

# Welfare Reform Update – September 2013

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## **1. Introduction**

- 1.1 This report has been produced in order to give Members and Officers of Bath & North East Somerset Council an understanding of events relating to Welfare Reforms for Benefits that have come in to effect since April 2013, with specific reference to the impacts for residents within the area.
- 1.2 The situation is clearly dynamic and is a snapshot of evidence over the period from April 2013 to the end of August 2013.
- 1.3 It builds upon previous workshops and presentations provided to Members and Divisional Directors in the lead up to; and following the implementation of changes which started in April 2013; and therefore assumes a degree of knowledge and understanding about the changes. However, reference is provided to additional information where appropriate.
- 1.4 Divisional Director for Customer Services Ian Savigar has drawn together the Information within this report which has been received from a number of sources and acknowledgements listed at the end of the report.
- 1.5 The Executive Summary seeks to pull together the main themes covered within the detailed report and also draw together the linkages between the individual sections.

## 2. Executive Summary

- 2.1 Successive Governments have made many attempts at simplifying the provision of State Benefits, but in reality the complex nature of people and the desire to meet all of their needs has led to even greater complexity.
- 2.2 These latest set of changes are the most significant and wide ranging changes since the Welfare State as we know it was first introduced.
- 2.3 It is widely accepted that the current system needs simplifying and it is also understood that the current economic climate means that existing funding levels are not sustainable.
- 2.4 It should also be recognised that it is not just the Benefit changes that are impacting on the Welfare State; there are also many changes within Health Services; Social Care and Pensions which add to the emerging picture.
- 2.5 Detailed changes to Benefits have been discussed on a number of occasions, they are well documented and the latest position as it relates to Bath & North East Somerset is set out in the report.
- 2.6 A recent study by the Financial Times and Sheffield Hallam University projected the local financial impacts of the welfare reforms on local authorities. In Bath and North East Somerset it was estimated that £40 million will be lost to the local economy.
- 2.7 The change to an increase in the minimum level at which tax contributions are made has meant that take home pay for many households has increased, although some families who are in work but on low income will not have gained this time around due to the limit in benefit uprating and Tax Credits.
- 2.8 Plans to develop the Enterprise Areas in Bath; City Deal and other local initiatives to encourage growth are a step in the right direction to address this issue.
- 2.9 The key themes to pick out from the report are that whilst there is evidence of reduced numbers claiming job seekers allowance and a rather mixed message about the longer term impacts of the changes, it is clear that some of our most vulnerable households are in danger of being evicted from their homes. It is also clear that whilst additional help in terms of Welfare Support is available through a variety of schemes both within the Council, through Charities and other bodies there are still a number of households where people are choosing not to adjust their lifestyles in order to receive this help.
- 2.10 Information from our Registered Social Landlords suggests that Rent arrears are on the increase and this is most noticeable although not

exclusive to tenants who have been impacted by the changes to size criteria for those in receipt of Housing Benefit. There is also growing concern that the level of arrears will continue to grow when Universal Credit is implemented because this will mean that tenants are paid direct, one month in arrears and will need substantial support in order to manage their budgets.

- 2.11 The report highlights the numerous actions that are taking place to try and mitigate the impacts of these changes on our most vulnerable as well as protecting those that are struggling to deal with the changes.
- 2.12 We are slightly below the level of spending expected for Discretionary Housing Payments at this point in the year, but we do expect this to change as a result of the introduction of Housing Benefit Capping and improved targeting of our work. The lack of clarity around Size criteria and outcomes of recent appeal cases means that we need to constantly review our procedures and policy to protect all Council Tax payers including the most vulnerable.
- 2.13 Spending of the cash limited Social Fund which the Council inherited this year is also lower than expected, but again this is likely to change as the colder weather approaches and as more cases relating to Council Tax arrears come forward. We will be seeking to improve our ability to support customers who are struggling to meet essential needs and again continue to seek new and innovative ways to do this by working with partners.
- 2.14 It is clear that in order for all of the organisations trying to manage this situation, that the ability to share data is imperative if we are to maximise the efficiency of our limited resources.
- 2.15 We do need to be clear that in cases that are reaching the stage of eviction that we have done everything we possibly can to support the household in question. In those cases where children are involved the consequences can be severe and in all cases the additional costs incurred will have an impact on services, particularly where we have a statutory duty to protect
- 2.16 Through our work as a Local Authority led Pilot for Universal Credits and our close working relationship with Department for Work & Pensions (DWP) it is evident that we need to develop clearer partnership arrangements in preparation for the abolition of Housing Benefits and the changing roll each organisation will be expected to play under Universal Credits. The Local Support Service framework provides us with the opportunity to do this. However, the on-going lack of clarity and timetable is a major risk for us as a Council in terms of both financial planning and staff resources.

### **3. Index**

#### **3.1 Big Changes from April:-**

- *Council Tax Support Scheme*
- *Social Fund*
- *Size Criteria*
- *Housing Benefit Cap*
- *Discretionary Housing Payments*
- *Personal Independence Payments*
- *Limit on uprating for Working Age*

#### **3.2 Needed time to start to see impacts**

- *Crime & Disorder*
- *Local Economy*
- *Economy and Employment*
- *Health & Wellbeing*
- *Citizens Advice*
- *Foodbank*
- *Homelessness*
- *Homesearch*
- *Trading standards*

#### **3.3 Relevant Projects and Initiatives to Support**

- *Connecting Families*
- *Universal Credit Pilot*
- *Welfare Support Team*
- *Partnership Working*
- *Housing Allocation Policy changes*

#### **3.4 Upcoming Opportunities**

- *Local Support Service Framework (Community Budget)*
- *Universal Credit Pilot Extension & Pathfinder*
- *Data Sharing*
- *Connecting Communities Approach*
- *Community Hubs (Better use of Assets)*
- *Commissioning for Support & Advice*
- *Pre-Eviction Panels*
- *Use of Additional funding*

## The Big changes from April :-

### 4.0 Council Tax Support Scheme

- 4.1 Members will recall that in November 2012 we set a new tax base for the current year. This tax base calculation took in to account the fact that Council Tax Benefits were being abolished and replaced by a local discretionary scheme of Council Tax Support.
- 4.2 Bath & North East Somerset had to find a shortfall in funding of around £1.2million and set a tax base and support scheme to reflect this. The scheme set out to protect the most vulnerable and encourage people in to work.
- 4.3 *The Council Tax Support scheme was agreed by full council on the 8<sup>th</sup> November 2012, more details about the scheme can be found at <http://www.bathnes.gov.uk/services/council-tax-benefits-and-grants/benefits/council-tax-support-april-2013>*

