

Welfare Reform

Scrutiny Co-ordination Committee
Wednesday 11th December 2013



www.coventry.gov.uk

Purpose of the meeting

To review:

- the latest information on Welfare Reform and its implications on local people, communities and the city;
- the way services and support to local people are being co-ordinated; and
- the impact on the City Council and how the authority is discharging its responsibilities



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Issues for Scrutiny Co-ordination Committee to consider 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?



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Agenda

1. Introduction and Context (10 minutes)

Simon Brake: Assistant Director Communities and Health

2. Impact on individuals, communities and the city (40 minutes)

Helen Shankster: Corporate Research Co-ordinator

3. Working Together - Co-ordination of Services and Support (40 minutes)

Simon Brooke: Head of Income Management WM Housing Group and Working Together on Welfare Reform Group Chair

Charley Gibbons: Chief Executive CAB and Chair of Coventry Partnership

Sue Bent: Director Coventry Law Centre

Martin Buxcey: District Operations Manager, Coventry & Warwickshire DWP

4. City Council position (30 minutes)

Tim Savill: Head of Benefits



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1. Introduction and Context

Simon Brake

Assistant Director Communities and Health
Coventry City Council



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Policy Context

- Global financial crisis and public sector deficit
- Comprehensive Spending Review 2010 - £83 billion public spending cuts over 4 years - £18 billion of this relates to benefits and is phased
- Policy to control deficit from spending cuts rather than tax increases
- Further £10 billion from the benefit bill by 2016/17 announced by the Chancellor at the Conservative Party Conference
- Measures designed to cut but also fundamental cultural change - make the system fairer, simpler and make work pay
- Some public perception of benefits seems commensurate with government policy – e.g. ensuring people out of work are never better off than those in work



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A complex picture



Summary of National Changes

- **2010 emergency budget announced £1.8 billion of cuts to housing benefit**
 - 10,000 Coventry residents losing £11 per week
- **January 2012: Housing benefit restricted for under 35's**
- **January 2012: Child benefit**
 - Impacting people earning more than £50,000 – nationally 1 million households losing £1,000 annually
- **April 2012: People aged 16 – 65 in receipt of Income Support (paid on the basis of sickness), Incapacity Benefit and Severe Disablement Allowance are being reassessed for Employment and Support Allowance.**

Summary of National Changes

April 2013

- Under occupancy in social housing (working age)
 - Housing benefit cut for people with spare bedrooms in social housing
 - 3180 size restriction cases
 - 2556 one bed reduction (£12.92 pw) / 624 two plus reductions (£22.61 pw)
- Council tax benefit localised and £5 billion budget cut by 10 per cent – Coventry opted to fund the shortfall
- Crisis Loans and Community Care Grants localised
- Benefits uprated by 1 per cent for 3 years and linked to Consumer Price Index rather than Retail Price Index

Summary of National Changes

- **Personal Independence Payments** from June 2013
 - Replaces Disability Living Allowance
- **Benefit cap**
 - National roll out from 15th July 2013 – to be completed by September.
 - £500 for couples and single parents per week, £350 for single adults
 - 287 cases in Coventry (1,376 children)
- **Universal Credit - ???**
 - Universal Credit (UC) replaces six main benefits.
 - UC is formed around a new 'claimant commitment' which sets out what is expected in return for assistance.
 - Claimants will be able to claim their benefits online.
 - As claimants earn more money, financial support will be withdrawn at a slower rate than is the case under the current system. UC will be paid monthly, in arrears.
 - A single payment will be made to a household rather than an individual.

Meeting the Challenge?

- CWLEP
- City Deal
- Key Cities
- Coventry and Warwickshire Story
- Job Shop and Job Strategy
- Kick Start



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Co-ordination



Coventry
Partnership

Working Together on Welfare Reform

City Council Welfare Co-ordination Group:

- To determine which services may be affected Welfare Reform changes, assess the impact on them and investigate options for responding to pressures.
- To look at the wider impacts of poverty across the City and co-ordinate discretionary support provided across the Council.
- Assess the financial impact that the changes will have on specific services, investigating any requirement to respond to pressures identified.



