

Central Bedfordshire
Health and Wellbeing Board

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Title of Report Understanding the Impact of the Welfare Reform in Central Bedfordshire

Meeting Date: 5th September 2013

Responsible Officer(s) Julie Ogley
Director of Social Care, Health and Housing

Presented by: Julie Ogley
Director of Social Care, Health and Housing

Action Required:

1. To inform the Board of the work being undertaken to understand the impact of the Welfare Reforms.
 2. To identify how partners can support the process and help to minimise the impact on residents.
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Executive Summary

1.	The government believes the current welfare system is too complex and there are insufficient incentives to encourage people on benefits to start paid work or increase their hours. The aim of these Welfare Reforms is to simplify the benefit system and make it fairer and more affordable: to help reduce poverty, worklessness and welfare dependency.
2.	These profound wide reaching reforms will have a considerable impact on local residents with significant implications for the Council and its partners. A Project Board has been established to identify the groups of people and communities most affected and to understand as well as monitor the impact of the changes.
3.	The Council has established a robust mechanism to implement the welfare reform changes and support those who may be affected. Partnering arrangements have been put in place to engage with key stakeholders and support has been given to increase the capacity of the CABs to provide drop-ins and one-to-one advice. Data will be collated on a weekly/monthly basis (as appropriate) to monitor trends and ensure resources are diverted where they are needed most.

Background	
4.	The Welfare Reform Act 2012 puts into law the proposals set out in the White Paper “Universal Credits” Welfare that works. It aims to simplify the benefits system in order to improve incentives to work and to secure the government’s ambition to reduce the overall welfare bill by 2015.
5.	<p>The main elements of the Act are as follows:</p> <ul style="list-style-type: none"> • the introduction of Universal Credit to provide a single streamlined payment that will improve work incentives • a stronger approach to reducing fraud and error with tougher penalties for the most serious offences • a new claimant commitment showing clearly what is expected of claimants while giving protection to those with the greatest needs • reforms to Disability Living Allowance, through the introduction of the Personal Independence Payment to meet the needs of disabled people today creating a fairer approach to Housing Benefit to bring stability to the market and improve incentives to work • driving out abuse of the Social Fund system by giving greater power to local authorities • reforming Employment and Support Allowance to make the benefit fairer and to ensure that help goes to those with the greatest need • changes to support a new system of child support which puts the interest of the child first.
6.	Along with these proposed changes, the Act abolished the Social fund and has been replaced with a non-ring fenced grant paid out to local authorities. Local authorities will make decisions on how to distribute the money which replaces Crisis Loans (interest free loans for people facing an emergency or disaster e.g. loans to young people leaving care to buy items such as clothing and toiletries where they have not yet received welfare benefit) and Community Care Grants (non-repayable cash awards made to help people move back into or remain in the community, or to ease exceptional financial pressure).
7.	It introduces a cap on the total benefits an individual or couple can receive. Social Housing tenants now have a size criteria applied with households deemed to be under occupying their home to have part of their Housing benefit removed. Housing Benefit will also no longer be paid directly to landlords.
8.	Council tax benefits will also now come from non-ring fenced grants paid to local authorities who will be responsible for developing their own schemes for this distribution.

9.	The government has already introduced a number of major changes and more will follow. Appendix 1 provides a brief summary of the key changes.
	Planning for the reform
10.	The Government's Welfare Reforms implemented from April 13, will impact some of our most vulnerable residents, the unemployed, single parents, people with disabilities, large families on low incomes and people in poor health. Some residents will be impacted by one of the reforms others will be impacted by multiple reforms giving rise to changes in their income, accommodation and mobility.
11.	An assessment of those affected by the changes is being made. It is likely that the changes will have significant impact on those who people with lower income distribution, those in receipt of housing and council tax benefits, those claiming incapacity and disability benefits and low income households.
12.	The key challenges for many of these groups will include a reduction in personal and household incomes as well as potential increase in debt levels. Appendix 2 provides a breakdown of people in Central Bedfordshire who have been affected by the changes.
13.	<p>A Project Group has been set up so that the Council, working with key stakeholders is able to:</p> <ul style="list-style-type: none"> • manage its resources effectively to implement the changes; • monitor and understand the broader impact on Central Bedfordshire's residents and communities; and • help those affected to respond to the changes and make their own choices to help mitigate the impact upon them.
14.	<p>The project has 3 work streams</p> <ul style="list-style-type: none"> • Analysis and Intelligence of resident impact • Customer pathways & Policy Development • Resource Assessment and Co-ordination
15.	The new system for local Welfare Provision, which replaces the Social Fund, is now up and running. With very little supporting information from the Department of Work and Pensions, activity levels and demand on the new fund is under review. Similarly, with the new Council Tax Support Scheme.
16.	A scorecard that will show the impact of the changes across the Council, in terms of funding streams, income and activity is being developed.