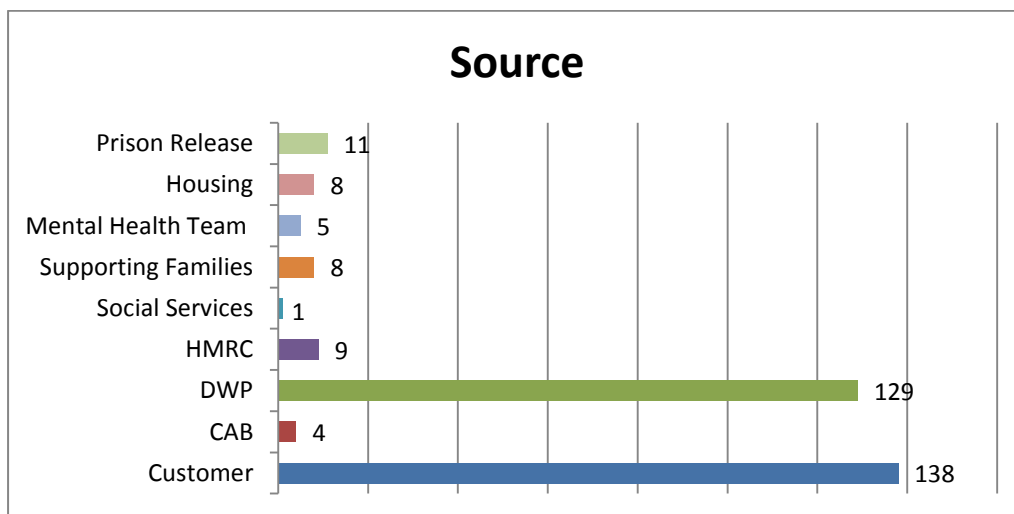
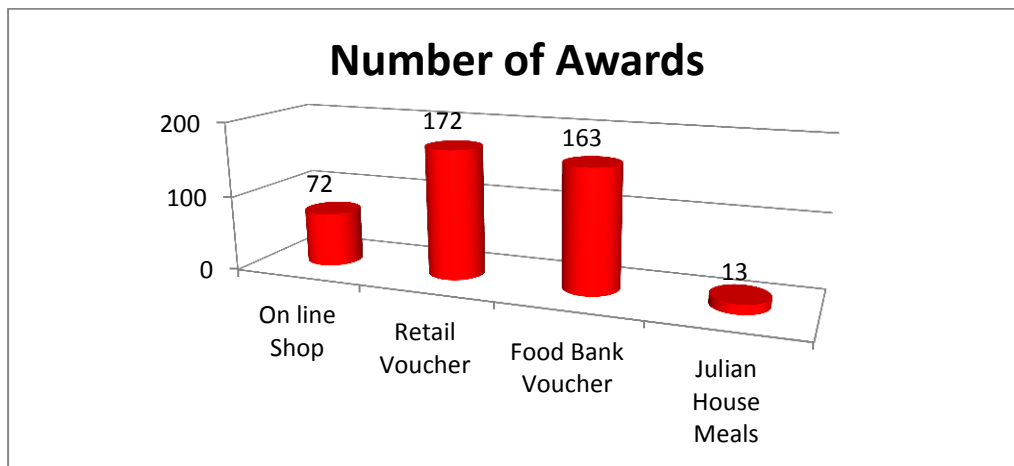
In 2012/13 we awarded Council Tax Benefit in the sum of :-	£10,572,238.00
As at 31/8/2013 the Council Tax Control Account shows that we have awarded Council Tax Support of:-	£9,241,202.94
Overall Funding provided for the Council & Major Preceptors in 2013/14 amounts to:-	£9,419,000.00

- 4.4 It should be noted that within the new scheme, full Council Tax Support (100%) is being provided to 1538 vulnerable people, at a total cost of £1,290,852.09.
- 4.5 In addition and from the outset we have attempted to support those most impacted by the changes by contacting them at an early stage and encouraging the take up of 12 monthly instalments, direct debit payment options and signposting people to debt advice and support.
- 4.6 There were around 3,600 households that were previously on full Council Tax Benefits and have now become liable to pay at least 22% of Council Tax charges for the home they live in.
- 4.7 We have now gone through a full cycle of debt recovery actions, including the issue of reminders, finals and summonses and have obtained Liability Orders against those that have not paid.

- 4.8 Within these cases there are 482 households that are in receipt of Council Tax Support, for the majority of these we will now be deducting the payment from on-going benefit at the rate of £3.60 per week. This will not clear the full debt by the end of the year if these customers remain in receipt of Benefits.
- 4.9 There are 28 cases that have been passed on to our Bailiffs for recovery action to commence; these will be cases that are no longer in receipt of on-going Benefit awards.
- 4.10 From anecdotal information provided by other Council's we seem to be faring slightly better than most and this is thought to be down to the pro-active activities we have undertaken.
- 4.11 In addition to the pro-active support Members also decided at the November meeting of full Council that in cases of hardship we should provide temporary support through use of our Social fund allocation.
- 4.12 This fund is again administered by the Welfare Support Team and is assessed on a case by case basis.
- 4.13 To date 44 cases have been awarded this support totalling £4,490.67. The majority of awards granted are to assist those customers who:-
- Face delays or changes to their DWP income
  - Referred by CAB/Reach due to debt etc.
  - Cover a period of hardship
- 4.14 We were concerned that these changes would have a detrimental impact on our ability to collect Council Tax and lead to a shortfall in our Collection Fund, to date this is not the case and our collection rate at the end of August was 48.58% of collectable debit compared with 49.09% at the same point last year.
- 4.15 If you take in to account the new rule of enabling 12 instalments and the changes to Council Tax Support this is a very good rate of collection
- 4.16 We have also introduced some other changes to the Council Tax system relating to discounts and exemptions and although there has been an increase in the level of work created due to increases in debt recovery work, we have not increased our staffing resource but we continue to review and improve our working methods.

## 5.0 Social Fund

- 5.1 The council was allocated £249,260 by the DWP as its share of the Social Fund this year and although there were no mandatory responsibilities to provide the same or similar provision to the one previously administered by the DWP we did at very short notice set up our own local Welfare Support Scheme. **More details about the scheme can be found at: - <http://www.bathnes.gov.uk/services/council-tax-benefits-and-grants/benefits/welfare-support-scheme>**
- 5.2 The Scheme is administered within the Customer Services Directorate by our Welfare Support Team.
- 5.3 The awards are in two sections, discretionary awards to cover short term emergency Support and non-emergency support for basic household items. As well as these provisions the fund is also used to award short term support for Council Tax as detailed previously.
- 5.4 **Emergency Support to cover daily crisis** - This covers elements of the social fund previously administered by DWP and now part of our own “non-cash” scheme