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2. Impacts of Welfare Reforms on Coventry – the Story So Far

Helen Shankster
Corporate Research Co-ordinator
Coventry City Council

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'Raising aspirations, Narrowing the gap'

Government Welfare Reform Aims



- It pays to be in work
- Disabled people are supported to lead independent and active lives, whilst protecting those who cannot work

**Self-
reliance**

Benefit
reductions /
fewer
entitled


Support
unemployed
to work +
sanctions

Residual
support
for
vulnerable

Easier to
move into
work &
better off

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'Raising aspirations, Narrowing the gap'



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Finding it hardest to get jobs

- Females
- 16-24 year olds
- 25-34 year olds
- Disabled people
- Some BME groups (data poor)

Not in paid work nor claiming benefits

- 15,000 (estimated)
 - Females most affected

15 *'Raising aspirations, Narrowing the gap'*



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Total Coventry annual loss



£112 million cut to the city

Estimated by Sheffield Hallam – Hitting the poorest places hardest.
Not Including Universal Credit






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Cumulative Housing Benefit Impacts

As a result of the cap reduction, under occupancy reduction, 4 Bed cap, £15 Local Housing Allowance (LHA) loss & LHA room rate change.

- 
1,220 households increased by £2.39 a week
- 
8,081 households reduced by less than £10 a week
- 
2,297 households reduced between £10-£19.99 a week
- 
633 households reduced between £20-£49.99 a week
- 
85 households reduced by more than £50 a week


17 *'Raising aspirations, Narrowing the gap'*



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Housing Benefit Impact by household type

