflet was also sent to the claimants identified as under occupying by the Benefits section together with the letter announcing the change and asking for confirmation of the household composition details.

The same information was included in the November issue of our council residents’ newsletter “Newline” and subsequently a short version of it appeared in the March edition as a reminder.

The Benefits section also notified all Registered Social Landlords operating in the county borough with their list of tenants potentially affected by the under occupation rule to enable them to offer timely support.

All Rents staff have been briefed on offering the correct support, information and signposting when contacted by tenants over the phone. This contact is suggested both in the leaflet and on our website relevant pages.

Two additional staff were appointed in September 2012 by Housing to implement changes and assist council tenants in the transition to the new rule and two further officers started in the same role (Tenancy Support Officer) from April 2013.

After having carried out the appropriate desk analysis of available records, the Tenancy Support Officers started visiting and are currently offering face to face support to council tenants in their own homes. They developed a plan for visiting those who appear as under occupying to directly engage with the prioritised affected tenants between October 2012 and April 2013 and with the entire group soon after.

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<sup>2</sup> This change, recently referred to as “spare room subsidy” only applies to social housing rented sector tenants of working age.

Also using a bespoke interactive map, briefing note and contact form, the Tenancy Support Officers offer support and appropriate signposting relevant to each tenant's circumstances including:-

- Opportunities for mutual exchange
- Assistance in the completion of transfer applications/registering on *Homeswapper* (electronic mutual exchange system)
- Assessment and help to maximise their income
- Assessment and help for savings with utilities
- Budgeting and basic financial advice referral to CAB
- Debt advice referral to CAB
- Signposting and referral for digital support sessions (see below Universal Credit Pilot section)
- Employment signposting and specific referral to Jobcentre Plus (JCP)
- Signposting/referral to other internal service areas, programmes and initiatives (e.g. Families First / Team Around the Family, Genesis / Bridges into Work, Private Sector Housing etc.)

Key outcomes of the visits so far are:-

- Face-to-face support provided to 757 council tenants
- Promotion of Welsh Water Assist during the visits resulted in £77,000 reduction in water costs for tenants (overall the saving generated for all tenants in 2012/2013 equates to £200K)
- 97 referrals to CAB for money and debt advice appointments held in local offices with 90% attendance rate
- 55 referrals for fast-track employment support to JCP
- 203 applications for water meters (average of £100 savings per annum)
- 495 tenants received expert energy saving advice
- 241 were assisted in completing a Discretionary Housing Payment (DHP) application

In conjunction to the above visits, the rents staff have contacted all council tenants who appear as over occupying and assisted them to sign on to Home Swapper (mutual exchange) with significant success.

A series of events, organised by Regeneration / Communities First, have been held throughout the county borough for Caerphilly CBC residents in a number of local venues, e.g. schools and community centres, where concerns can be addressed via questions and answers to Housing staff and other subject matter experts. Alongside specific events for social housing tenants, Communities First has also organised general welfare reform awareness events.

A proposal for establishing a Common Housing Register and Common Allocation Scheme has been endorsed in principal by the Caerphilly Homes Task Group.

A plan to further liaise with and to establish a key external stakeholders group is being finalised. This will include Welsh Government, WLGA, Third Sector via GAVO and Supporting People Providers, CCAB, JCP, neighbouring Local Authorities and housing associations. The objective of the group is to share our progress both relevant to the Welfare Reform wider programme and to the Universal Credit Local Authority Led pilot (see below) as well as gathering similar valuable experience from our colleagues in the group. The initial Information Exchange meeting is being organised for 22nd July 2013.

A data-sharing agreement between Benefits department and Social Services is currently being finalised to enable the social services department to ensure known vulnerable individuals are aware and prepared for the changes introduced by the Welfare Reform Act.

#### 4.4 DWP Universal Credit Local Authority Led Pilot Project

The 12 pilots part of the UK wide programme, albeit entailing different activities, are all aiming at generating learning on how the local authority can better support locally the residents, claiming working age benefits, once migrated into the Universal Credit<sup>3</sup>, which is to be introduced gradually from October 2013. Their objective is to explore how local expertise can support residents in preparing for the implementation of the Universal Credit.

The County Borough of Caerphilly has a growing population of around 178,800 making it the 5th largest local authority area in Wales by population.

The proportion of economically active people in the county borough is significantly lower than the Wales or GB averages (Caerphilly 70.3%, Wales 72.5%, GB 76.1%). The proportion of people in the county borough claiming JSA is significantly higher than average (Caerphilly 5.4%, Wales 4.15%, GB 3.9%). Levels of deprivation in the county borough are higher than the Wales average over a range of indicators.

According to a recognized demographic segmentation dataset, 50% of the households in Caerphilly CB have a low or very low potential to move to self-service on the internet, with less than 20% having a high or very high self-service indicator. According to the same dataset just over 60% of households in our territory are principally receptive to face-to-face interactions.

The Digital Inclusion data provided by Experian (year 2011) shows Caerphilly ranking 15 out of 22 Local Authority with 36.57% of all adults population, equal to 49,285 adults, defined as “digital excluded” (Rank 1 Cardiff 25.55%).

In light of the above demographic overview, the Caerphilly pilot focuses on coordinating existing initiatives and partner organizations to ensure:

- Digitally excluded groups within our communities are supported in the journey to “online” interaction.
- Appropriate signposting takes place, where necessary, to support access to employment.
- Support is provided to our residents to improve their money management skills.