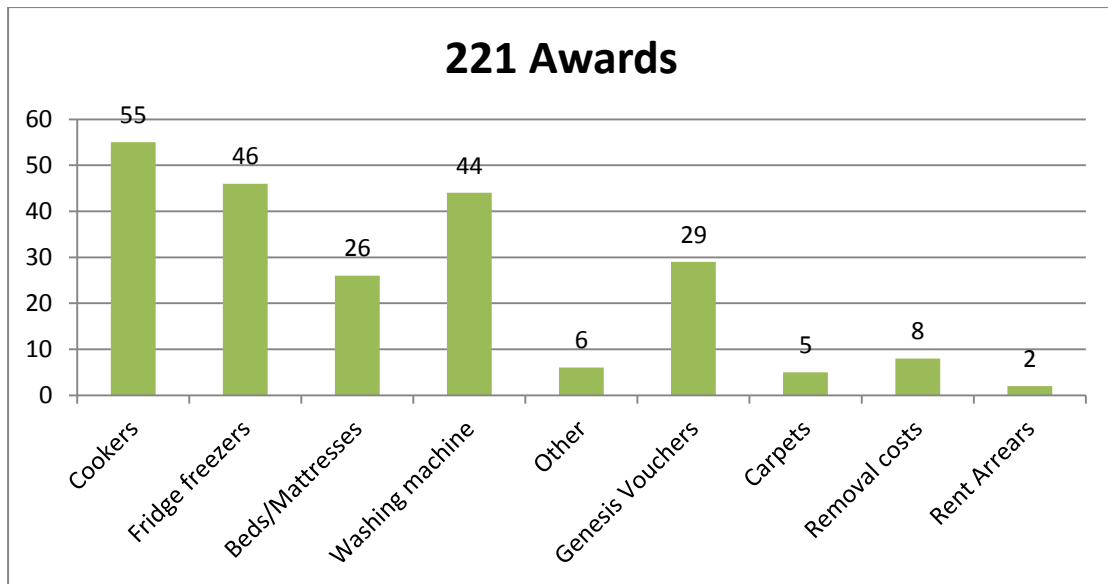


- 5.5 The majority of claims are made by DWP customers and those who appear to live hand to mouth on a daily basis. Most applications result from:
- DWP sanctions
  - Debt problems
  - Poor budgeting skills
  - Loan repayments
  - Irresponsible spending
- 5.6 Conditions for financial help normally include:
- Money Advice
  - Bristol Credit Union
  - Citizens Advice Bureau (CAB)
  - Developing Health and Independence (formerly DHI)
- 5.7 These awards are provided to help people meet fundamental Living Needs that would previously have been met by the Social Fund
- 5.8 In order to prevent the retail voucher scheme from being abused, Bath Foodbank Centre has agreed that the Welfare Support Team can issue foodbank vouchers as alternative means to those who may not use the retail vouchers for the purpose to which they are intended. 67 out of the 163 foodbank vouchers that have been issued have been used for this purpose.
- 5.9 To provide on-going support to the Bath Foodbank Centre the Welfare Support Team has purchased £500 worth of food to replace supplies.

### **Non-Emergency Support**

- 5.10 Basic household items are purchased to support the homeless and those moving to affordable housing. This is deemed essential support to those who have been placed within accommodation with no means to vital household possessions.
- 5.11 Where possible we use local suppliers and charities such as Sofa Project, St Johns, Genesis Furniture Project and St Monica Trust etc. to reduce or share the costs. The welfare Support Team has agreed with Genesis Furniture Project a voucher scheme whereby customers are awarded an amount to spend on essential items. Quite often the Genesis Furniture Project will add additional items free of charge to support the needs of the customer.





5.12 We have also been working closely on a new project with the Council's Recycling Team to reuse suitable items of furniture brought into our Recycling Centres. The project aims to make furniture available to people the Council are assisting to set up home or for those trying to maintain their place in the community. Although it's early days, it is exciting to think that a good proportion of the high volume of furniture brought to the sites for recycling will instead directly benefit local residents.

5.13 We currently have not awarded any travel expenses and are just starting to award rent in advance payments

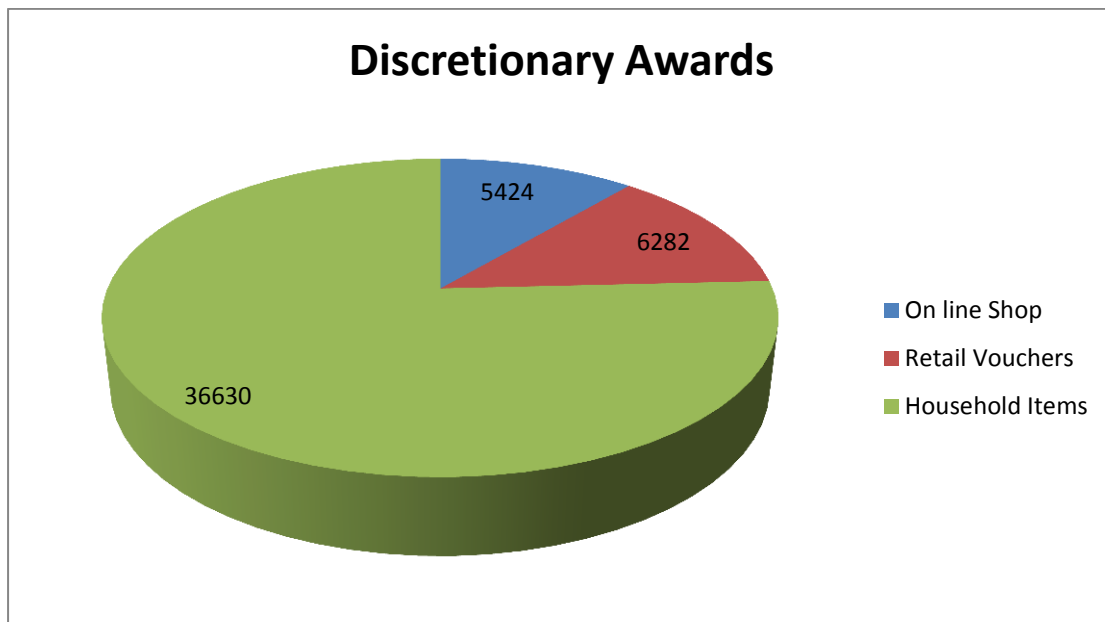
- **Number of Refusals 436**

5.14 Principal reasons for refusing support are mainly excess income, DWP sanction, lack of evidence or non-acceptance/compliant of conditions. There are also those who only want cash, therefore rejecting all other offers of help.

- **Pending 50**

5.15 Applications waiting evidence, very few people return with relevant information and these cases are normally rejected.

- **Social Fund replacement Budget / Spend (April to August)**



***This is a summary of the overall scheme spend.***

Number of discretionary awards	Annual Budget	Amount Paid to date	Average award Per Claim
641	£249,260.00	• £54,722.92	£78

- ***This includes Council Tax Support of £4,490.67 (see report above)***

5.16 To summarise it should be noted that whilst spend appears to be low, we do expect this to increase substantially over the coming months.

5.17 In addition to this funding for the scheme we have also received £52,000 in Revenue funding to enable the Welfare Support Team to be created along with the developing systems and resources needed.

## 6.0 Size Criteria

- 6.1 Social Sector Size Criteria (SSSC) regulations are often referred to as the “Bedroom tax” – this is a link to the DWP website relating to this issue:- <http://www.dwp.gov.uk/adviser/updates/size-criteria-social-rented/>
- 6.2 A size criterion is a condition that already exists within the Private Rented Sector where Housing Benefit is restricted by the Local Housing Allowance rules for tenants who are deemed to be under occupied. However, tenants who negotiate a lower rent or choose to over occupy can still get all or most of their Housing Costs met.
- 6.3 The rules in the Public Sector are slightly different in that a household that is deemed to be under occupied by 1 bedroom will lose 14% of their benefit entitlement and households under occupied by 2 or more bedrooms lose 25% of their Benefit entitlement.
- 6.4 This was a new change in April and has required us to obtain information from local registered social landlords as to the size and makeup of households in order to apply the size criteria rules.
- 6.5 The number of claims affected by SSSC has reduced quite dramatically by almost 20% since we started to identify the information required to assess these cases.