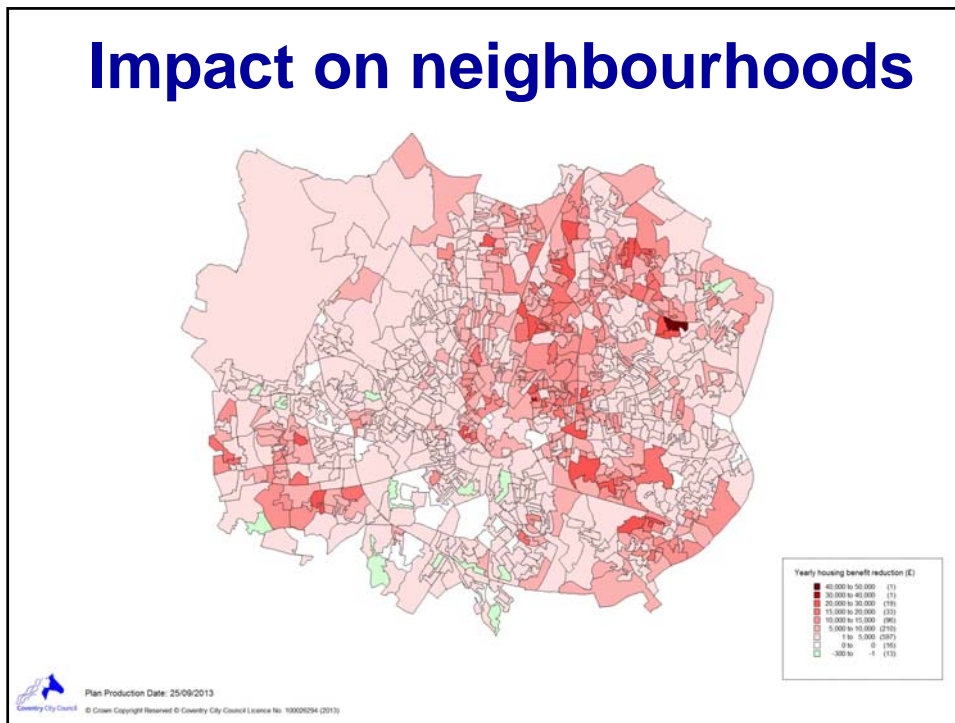
Who's been hit hardest



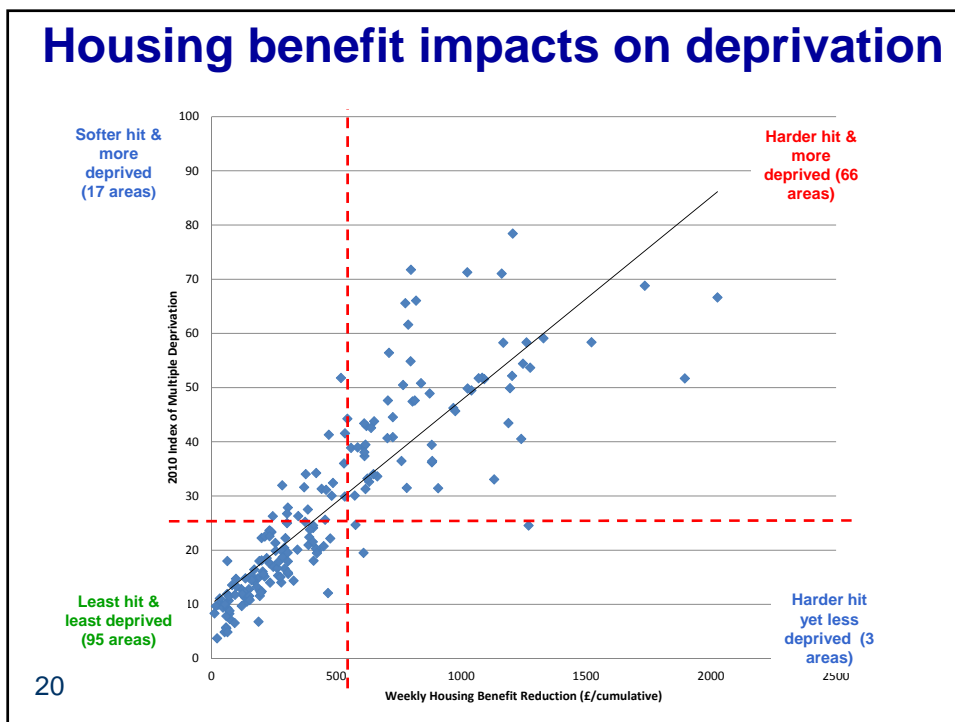
- Receive ESA and IS
- Aged between 45 and 54
- Have dependants under the age of 5
- Are in work
- Couples
- Foleshill, St Michael's and Henley residents
- Privately rented accommodation
- Larger households


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Impact on neighbourhoods



Housing benefit impacts on deprivation





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Benefit cap case studies

Aisha (Typical Case)

- 36 years old, single with 5 children (one under 5 years)
- Income support
- Private tenant, pays £650 rent per month
- Housing benefit reduced by £59.88 per week


Rachel & Peter (Adapted to change)

- Early 30's with 5 children
- Faced reduction of £126 per week
- Peter found work and is now claiming working tax credit, so housing benefit not applied

Sophie (Hardest hit case)

- 34 years old, single, with 7 children
- Income support
- Private tenant, pays £850 rent per month

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Spare room subsidy (bedroom tax) case studies

Lucy (Typical Case)

- 45 years old, single and lives alone in Henley
- Employment Support Allowance
- Assessed as needing one bedroom
- Housing benefit reduced by £15.23 per week


Cases adapting to change

- **Gary**, early 60's, HB reduced by £16 per week. He moved to smaller property and now gets all rent paid
- **Debbie**, 51 years, lives alone in 3 bedroom house in Radford so HB was reduced by 25%. Now has 2 additional non-dependants sharing house and not an under-occupier

Tina (hardest hit case)


- 33 years old, lives in Upper Stoke with her partner Rob & 4 children – Harry (15), Grant (10), Isabelle (4) and Jessica (2)
- Rob works part time & earns £275 per month
- Housing benefit reduced by £36 per week
- *Tina is also in rent arrears with her RSL*


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Incapacity Benefit

 5,240 functional assessments
 Oct 2010 - Nov 2012

 39% work related ESA, £1.20
 a week increase

 28% entitled to support group
 ESA, £5.15 a week increase

 33% found fit for work,
 between £44.55 to £29.65 a
 week reduction

Disability Living Allowance

11,340 individuals being reassessed

Award (estimated)	Claimants
Higher award (29%)	3,289
No change (15%)	1,701
No award (26%)	2,948*
Reduced award (30%)	3,402

* £10.7 million cut to the city (estimated)