The delivery team is made of officers from key service areas (Community Regeneration/Communities First, Housing Benefit Section, Customer First, Libraries, Housing and ICT) and key external partners, in particular Jobcentre Plus and Caerphilly CAB.

For the duration of the pilot, the existing Authority’s resources are being assisted by 4 newly appointed staff (1 Project Manager and Co-ordinator and 3 Project Officers) whose aim is to coordinate activities and ensure effective collaborative working in order that staffing and other resources are used effectively for the project objectives.

Underpinning the pilot is the roll out of the “E-Claim”, electronic form that allows inputting and submitting the housing benefits claim online, and the online Change of Circumstances form, that have been live on CCBC website since January 2013. The initial take-up has been very encouraging.

Drawing on the experience and resources of Communities 2.0, the residents who need to claim or are engaged in other ways, are offered and signposted to sessions to improve their IT skills. Some drop in open sessions are available at specific days (Digital Fridays) in some local libraries to enable an easy initial referral process and residents who wish will also be able to self-refer to IT Skills sessions via a specifically designed leaflet.

Key to the digital skill improvement work stream is the identification, recruitment and formal

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<sup>3</sup> This change only applies to citizens claiming working age benefits and tax credit

training of volunteers in the local community who take up the role of Digital Champion. The recruitment and training by *Get Caerphilly Online* is currently ongoing.

The team, in partnership with JCP, has designed a streamlined referral process to help claimants in the search and preparation for employment or to broaden their opportunities to increase their current working hours. To the end of April, 31 referrals have been made with 2 residents finding employment while 6 entered training programmes. Of the remaining, 12 residents already received support through the Work Programme.

Caerphilly CAB is the partner organisation both to deliver money advice and budgeting skills to residents referred during the pilot and to deliver training to the local authority front-line staff for basic financial advice to residents. To the end of May a total of 160 staff had undergone the training, including partners such as GAVO, JCP and local credit union.

A rigorous plan for monitoring progress and capturing the lessons learned is in place. The project runs from October 2012 to September 2013 but a proposal for an extension to December 2013 is currently being considered by the Minister for Welfare Reform and Treasury.

As far as the roll out of the Universal Credit is concerned, there is no definitive detailed migration timetable available yet.

#### **4.5 Local Support Service Framework**

According to the DWP with the introduction of the Universal Credit, the majority of the people will be able to “make their claim online and payments will be made monthly and direct to the household” but supplementary local support will be necessary to support claimants with additional needs (for example “personal budgeting support”) and the Local Support Service Framework deals with the design of the additional local support service provision. The framework was published for consultation in February 2013.

Representatives of the Programme Board are in contact with the DWP via the appropriate reference group and directly with Jobcentre Plus to progress with the discussion and preparation around the Local Support Service Framework.

#### **4.6 Council Tax Reduction Scheme**

From 1st April 2013, as a result of UK legislation, council tax benefit has been abolished and the responsibility for council tax support has passed to the Welsh Government. The Welsh Government has introduced a national scheme which the council have adopted<sup>4</sup>.

Although the funding from the UK Government has been reduced, the Welsh Government have met the shortfall of £22 million for 2013/14. This will ensure that those eligible will continue to receive up to 100% of the agreed entitlement for 2013/14.

As part of the process in adopting the new scheme, we undertook an extensive consultation exercise in December. This exercise included writing directly to the 20,000+ households affected and asking their views. Approximately 50% of those affected were of pensionable age. Over 1,150 responses were received, of which 935 were aged 55+.

The Welsh Government will be reviewing both the scheme and the levels of funding in the future. A proposal has been put forward to Local Authorities by Welsh Government for 2014/2015 requesting Local Authorities to consider a 50-50 funding arrangement in respect of the shortfall in CTRS.

Officers will consider options in due course when more is known about the proposal and a

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<sup>4</sup> See relevant report to Special Council on 29<sup>th</sup> January 2013.

report will be presented to members.

#### **4.7 Other Welfare Changes (DLA To PIP And Benefit Cap)**

- 4.7.1 Disability Living Allowance will gradually be replaced by **Personal Independence Payments** over the next 3 years. The DWP website contains all the relevant information regarding these changes and there is a link from our website to this information. It is clear from DWP's own impact analysis that a considerable percentage of existing claimants will see a reduction when they move to P.I.P. For the majority of claimants this may not happen until October 2015.

Awareness sessions are taking place with staff, voluntary organisations and the third sector and will continue, in order that we ensure that support staff and support organisations are able to provide accurate, up to date and timely information, as well as appropriate advice and guidance.

When any relevant information leaflets/documentation is available from the DWP, we will ensure that this information is available via a link from our website and, where appropriate, hard copies are available both with support workers and organisations and offices where there is public access (e.g. civic buildings, libraries, and customer first).

- 4.7.2 The details of the **benefit cap** are available on our website. The latest information from the DWP would indicate that the cap would be implemented from 15 July 2013 with all relevant claimants capped by the end of September 2013. All those affected will have already been notified of the changes by DWP and that they will be affected by these changes.

In Caerphilly the latest information is that less than 80 households in receipt of housing benefit will be affected. We should be receiving up to date information from the DWP this month and this information will be used to contact those affected. The contact will be generally via the landlords' tenancy support officer or a member of our housing department with the aim being to offer effective support and guidance.

### **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 Bill 2011.

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Appendices:

Appendix 1 Welfare Reform Benefits Changes Latest Timeline

Appendix 2 CCBC Figures