Date	Total number of claims affected	25%	14%	Total Amount of Weekly Restriction 25%	Average Weekly Restriction 25%	Total Amount of Weekly Restriction 14%	Average Weekly Restriction 14%
25/03/2013	954	180	774	£5,011.27	£27.84	£11,525.55	£14.89
17/04/2013	903	174	729	£4,851.54	£27.88	£10,827.79	£14.85
29/05/2013	854	159	695	£4,439.36	£27.92	£10,365.10	£14.91
22/08/2013	776	139	637	£3,862.06	£27.78	£9,476.62	£14.88

6.6 This is mainly to do with:

- Customers telling us about dependants that were not declared before (pass ported claims so would not have made any difference to the entitlement before)
- Non-dependants moving back into the household
- Taking a lodger in
- Moving to a property with the appropriate number of bedrooms
- The number of bedrooms originally declared was incorrect.

- 6.7 This rule change continues to be controversial and forms the main reasons for people claiming Discretionary Housing Payments through the Welfare Support Team.
- 6.8 There is also still ambiguity in the guidance provided by the DWP as to what actually constitutes a bedroom and this has further been questioned by the outcome of a recent Tribunal case between Fife Borough Council and a Mr David Nelson of Glenroths which could lead to an increase in Appeals.
- 6.9 To-date we have only received 3 Appeals about this particular issue, and these are still in the process of being considered by an Appeals officer.
- 6.10 In view of these issues we do need to constantly review our policies around Discretionary Housing Payments and our application of procedures to ensure we comply with the rules and regulations.
- 6.11 On the 20<sup>th</sup> June 2013 we received a letter from Lord Freud clearly stating that if it were found that Councils had altered size criteria without the proper evidence, then they could be liable to loss of subsidy.
- 6.12 This has subsequently been the subject of debate with our external auditors who at this stage are unable to clarify the process they will follow in respect of these cases in their audit of any subsidy claim next year as this is to be determined by the National Audit Office in December.

## 7.0 *Housing Benefit Cap*

7.1 This is based on the premise of fairness and that households in receipt of Welfare should not receive more than a set limit; (£26,000 for lone parents and couples with or without children, £18,200 for a single person). This will be an important part of Universal Credit rules but Housing Benefit has been used as the hook to implement this in advance of Universal Credit.

***This link provides information about the Benefit cap:-***  
<https://www.gov.uk/benefit-cap>

- 7.2 The Housing Benefit cap was only introduced from April in three London Boroughs as a pathfinder and has started to be rolled out across the Country since the middle of July 2013
- 7.3 We understand that we have now received all cases in our area within the existing caseload for this area and we have received 15 cases that have had the cap applied to their Benefit entitlement. The amount of the cap ranges from 0.09p to £237.73 per week.
- 7.4 The Welfare Support Team and Universal Credit Pilot team have joined forces to visit and speak with all the households that are impacted and we are also working closely with the Connecting families team on any relevant cases, as it is usually households with four or more children that are impacted by this Cap.
- 7.5 The numbers thought to be impacted by this change have greatly reduced since the original data scans were provided to us. This has been due to a number of factors. Firstly the original scans included households that were actually in receipt of qualifying benefits and are exempt from the cap, secondly a number of households have found employment and are therefore no longer impacted by it.
- 7.6 These remaining cases are a challenge and we will continue to work with them to try and achieve the best outcomes.

## 8.0 Discretionary Housing Payments (DHP)

8.1 Discretionary Housing Payments are what it says on the tin. Local Authorities are able to make discretionary awards to householders who are struggling to meet their rent liabilities providing they adhere to guidance issued by the DWP and adopt a relevant Policy. Our approach to this was reviewed along with the Social Fund changes and is included in the Welfare Support Policy:-

<http://democracy.bathnes.gov.uk/ieDecisionDetails.aspx?Id=544>

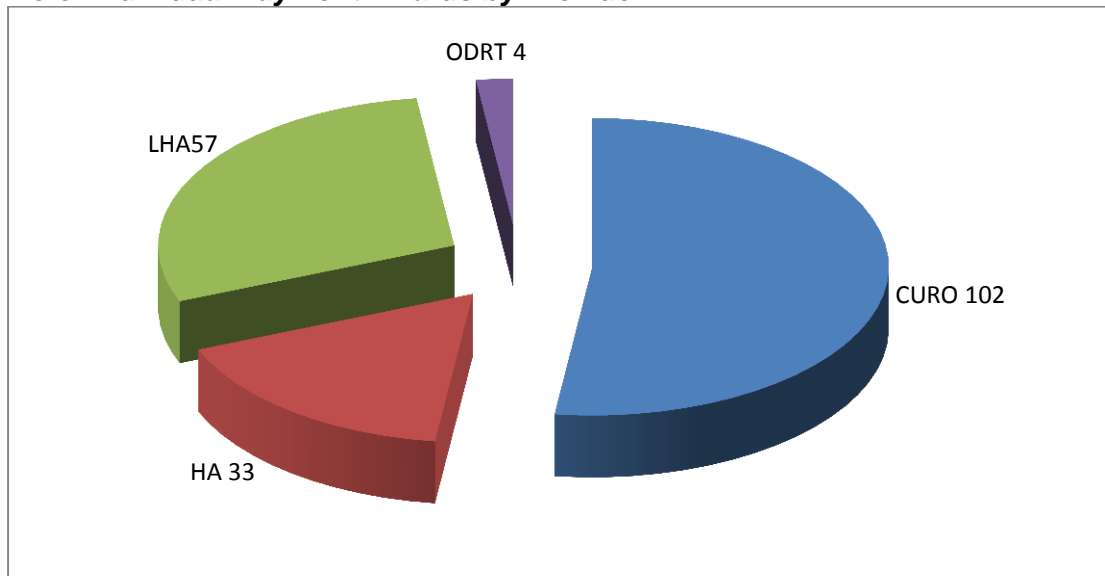
8.2 Our funding for DHP's was increased from April this year to take in to account the impacts of size criteria in the public sector.

	<b>Government Funding</b>	<b>B&amp;NES permitted Spending level</b>
<b>2012/13</b>	<b>£141,389</b>	<b>£353,472</b>
<b>2013/14</b>	<b>£243,479</b>	<b>£608,698</b>

8.3 We have taken an holistic approach to the award of DHP's by combining the process within our Welfare Support Team and trying to understand the wider issues faced by our Customers.