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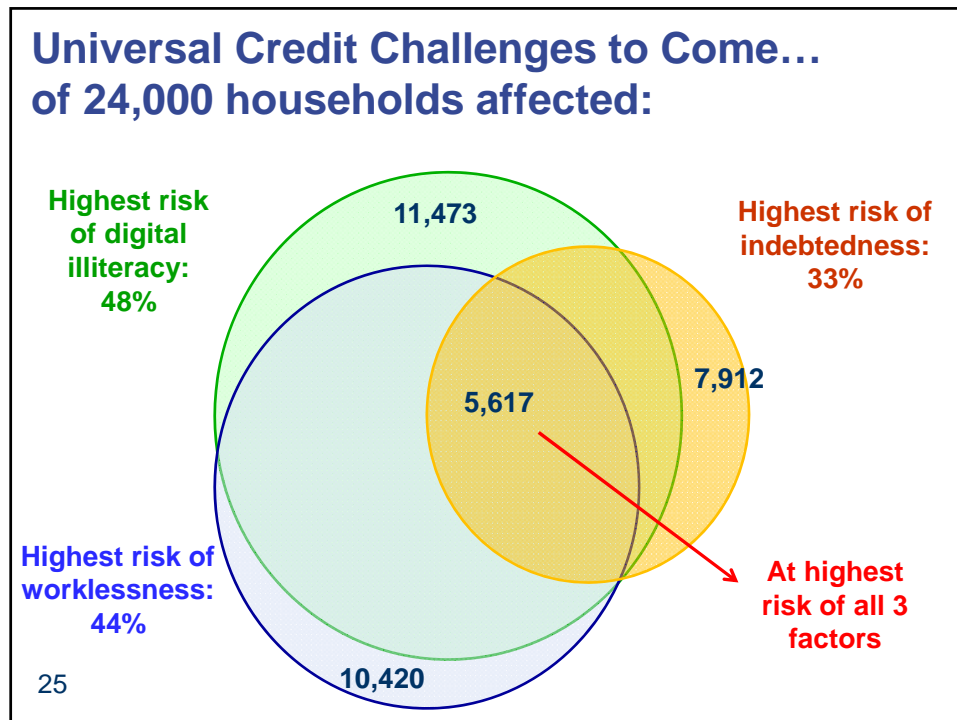


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Claimant Commitment & Sanctions

- Case studies from Coventry organisations

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Key Findings & Implications

1. Need to target support at those losing the most benefit – including **employees** and **private sector tenants**
2. Demand for crisis support increasing – is enough being done to find **sustainable solutions**?
3. Labour market inequalities have widened - is enough being done to address long standing **barriers to jobs**?
4. Benefits **advice & legal support** services proven to make a big difference, but demand outstripping supply
5. Lack of rented housing for 'over-occupiers' means families are trapped in **unaffordable tenancies**
6. Monitor **danger signs**, evaluate how people are **coping** and calculate **costs** to partners?

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3. Working Together

Our experiences and the value
of partnership working

Simon Brooke WM Housing Group
Chair of "Working together on Welfare Reform" partnership

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Our partnership approach

Monthly meetings held to discuss common issues
with the following partners...



Department for
Work and Pensions



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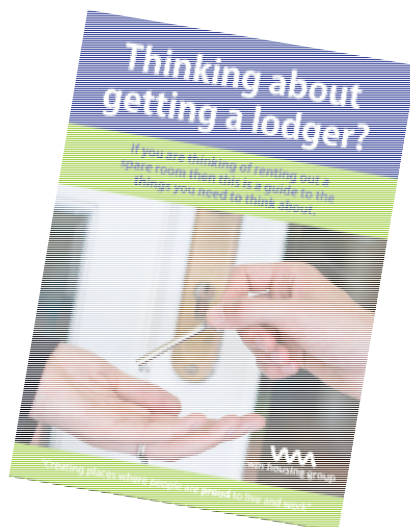
Visits to under occupiers

- Shared data between CCC and Housing Associations.
- DVD
- Early advice and support
- Follow up support, payment plans
- Advice and help with Discretionary Housing Payments (DHP)

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Proactive on Lettings



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Downsizing scheme



- A partnership project between Coventry City Council and Whitefriars
- This year £50K to pay £300 per room released. To assist 120 customers.

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Communications Plan



BBC COVENTRY & WARWICKSHIRE



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Pop Up Shops



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Are you ready?



7 key messages

- Get a benefits check
- Look at your monthly budget
- Get employment if you are out of work
- Get a bank account
- Pay off any priority debts (rent ,council tax etc)
- Set up Direct Debits
- Get online

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Benefit Cap visits etc



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Money & Debt Advice



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Get Digital



get online
There's a whole new world online.

NEW COURSE!

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Our ICT course can help you gain the knowledge and skills to find your way around the internet and a computer, with no need for previous experience or ability. And computers are affordable, so it's a great way to get online.

Who is it for?
It's for anyone who has never used a computer before. It's a course designed to help you get started with the basics of using a computer. You'll learn how to use the internet, how to use email, how to use social networking sites and how to use a word processor. It's a course that's designed to help you get started with the basics of using a computer.

Where is it?
It's available at 7 locations across the City. Call us on 024 7662 6444.

What's the cost?
The course is FREE. There's no need to pay anything.

How do I take part?
You can book on to the course by calling us on 024 7662 6444.

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- Manage your Money
- Get in touch with your Landlord, Local Council, the Police, NHS and more
- Find a Job
- Grab a Bargain

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- Music
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- Share Photos
- Talk with Friends & Family
- Follow Interviews & Webinars
- and much, much more...

