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**To: Scrutiny Co-ordination Committee**

**Date: 11<sup>th</sup> December 2013**

**Subject: Welfare Reform**

## **1 Purpose**

- 1.1 The Scrutiny Co-ordination Committee meeting has dedicated the whole of its on 11<sup>th</sup> December meeting to consider issues relating to the government's Welfare Reform agenda. The purpose of the meeting is to review:
- the latest information on the implications of the Welfare Reform changes on local people, communities and the city;
  - the way services and support to local people are being co-ordinated in the city; and
  - the impact on the City Council and how the authority is discharging its responsibilities.

## **2 Recommendations**

- 2.1 Scrutiny Co-ordination Committee is recommended to review the current position and actions being taken in response to the government's Welfare Reform agenda and make any recommendations to Cabinet, Cabinet Members, partners or others as appropriate.

## **3 Information/Background**

- 3.1 The government has introduced an unprecedented level of change in welfare reform to which the Council and partners are responding. A set of background information to support presentations, questions and discussion at the meeting is set out in Appendix 2. Key issues for Scrutiny Co-ordination Committee to consider in reviewing this at the meeting will include:
- What are the combined implications of changes on individuals and communities that decision-makers need to understand?
  - What can be predicted about future impacts that need to be planned for now?
  - How do we make sure that actions being taken now are providing long term sustainable solutions for people, not short term fixes?
  - How is the city's approach to services and support being co-ordinated to avoid either duplication or gaps?
  - Is the Council doing everything required to discharge its responsibilities for elements of the welfare reform agenda?

## **4 Impact on Individuals, communities and the city**

- 4.1 Working with local partners, the Council's Corporate Research Team has produced a detailed analysis of the impacts of the Welfare Reform changes on individuals, communities and the city. A summary is included at Appendix 1. The full report on which this is based is available on Coventry Partnership's web pages at:  
[http://www.coventrypartnership.com/upload/public/documents/conference%202013/Welfare%20Reform%20Initial%20Impacts%20on%20Coventry%2001%2010%2013%20\(final\).pdf](http://www.coventrypartnership.com/upload/public/documents/conference%202013/Welfare%20Reform%20Initial%20Impacts%20on%20Coventry%2001%2010%2013%20(final).pdf)

- 4.2 The issues and challenges emerging from this analysis to date are being considered by partners and include:
- the need to target support at those losing the most benefit – including employees and private sector tenants
  - the demand for crisis support is increasing – is enough being done to find sustainable solutions?
  - Labour market inequalities have widened - is enough being done to address long standing barriers to jobs?
  - Benefits advice and legal support services are proven to make a big difference, but demand is outstripping supply
  - Lack of rented housing for 'over-occupiers' means families are trapped in unaffordable tenancies
  - Monitor danger signs, evaluate how people are coping and calculate costs to partners?

## **5 Co-ordination of Services and Support**

- 5.1 Through the Coventry Partnership, the Working Together on Welfare Reform group brings together partners including Advice Services Coventry, Citizen's Advice Bureau, Coventry City Council, Coventry Law Centre, Department for Work and Pensions, Midland Heart and Whitefriars Housing. Monthly meetings discuss common issues, share knowledge and work together to tackle emerging problems.
- 5.2 This has led to a range of initiatives and interventions and the Chair of the group and representatives of some of the partner organisations will attend the meeting to contribute to case studies and give their perspectives. Those invited are:
- Simon Brooke: Head of Income Management WM Housing Group and Chair of the Working Together on Welfare Reform Group
- Charley Gibbons: Chief Executive CAB and Chair of Coventry Partnership
- Sue Bent: Director Coventry Law Centre
- Martin Buxcey: District Operations Manager, Coventry & Warwickshire DWP
- 5.3 Some of the advice and information provided through the Group is available on the Coventry Partnership website at: [http://www.coventrypartnership.com/Welfare Reform](http://www.coventrypartnership.com/Welfare_Reform)

## **6 City Council Position**

- 6.1 A number of council services provide support to people which helps meet long, medium and short term needs, as well as help people in emergency situations. The Council is working to ensure that these are as joined up as possible, particularly at the point of access.
- 6.2 The Council's Benefits Service has dealt with a number of additional pressures through the Governments significant programme of Welfare Reforms. These changes include:
- the introduction of Council Tax Support (replacing Council Tax Benefit).
  - the size restriction in socially rented properties (also referred to as the 'bedroom tax' or 'spare room subsidy).
  - a new Community Support Grant Scheme (replacing Crisis Loans and Community Care grants – previously administered by the Department for Work and Pensions (DWP)).
  - administering the National Benefit Cap from July 2013.
  - additional funding to support people impacted by the changes through the Discretionary Housing Payment fund.

- 6.3 The report to the Cabinet Member Strategic Finance and Resources of 2<sup>nd</sup> December on the Performance within the Benefits Service for the period April 2013 – September 2013 includes a summary of some of the impacts of the welfare reform changes on the Council's Benefits Service and is available at:  
<http://democraticservices.coventry.gov.uk/documents/s13999/Benefits%20Service%20Performance%20to%20November%202013.pdf>
- 6.4 There are two discretionary funds managed by the service and the Chair of the Scrutiny Co-ordination Committee has asked that progress on these be reported to the meeting.
- 6.5 **Discretionary Housing Payments** (DHP) are used to help people in difficult circumstances with their housing costs. The new DHP policy was approved by Cabinet in March 2013. The Welfare Reforms introduced from April 2013 have resulted in considerable demands on this area of work.
- 6.6 In the first six months of 2013/14, the Service received 1,541 applications. The number of applications in 2012/13 was 727 (a 56% increase from 2011/12). At the end of September 2013, £159,620 had been allocated out of the total budget available of £798,643. The Service has recently reviewed this position and will be undertaking some promotional activity to ensure that awareness of the support available is maximised. The Service also expects a greater demand during the second half of the year due to seasonal factors (pressures with additional spending on fuel and Christmas, for example) and the on-going accumulative impact of welfare reform.
- 6.7 The Service has successfully introduced a new **Community Support Grant** scheme – which has replaced the discretionary elements of the Social Fund (Community Care Grants and Crisis Loans) previously administered by DWP. The grants are designed to help vulnerable people living in Coventry who find themselves in a crisis situation or where, for example, they require support to remain in the community. The Council is now responsible for administering the £1,195,847 annual grant for these awards.
- 6.8 Payment is made by the issue of a spending card – replacing the cash based system previously used by the DWP. The Service has put in place a responsive process and has worked hard with partners to ensure money is targeted on individual needs. The new team has received 4,340 phone calls and 1,962 applications of which 940 were successful. Spending in the first six months of the new scheme totalled £162,550 (926 were collected with a value of £162,087). Whilst this is relatively low compared to the budget allocation, we do expect demand to increase during the second half of the year. The removal of cash from the system has contributed to a significant reduction in demand when compared to the previous scheme.

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