8.4 Awards this year are detailed in these graphs

### **No of individual Payment Awards by Provider**



*LHA – Local Housing Allowance claimants*

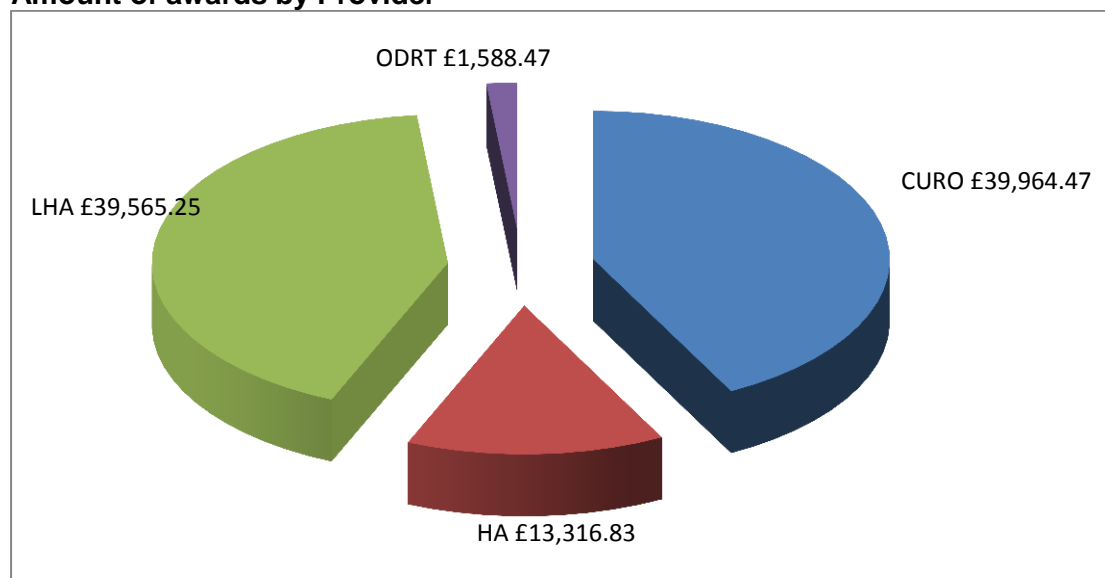
*HA – Housing Association claimants*

*CURO – Curo claimants*

*ODRT – Private sector claimants not subject to Local Housing Allowance, eg) cases subject to individual rent officer decisions*

8.5 Curo Tenants have received the majority of awards in comparison to other Housing Association and Private sector tenants.

### Amount of awards by Provider



*LHA – Local Housing Allowance claimants*

*HA – Housing Association claimants*

*CURO – Curo claimants*

*ODRT – Private sector claimants not subject to Local Housing Allowance, eg) cases subject to individual rent officer decisions*

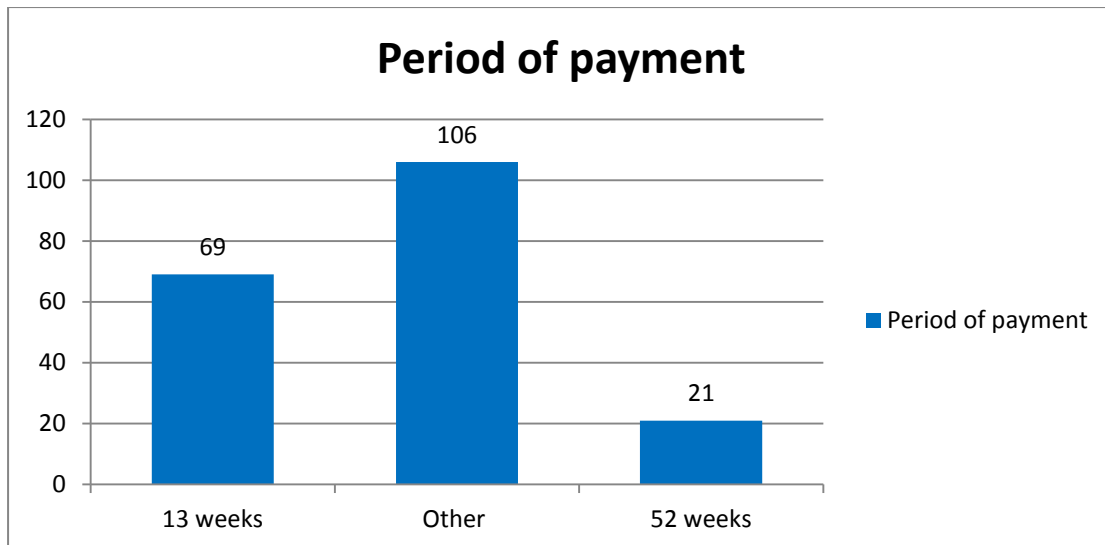
8.6 Current expenditure is more evenly spread and is just below anticipated spend; however this is likely to change with the implementation of the Benefit Cap and increased demand.

Number Of DHP Applications	Number of DHP Awards	Total Amount paid out	Average Award Per claim	Annual Budget	Outstanding Budget
420	196	£94,434.82	£463	£243,479.15	£149,044.33

8.7 Discretionary awards are provided to cover a particular point of hardship.

8.8 Decisions are based upon:

- Income versus expenditure (disabled income is taken into account and offset by any care/mobility costs)
- Level/period of need
- Medical/health factors
- Referred by an organisation and supported by evidence
- Other factors such as, fleeing domestic violence etc.
- Compliance to any conditions that may be attached to award (debt advice, moving etc.)



8.9 Period of payment can vary depending on a person's set of circumstances, financial help maybe provided for longer than 13 weeks if they can demonstrate/evidence that their circumstances will change/improve (examples – moving, employment, benefit change, dependants birthdays etc.).

8.10 The application of Discretionary Housing Payments is a matter for careful consideration and it needs to be viewed on a case by case basis. Our staff take an holistic view to an individual's needs and may determine a different course of action where appropriate. The rules around size criteria are still in a state of confusion.

8.11 We are aware that DWP has been ordered recently to issue clearer rules following the outcome in the case(s) of Gorrey, Trengrove & Burnip relating to rooms provided for disabled people and we continue to monitor this situation in relation to the application of our policy for awarding Discretionary Housing Payments and the classification of size criteria.

**Benefit Cap and Discretionary Housing Payment**

8.12 Both the Welfare Support Team and Helen Holbrook from our Universal Credit Pilot team are currently visiting 15 households affected by the Benefit Cap as a means to addressing employability and hardship issues. It is currently estimated that £772 per week, will be awarded to those claims affected by the change. Based on approximately 30 weeks, this will reduce the DHP fund by around £23,160.00. However, these figures are founded upon current information and may change as households either become liable or move out of Capping criteria.



## **9.0 Personal Independence payments (PIP)**

9.1 A link to Gov.Uk explains the switch to Personal Independence Payments that has come in to effect this year.

<https://www.gov.uk/government/policies/simplifying-the-welfare-system-and-making-sure-work-pays/supporting-pages/introducing-personal-independence-payment>

9.2 These payments are administered by the DWP but they do impact our residents.

9.3 All Customer services staff have received information and training on the new rules so that they can advise claimants of their responsibilities, although we do not get many of these cases in our One Stop Shops.

9.4 Customers are advising our Visiting Officers that the DWP advise them that following their new claim/initial telephone call it will take between 6 to 12 weeks to send the form for verification and then up to 24 weeks for payment depending on the level of assessment required.

## **10.0 Limit on Uprating & Tax Credit changes**

10.1 From April 2013, there were two main factors used to increase benefit awards.

- a. Benefits received by disabled people and pensioners increased in line with CPI inflation (+2.2%).
- b. Benefits and tax credits for working age people were increased by 1%.