HENLEY **WMA whitefriars** **OCR**

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Problem solving

- Meetings are a forum for sharing information
- A place to raise issues and concerns
- Action orientated



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Partnership Conference - Working together – challenges and opportunities

Forward planning.

- i. Input from the evaluation / research on impacts.
- ii. Ideas and debates will influence our plans going forward.

By working together we can achieve much more.



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Looking Ahead...



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4. The impact of welfare reform on the City Council and how we are discharging our responsibilities

Tim Savill
Head of Benefits
Coventry City Council



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Agenda

- **Welfare Reform**
 - General response/impact
 - Council Tax Support
 - Under-occupation
 - National Benefit Cap
 - Community Support Grants
 - Discretionary Housing Payments
 - Universal Credit



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General: discharging responsibility

- All changes implemented
 - Council Tax Support
 - Under-occupation
 - National Benefit Cap
 - Community Support Grants
 - Discretionary Housing Payments
- All changes introduced on time (and within existing budgets)
- Close working with others (inside and outside the Council)
- Publicity – targeted and general



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Impacts – more contact (first six months over last 3 years)

	2011/12	2012/13	2013/14	% increase
Phone calls received	37,952	42,015	43,922	+15.7%
Customers visiting CCC Benefits	23,541	24,579	25,051	+6.4%



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How is our performance?

(Number of days taken to process new claims for Housing Benefit/Council Tax Support)

	Q4 2012-13	Q1 2013-14
• Dudley	15	14
• Coventry	22	24
• Sandwell	21	24
• Birmingham	24	26
• Solihull	21	28
• Wolverhampton	24	27
• Walsall	46	35



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Which reforms and what impact?

- Council Tax Support (April 2013)
 - Council Tax Benefit abolished (no national scheme)
 - CCC 'protected' people by adopting previous Council Tax Benefit scheme
 - Positive impact from partners and customers
 - Helped to cushion impact of some of the other changes
 - Council tax collection rate maintained



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Which reforms and what impact?

- Social sector size restriction ('Bedroom tax' / 'Spare room subsidy') (April 2013)
 - Original number of households – 3180
 - Current number – 2657
 - Registered Social Landlords reporting lower rent collection (but overall impact of all reforms is also relevant)
 - 408 claims for Discretionary Housing Payments so far
 - Meeting all RSLs early in the New Year



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Which reforms and what impact?

- Benefit Cap (Mid July 2013)
 - 155 live cases
 - Working closely with CAB to support families with financial management support
 - Still relatively early days
 - 17 Discretionary Housing Payment claims so far



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Which reforms and what impact?

- Community Support Grants (April 2013)
 - Cashless replacement for social fund elements
 - £1.2 million fund
 - Much lower volumes than with DWP

2011/2012 (Full Year)	Crisis Loan Living Expenses	Community Care Grants
Awards & applications rounded to nearest 10		
Number of Applications received	11,240	3,530
Total expenditure	£446,400	£813,300
Number of Awards	8,390	1,600

- 1964 CSG applications in first six months (£159,000 paid out)



Which reforms and what impact?

- Discretionary Housing Payments
 - Applications now over 2,000 (727 in whole of 2012/13)
 - Expecting a seasonal rise in applications
 - Spending for first six months was £159,620
 - Budget £798,643, hence reviewing cases of
 - rent arrears
 - admin fees when paying a bond/rent in advance
 - DWP benefit is sanctioned
 - Under 35's
 - Excess income
 - Non-priority debts



Universal Credit

- National roll-out did not take place in October 2013 (original timescale)
- Further 'pilots' taking place (now six)
- Rugby went 'live' 25 November
- Straightforward cases
 - Generally 18-25 year olds living at 'home'
- Government has announced for pension age claims: *'Housing Benefit scheme will therefore need to remain in place until at least the financial year 2017/18'*



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Joining up across Council Services

Benefits

- Housing Benefit
- Council Tax Support
- Discretionary Housing Payment (DHP)
- Community Support Grant CSG)
- Crisis Grant
- Foodbank referrals

Children's Services

- Section 17
- Free School Meals
- No Recourse to Public Funds (accommodation and living expenses)
- Temporary Accommodation
- Emergency Duty Team

Housing

- Mortgage Rescue Scheme
- Temporary Accommodation
- Bond Scheme

Adult Social Care

- Blue Badge
- Disabled Facilities Grants
- No Recourse to Public Funds (if eligible for Social Care services)
- Housing related support
- Crisis Team

Sustainability

- Jobs Team (Job Shop and Support for Families Project)
- LEP
- Friargate

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