



**To: Scrutiny Co-ordination Committee**

**Date: 19<sup>th</sup> March 2014**

**Subject: Welfare Reform**

## **1 Purpose**

- 1.1 The Scrutiny Co-ordination Committee meeting has dedicated the whole of its on 19<sup>th</sup> March meeting to consider issues relating to the government's Welfare Reform agenda. The purpose of the meeting is to:
- understand progress with the introduction of Universal Credit and any implications;
  - review progress towards the implementation of the Local Support Services Framework to help people with the transition onto Universal Credit;
  - understand the implications of changes to Welfare Reform on disabled people; and
  - understand some of the wider non-financial impacts of the economic downturn and welfare reforms.

## **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. At its meeting on 11<sup>th</sup> December 2013, Scrutiny Co-ordination Committee received a detailed briefing on:
- 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.
- 3.2 The Committee identified a number of gaps and issues for future consideration and this meeting will address some of these.
- 3.3 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 Universal Credit and the Local Support Services Framework

- 4.1 **Universal Credit** will replace 6 existing benefits with a single monthly payment with the stated aim of ensuring that people are better off in work than on benefits. It began to be introduced from April 2013 and will eventually replace:
- Income-based Jobseeker's Allowance
  - Income-related Employment and Support Allowance
  - Income Support
  - Working Tax Credit
  - Child Tax Credit
  - Housing Benefit
- 4.2 It is currently being introduced in a limited number of postcode areas for new claimants in certain circumstances. Rugby is one of the areas included in this initial stage.
- 4.3 The introduction of the **Local Support Services Framework** to provide support to people including getting on-line, money management, work-readiness and finding a job is a key part of Universal Credit although it is not yet clear how this will be delivered locally. The Department for Work and Pensions is leading on a piece of work in Coventry, with support from partners, to establish the level and type of support services that will be required to support claimants, map what is currently available and identify gaps. Funding is expected to support the Framework.
- 4.4 Additional information on Universal Credit and the Local Support Services Framework provided by the Department for Work and Pensions is shown at Appendix 1, together with case studies on the Universal Credit claimant journey (Appendix 2) and how Universal Credit will make work pay (Appendix 3).
- 4.5 A note on the **Under Occupancy Charge / "bedroom tax" loophole**. Following the updating of legislation which enabled welfare reforms to be introduced, it was identified that a loophole had been created resulting in some people being wrongly identified as liable for the 'bedroom tax'. The Loophole was closed by revised regulations from 3<sup>rd</sup> March 2014. However, in the meantime, considerable work has taken place in Coventry involving the Council and Registered Social Landlords to identify the people affected which resulted in £144,000 of benefit being awarded to 255 households.

## 5 Impact on Disabled People

- 5.1 At its 11<sup>th</sup> December meeting, Scrutiny Co-ordination Committee reviewed detailed analysis of the emerging impacts of Welfare Reform on individuals, households and communities. It was recognised that further work was required to understand the impacts specifically on disabled people and the Committee asked that this work be extended to include this.
- 5.2 The fact sheet attached at Appendix 4 provides the available information in relation to disability benefits and impacts.
- 5.3 In July 2013 Coventry, like many other authorities, asked the Department for Work and Pensions for more detailed and up to date information, but this has not yet been made available. That information will enable the Council to ascertain the impacts of multiple welfare reforms on those who are affected by changes to Housing Benefit, Incapacity Benefit / Employment Support Allowance and Disability Living Allowance / Personal Independent Payments, many of whom will be disabled. Information has also been requested about the destinations of those who have come off welfare benefits (e.g. employment).

## **6 Wider Health Impacts**

- 6.1 The detailed analysis considered at the 11<sup>th</sup> December meeting focused on the financial impacts of Welfare Reform. The Committee asked questions about the extent to which the wider non-financial impacts were understood. The Committee was informed that the Marmot Steering Group had commissioned a piece of work to identify the potential impacts that the economic downturn, spending cuts and welfare reforms could have on the mental and physical health of Coventry residents.
- 6.2 This report has now been completed and will be considered by the next meeting of the Marmot Steering Group. A summary paper has been prepared and Scrutiny Co-ordination Committee is asked to review the outcomes and make any recommendations to the Marmot Steering Group.

## **7 Other Background information**

Links to the papers, presentation and minutes from the 11<sup>th</sup> December meeting of the Scrutiny Co-ordination Committee on Welfare Reform are included below.

*Papers and presentation:*

<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=151&MId=9844&Ver=4>

*Minutes:*

<http://democraticservices.coventry.gov.uk/documents/s14756/Minutes%20of%2011th%20December%202013.pdf>

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