10.2 This has had the effect of reducing benefit entitlement for working age benefit claimants.

## Needed time to start to see impacts

**11.0 This updates information provided in the initial welfare reform impact assessment published in April 2013.**

11.1 <http://www.bathnes.gov.uk/services/your-council-and-democracy/local-research-and-statistics/wiki/welfare-reform>

11.2 This assessment focussed on the following categories of impact:

- Wider social and economic impacts - These are impacts which are likely to affect the entire population
- Impacts on vulnerable or newly vulnerable individuals and families
- Impacts on the most vulnerable. (see Connecting Families, below)

### Wider social and economic impacts

#### 11.3 ***Crime and Disorder***

There have been no recorded impacts of the welfare reform on local trends in crime and disorder.

#### 11.4 ***Economy***

The overall impacts of the welfare reforms on the local economy have been projected to be up to £40million. However, limited impacts have been observed to date, business start-ups appear unaffected and changes in economic activity/inactivity seem small.

#### 11.5 ***Employment and Economic Activity***

Total out of work claimants have fallen over time. In particular Job Seekers allowance claimants dropped below 2% of the working age population, which is nearly half the national average. There has also been a large reduction in the % and number of those people who are economically inactive and long term sick. There is some evidence that these changes appear to relate to longer term trends and should not be considered to relate to the welfare reforms specifically.

#### 11.6 ***Health & Wellbeing***

No specific impacts have been observed, although it is still too early to examine many health and wellbeing related data.

### Vulnerable or Newly Vulnerable

#### 11.7 ***Citizens Advice Bureau***

Overall numbers of enquiries to CAB in B&NES have been declining since its highest level in Jan 2012. The number in May 2013 was 1010, compared to 1298 in May 2012. Enquiry figures fell by 13% from January to May this year.

11.8 The largest enquiry type is for benefits, making up nearly 60% of all enquiries since June 2011. The trend for benefits related enquiries has

closely followed the overall rates, while figures for enquiries relating to employment and housing has remained low and static.

- 11.9 The numbers of enquiries regarding debt have nearly doubled from February 2013 to 343 in May 2013, but remain at approximately 20% of all enquiries and were at their peak back in January 2012.

**11.10 Food Bank**

In Q1 2012/13 there were 207 foodbank vouchers issued in B&NES. In Q1 2013/14 this figure was 663, an increase of 220%. The largest numbers of vouchers awarded were in Twerton, Abbey and Kingsmead wards.

**11.11 Homelessness**

Data represents applications to the council for homelessness status and access to services.

- 11.12 There has not been a statistically significant increase in the numbers of persons applying for homelessness, although the data shows a general upward trend over the past financial year.

- 11.13 Overall, the majority of applicants are White-British, aged under 44, lone female parents or single males. The main priority need remains having dependent children and the main reason for homelessness due to parents or friends being unable or unwilling to accommodate them any longer.

- 11.14 There is no significant evidence of any direct impact from the welfare reforms on homelessness as of yet. For more information see this link:- <http://www.bathnes.gov.uk/services/housing/homeless>

**11.15 Homesearch**

Homesearch is the register for social housing in Bath and North East Somerset. Properties are advertised weekly on the website. Applicants choose which properties they are interested in and can 'bid' online, by text or phone. Demand is high and some people have to wait years before being rehoused.

- 11.16 There were 12,746 applicants on the list as of the end of January 2013, falling to 4,803 as of the beginning of September following the review of the allocation scheme. It is difficult therefore to accurately assess the impact of the Welfare Reforms on housing need in the area at this stage. We do, however, know that one in four registered are CURO tenants and that there has been an increase of social housing tenants registered since the reforms came in.

**11.17 Trading Standards**

There have been small increases in the number of complaints made with regards to credit and loan trading practices between Apr-Jul 2012 (2) and Apr-Jul 2013 (6).

## Relevant Projects and Initiatives to Support

### 12.0 *Connecting Families*

- 12.1 This programme of service transformation is running hand in hand with Central Government's Troubled Families Initiative, which the Council fully supports. Connecting Families will streamline services that are working with families, by co coordinating the services they are receiving and compiling information to give a full assessment of needs so the right services are involved with the family. This approach maximises resources and avoids duplication.
- 12.2 Central Government has estimated that nationally 2% of families are "troubled". This equates to an indicative number of 215 families in Bath and North East Somerset. 'Troubled families' with complex issues place significant demands on criminal justice, education, health, welfare benefits, housing and social services.
- 12.3 Funding is provided by the Troubled Families Unit for all Local Authorities. For each family identified it is anticipated that £10,000 will be spent on that family: consisting of £6,000 of Council resources and up to an additional £4,000 from the Troubled Families Unit for each family identified to work with.
- 12.4 Connecting Families aims to invest upfront in transforming service delivery and the leadership and culture which underpin it so that the Council and its partners will see a reduction in the costs of responding to these families as well as improvement in their lives and of those around them, including the wider communities.
- 12.5 A core team has been appointed consisting of an operational lead reporting to the Divisional Director for Preventive Services with a core team of 2 Team Leaders each with 3 Key Workers. In addition to this core team the team leads will support a wide range of Council Services, Commissioned Services and partners beyond the Council to work in a co-ordinated way with identified families.
- 12.6 The connecting families approach is underpinned by a conviction that families can change, people must take responsibility for their lives and all people are worth persevering with. Five key strategies have been identified as being crucial to the success of the new way of working and these are the foundation of the work with the families: -
1. Named workers to named families – each family will have a dedicated worker.

2. Persistence backed up by sanction – key workers will not give up.
3. Understanding families as a whole – not just looking at each issue in isolation.
4. One plan for the family with clear outcomes agreed at the outset.
5. Practical hands on support - rolling up sleeves and working alongside the family members to achieve agreed goals.

12.8 On the 24th June the Chief Secretary to the Treasury, Danny Alexander announced an additional £200 million for 2015/16 – the first of five years – to expand the Troubled Families programme. This is a welcome extension to the programme and will enable Connecting Families to embed the good work currently being undertaken with partners.

12.9 Currently, the core staff team are working intensively with 32 Families and a further 108 families are being supported by wider partners.

### 13.0 *Universal Credit Pilot*

- 13.1 Universal Credit is the cornerstone of this Government's Welfare Reforms; it is a well-publicised change in the way Benefits are administered, which aims to bring together 6 existing Benefits into one single assessment.
- 13.2 The implementation of this process was due to commence National Roll out in October this year but due to its complexity it has been plagued by delays, primarily in relation to the IT. The Universal Credit programme's main concern is that it lands safely and securely.
- 13.3 Bath & North Somerset has been chosen as one of 12 Pilot sites across the Country to work with the DWP and the LGA to develop learning and understanding that can inform best practice which can be adopted in the eventual roll out of a National Programme.
- 13.4 We have been working very closely with the DWP and other partners under the existing Benefit system to try and help understand the issues that are likely to be faced by customers adapting to the fundamental changes in the new system such as:-
- Digital by Default
  - Monthly Payment in arrears; and
  - Direct Payment
- 13.5 Since the pilot started January 2013, we have developed a small team which consists of 4 staff that have been working very closely with customers in our One Stop Shop in Bath as well as conducting external visits and workshops.
- 13.6 A key part to our bid for Pilot status was that we received funding to support this team including Helen Holbrook from our local Job Centre, which has been an invaluable resource. The team are very self-motivated and have recognised the need to share understanding between the Council and DWP, organising days where staff have moved between our offices to learn what we each do.
- 13.7 Many of the Pilots that have requested an extension are required to provide information to Lord Freud that he can use to help other Authorities prepare for the introduction of Universal Credits. This has been done in the format of 20 Questions which we along with other Pilots will help to answer in order that all Councils can be prepared for the changes.
- 13.8 We will be holding a workshop on the 21<sup>st</sup> October 2013 to share our learning with other Local Authorities as part of our commitment to the Local Government Association (LGA) and DWP.

- 13.9 Our learning from the Pilot focuses on three specific issues:-
- Digital Access
  - Budgeting Support; and
  - Employability
- 13.10 The outcome of our testing has in many ways validated National data and our own thinking. For instance on the subject of Computer access, over 80% of customers tell us that they would be happy to self-serve and have some form of internet access. However, when questioned further about Universal Credits, only around 50% have access to a computer and around 40% would need some form of support in order to claim.
- 13.11 It has also become evident that knowledge of accessible Public PC's is mixed and often inaccurate, so we have set about creating a digital map to identify this.
- 13.12 We have also found that many people have said that they need help with budgeting in preparation for Universal Credits or indeed to manage now, but engaging these people has been difficult. Some successful workshops, organised with partner organisations have proved successful in starting a dialogue.
- 13.13 Working much closer with DWP has enabled us (the Council) to become more confident in asking customers about employment and working together we have had a number of successes in helping customers find work.
- 13.14 Regular reports are provided to the DWP in relation to learning and progress of the Pilot and a final evaluation of the Pilot will be publicised. We have applied to extend this Pilot and this has been approved. Details about our Pilot extension are covered later in this report.

#### **14.0 Welfare Support Team**

- 14.1 The Welfare Support team was created in March 2013 at extremely short notice; it is managed by Customer Service Team Leader Teresa Welch and consists of 4 team members who have experience of working within a wide variety of functions across the Revenue & Benefits service.
- 14.2 The team is responsible for administering our Local Welfare Support provision which includes Social Fund replacement scheme and Discretionary Housing Payment requests.
- 14.3 We are developing very good relations with both internal services such as Connecting families; Family Information Service; Universal Credit Pilot and Housing Services; but also developing links with external agencies and providers such as Food banks, Advice Agencies and Social Landlords.
- 14.4 In recent meetings with CURO & Knightstone Housing we have offered the opportunity for Welfare Officers in these organisations to accompany our officers on visits involving their tenants to see how our process works and we hope that will lead to greater understanding and clarity of what is a difficult and complex process
- 14.5 It is our intention to use this team as a gateway for customers to access all advice and support needed when they are unable to cope with the basic Welfare Provisions.
- 14.6 When Housing Benefits is finally replaced by Universal Credits, not only do we expect an increase in demand for this type of service, but at this point in time it is envisaged that the Local Authority will still receive funding for Discretionary Housing Payments and Local Welfare provision.



## 15.0 *Partnership Working*

- 15.1 Since the new One Stop Shop opened in Bath in May 2012 we have continued to improve our relationship with a wide range of Partners. This has enabled us to deal with the life events of customers in a more joined up way.
- 15.2 The Universal Credit Pilot has clearly demonstrated that a close working relationship with DWP and the relevant Housing & Advice Agencies is critical. It has also enabled us to recognise the importance of face to face delivery going forward and we seek to encourage the appropriate partners and in-particular DWP to work with us from our One Stop Shops and in the community.
- 15.3 Keynsham One Stop Shop development will help us to build on the model we have created for handling customer enquiries in Bath and Midsomer Norton. We need to build further on the definition of Community Hubs and determine what is needed and effective across Bath & North east Somerset.

## 16.0 *Housing Allocation Policy*

- 16.1 A new allocations policy (Homesearch) was fully implemented from April 2013.  
<http://www.homesearchbathnes.org.uk/Data/ASPPages/1/30.aspx>
- 16.2 Significant changes in the Homesearch policy include;
- Applicants must have a local connection to the area
  - Most owner occupiers are excluded from the scheme
  - Applicants with significant financial means are excluded from the scheme.
  - The number of priority groups has been reduced
  - Priority now given for under occupation
  - Curo Transfers are now offered through Homesearch
  - Changes to bedroom entitlement
  - New Hardship and Welfare panel
- 16.3 New restrictions mean that applicants with no local connection to Bath and North East Somerset as well as those with significant financial means and those who are owner occupiers no longer qualify to be on the Homesearch Register. These new restrictions have resulted in a significant reduction to the number of people on the Housing Register from over 12,000 to 4,100. The reduction to the number of households on the Register means that local people with housing need have a greater chance of being re-housed through Homesearch. Operating a register requiring a local connection is known as a closed register. However, if neighbouring authorities also

operate a closed register, the opportunities for Banes residents to move elsewhere are diminished.

- 16.4 The Homeseach policy now gives the highest priority for under-occupation (group A) and this was introduced in January 2013 to reduce problems prior to the introduction of the Spare-Room Under-Occupation Subsidy. This has resulted in tenants being able to downsize in advance of the policy changes and has significantly contributed to the reduction in the number of tenants underoccupying properties. Another change to Homeseach is that Curo transfer properties are now advertised through the scheme. This has made more properties available to those who are under-occupying and who need to downsize.
- 16.5 Homeseach has changed its bedroom entitlement for children who share rooms, this is to reflect Housing Benefit entitlement. The change to this entitlement has and will result in fewer Housing Benefit claimants under-occupying their homes.
- 16.6 A new Hardship and Welfare panel has been set up to replace the former Social Panel. The new panel is able to give additional priority for Housing, and has a wider brief to consider economic hardship which may occur as a result of welfare reforms.

## Upcoming Opportunities

### 17.0 Local Support Service Framework (Community Budgets)

- 17.1 “On the 5 July the Secretary of State for Communities and Local Government announced nine new places that will receive tailored support to develop and implement local transformation plans. Bath and North East Somerset is one of these areas, following an Expression of Interest in being part of this Network made on behalf of our Public Services Board, which comprises the Council, Police, Fire and Rescue Service, CCG, Curo and voluntary/community sector representation. The key aim of our involvement in this Network is to build on and develop our innovative work on integration and prevention, including our work on Connecting Families and health and social care to improve local services and “join up” budgets across agencies.
- 17.2 The Network draws on experience from 4 “ Whole Place” pilots (Cheshire West & Chester, Essex, Greater Manchester, and the “Tri-Borough authorities in London”) which led to the development of a range of “Business Cases” for service outcomes ranging from the local economy to domestic violence, drawing on local partnership working and building new approaches to delivery.
- 17.3 We are currently working with central government on Joint Statements of Intent with the Network, which will identify the areas of focus for our work as part of the Network. One of the themes currently being explored as part of this is developing our work with DWP on Welfare Reform, as highlighted in the report.
- 17.4 The Council will become a Universal Credit Pathfinder from February 2014. The Government are proposing that the future funding of face-to-face service delivery of Universal Credits will be based on a funding model that incorporates an element of standard funding and an element of outcome-based funding, specifically targeted at our most vulnerable and hard to reach claimants. We are currently engaging with DWP on a local delivery partnership model and to understand the costs and opportunities. This work package therefore aims to examine the whole system including links with DWP, local RSLs and other partners. It will:
- examine challenges relating to advice provision, channel shift and on-line access
  - chart the “client journey” and identify options for a Single Support Gateway
  - focus on prevention and reducing avoidable costs, for example those relating to eviction, food poverty and “failure demands”
  - build on the success of our One-Stop Shop now providing services across the Partnership- including CAB, Age UK, Credit Union, HMRC, Sirona and Curo housing- 80% of questions dealt with at the first point of contact

- understand changes to welfare provision (and other income/financial issues) have an impact on local communities
- 17.5 We have also made a bid to the Government's Transformation Challenge Fund to develop further our approach to sharing information and data across Council services."
- 17.6 The Local Support Service Framework is still in development and as part of our role as a Pilot site for Universal Credits we have been involved in its development, although we do have some major concerns about the funding proposal to include outcome based payments. This poses a huge risk for the authority, particularly if the outcomes chosen are beyond our influence.
- 17.7 The real opportunity here is to work closely with the DWP and key partners to adopt a range of shared principles and to truly join up our service delivery to the Community. We would particularly like to encourage the DWP to share resources at each of our One Stop Shops to provide the initial face to face service delivery for customers and ideally performing the Conditionality interview and Claimant Commitment agreement from these locations.

## 18.0 Universal Credit Pilot Extension

18.1 Following on from the success of our initial Pilot we have been granted permission to extend our Pilot Status from October until the end of December 2013, during which time we aim to focus on issues around improving customers opportunities when it comes to employability, and improved access to budgeting support and advice on a one to one client trial basis.

### *From October 2013*

18.2 In view of the delays that had already been encountered and the concerns raised by the National Audit Office it has been decided that in order for a safe landing of Universal Credits there will not yet be a National roll-out as expected, starting from October, the national roll-out will be comprised of 3 strands.

18.3 First, across all Jobcentres DWP will roll out components to drive the cultural shift under Universal Credit. Notably 20,000 Jobcentre Plus advisers will be retrained to deliver the Claimant Commitment (<https://www.gov.uk/government/news/claimant-commitment-to-spell-out-what-jobseekers-must-do-in-return-for-benefits>) and enhanced jobsearch support nationally. And 10 in-work conditionality pilots will test how best to encourage claimants to progress in work.

18.4 Second, DWP will roll-out improved access to digital services across Jobcentre Plus. 6000 new computers will be installed across the country, embedding digital technology and ensuring that jobseekers become used to online transactions.

18.6 Third, expanding on the early approach in the Pathfinder and plans to deliver Universal Credit safely, DWP will roll out the current Pathfinder process on a phased timeline to a further 6 Jobcentres across the regions/countries: Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton.

18.7 Our Pathfinder will run along the same lines as those already started in the North West and are restricted to a very small segment of customers. It will mean that anyone who is single and needs to claim Job Seekers Allowance from **February 2014** in the Bath area will have to make a claim for Universal Credits and not JSA. Even fewer of this client group have any Housing Costs, but if they do they will no longer claim Housing Benefit, their claim for Universal Credits will also include this. If these claimants subsequently have a change in circumstances, such as getting married, having a child or moving house they will remain a claimant under universal credit.

18.8 By being a Pathfinder Authority it will continue to give us the opportunity to influence the future design and help us to develop an

effective local deliver agreement with the DWP and other Partners as required under the Local Support Service Framework.

### **19.0 Data Sharing**

- 19.1 It is becoming evident from the many links between the new opportunities and the identified impacts that we need to be able to quantify the risk groups and tailor our responses accordingly.
- 19.2 We are working with partners and internal services to ensure we understand the barriers to sharing information.

### **20.0 Connecting Communities**

- 20.1 Connecting Communities alongside the Customer Service Excellence programme are seen as priority work streams for this Council and will enable us to ensure that services are provided to the right level across Bath & North East Somerset.
- 20.2 We are working together to ensure that the “One Council” ethos is reflected by these two key strategic pieces of work.

### **21.1 Community Hubs**

- 21.2 There are a number of initiatives across Council and other organisations where we are attempting to deliver what are being termed Community Hubs, be they in Children centres, Libraries, Health Centres or other places.
- 21.3 These initiatives are now being considered alongside the best use of Assets and within the Connecting Communities Programme and should help us to target support in the most appropriate and cost effective way.

### **22.0 Commissioning Support & Advice**

- 22.1 We have learnt from co-locating partners within our One Stop shops that there is duplication in the work that the Council, Partners and Voluntary Organisations provide and with smarter commissioning of some of these services we can improve the way we do this.

### **23.0 Pre-Eviction Panels**

- 23.1 Having met with a whole range of people involved with handling our most vulnerable members of the Community, we concluded that in addition to better sharing of data to identify and support high risk groups, we should seek to ensure that absolutely every attempt has been made to help those who are potentially subject to eviction from their home.

23.2 We have decided to trial a process whereby RSL's that are about to commence this kind of action will come together with relevant service providers and support services in the Council to ensure all opportunities of support have been explored and to understand the impacts of this action on the household and the wider taxpayers.

#### 24.0 *Additional funding*

24.1 The council receives funding from Central Government to Administer Housing Benefits and Council Tax Support by way of Administration Grant. This funding has been reducing by about 5% year on year for some time, but it has been topped up on occasions by one off funding streams.

24.2 This year since April we have been notified of further additional funding on top of those mentioned in this report, these include:-

- Funding to meet new burdens of £30,471

24.3 The funding is intended to meet "New Burdens" incurred by local authorities (LAs) as a result of the implementation of the following areas of Welfare reform:

- a. Implementation of changes to Local Housing Allowance (LHA) (including the move to an annual uprating cycle and changes to the Shared Accommodation Rate)
- b. Implementation of the Removal of the Spare Bedroom Subsidy (formerly Social Sector Size Criteria)
- c. Introduction of the overall benefit cap (phased introduction, starting in April 2013)
- d. Net impact of implementing Universal Credit (UC) in 2013/14

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/225822/s4-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225822/s4-2013.pdf)

- Additional Transition Funding of £18,614

Examples of potential use of funding include:-

- a. support for Housing Options or Homelessness teams to deal with customers affected by the reforms
- b. obtaining services, such as money advice or help finding work, provided by partner organisations
- c. pooling resources for joint initiatives between different LAs
- d. Lump sum costs associated with housing such as removal costs, rent in advance and deposits.

24.4 This funding is part of a total additional funding package of £35 million (Nationally) which is comprised of three elements:

<https://www.gov.uk/government/news/spare-room-subsidy-funding-update>

- £10 million of new in-year transitional funding (our share being £18,614)
- £20 million of new Discretionary Housing Payment funding (subject to a bidding process)
- £5 million of new Discretionary Housing Payment funding for remote rural areas (not relevant to Bath & North East Somerset)



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Abbreviations:-

DWP	Department For Work & Pensions
DHP	Discretionary Housing Payment
LGA	Local Government Association
SSSC	Social Sector Size Criteria
HMRC	Her Majesty's Revenue & Customs
CAB	Citizens Advice Bureau
RSL	Registered Social Landlord