	Impact of Welfare Reforms in Central Bedfordshire
17.	<p>It is estimated that approximately 8,000 people in Central Bedfordshire will be affected by the changes:</p> <ul style="list-style-type: none"> • The number of those affected by Under Occupation was 1,548 (on 13 May). Of these 1,227 were under occupying by one room and 321 by two rooms or more. • The number affected by both under Occupation and Council Tax Support was 976 (on 1 April). • 89 claimants are affected by the Benefits Cap.
18.	<p>209 applications have been received to-date for Discretionary Housing Payments, compared to a total of 327 in 2012/13, and the issue of awards is being prioritised, e.g. for those with disabilities who have adapted premises. By their nature, these awards are meant to be short term so awards are initially for six months with an option to extend if resources allow.</p>
19.	<p>There is a shortage in the availability of one and two bedroom properties in Central Bedfordshire for those affected by under occupation.</p>
20.	<p>More work needs to be done to identify the broader impact on, for example, health services, free school meals and the local economy.</p>
21.	<p>Activities will need to be monitored closely, particularly in the early stages. Mechanisms have been put in place to collect data from some partners on a weekly basis. However, there is a need for a greater degree of data sharing amongst all those dealing with clients and making referrals. In addition, detailed and direct feedback from those affected is needed, and this data needs to be analysed to challenge any assumptions about what help and support should be provided.</p>
22.	<p>Engagement with a broader range of partners will be needed to support those affected in being able to return to work, increase their hours or progress into higher paid employment.</p>
	Progress update
23.	<p>A generic information leaflet setting out all of the main changes has been developed and distributed to key stakeholders to ensure a consistent message across Central Bedfordshire.</p>

24.	A Communications Plan is being developed to keep partners informed. Some partners have suggested a joint conference and this will be considered at a later date once the local impact of the changes is better known.
25.	A Service Level Agreement (SLA) has been agreed with the three Citizens Advice Bureaux (CABs) to enable them to extend their opening times by six hours per week in each of four locations from 1 June 2013. The agreement includes a referral process to prioritise client enquiries and ensure they can be tracked and monitored. The SLA will increase the CAB's capacity to handle an additional 3,000 contacts during the year.
26.	<p>An analysis of 959 households claiming at least one of Housing Benefit, Council Tax Benefit or Council Tax Support has been carried out. The initial findings reveal no surprises that the largest towns have the highest number of claimants, as follows:</p> <ul style="list-style-type: none"> • Dunstable (189) • Houghton Regis (140) • Leighton-Linslade (135) • Biggleswade (78) • Sandy (73)
27.	The Project Group will monitor monthly and quarterly trends to ensure resources are diverted where they are most needed, and inform future policy decisions.

Detailed Recommendation

28.	That the Health and Wellbeing Board note the work to understand the impact of the Welfare Reform on Central Bedfordshire's population.
29.	That the Board request that partners should consider the impact of the welfare reform on patients and customers and to join the Council in forming a wider view on the potential for early intervention to mitigate the impact.

Issues

Strategy Implications

1.	The Welfare Reform Act changes will have consequential impact on the health, social and financial wellbeing of those who are affected by the changes.
2.	It has the potential to impact on local strategies and plans.

Governance & Delivery	
3.	This report informs the Health and Wellbeing Board of the work being undertaken to implement and monitor the impact of the Welfare Reform Act.
Management Responsibility	
4.	The Director of Social Care, Health and Housing has the lead responsibility for the Project Group and for monitoring the impact of the welfare reforms.
Public Sector Equality Duty (PSED)	
5.	<p>The PSED requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, harassment and victimisation, advance equality of opportunity, and foster good relations between in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.</p> <p>Equality impact assessments will be an ongoing process to ensure that local policy does not disadvantage some groups whilst enhancing support for others.</p>
6.	Are there any risks issues relating Public Sector Equality Duty Yes

APPENDIX 1

Welfare Reform Key Changes

Under Occupation: This is a reduction in the amount of Housing Benefit for families living in council and housing association homes with more bedrooms than the government has allocated for their need. From April 2013 affected claimants receive 14% less benefit if they have one spare room and 25% less if they have two spare rooms. Whilst rates will vary, the forecast weekly loss for tenants in Central Bedfordshire with one spare bedroom is £14.75 and for two spare bedrooms is £26.88.

Local Council Tax Support: In April 2013 the government's national council tax benefit scheme was replaced by local schemes developed by each council. CBC increased by £10 per week the amount people can earn when they get a new job or increase their hours before it affects their entitlement to Council tax Support. Owners of second homes have to pay full Council Tax.

Non-dependant deductions: From April 2013 a non-dependant person living in a household that is claiming Housing Benefit or Council Tax Support is expected to contribute to Council Tax charges. The amount depends on the circumstances of the non-dependant person. The level of weekly deductions ranges from £3.65 to £15.00 for Council Tax Support and from £13.60 to £87.75 for Housing benefit.

Benefit Cap: From October a limit will be placed on the amount of benefit paid to out of work households to £500 a week for a couple, or single parents, and £350 a week for single adults.

Social Fund: The government's national Social Fund has ended. The crisis loans and community care grants that were part of this fund have been replaced by Local Welfare Provision. In Central Bedfordshire this will fund emergency grants and household goods for those in greatest need.

Personal Independent Payment: From June 2013 a new Personal Independence Payment (PIP) replaces Disability Living Allowance (DLA). The payment helps with some of the extra costs caused by ill-health or disability. An award can be paid for less than two years (DLA was a minimum of two years) and up to ten years (DLA could be awarded indefinitely).

Universal Credit: From October 2013 a single unified, welfare benefit will be paid to people of working age if they claim welfare benefit support. It will begin to replace many of the means tested or income assessed benefits such as: Income Support, Housing Benefit, Job Seekers Allowance, Working Tax Credit, Child Tax Credit and Employment and Support Allowance

APPENDIX 2

Diagram illustrating the impact of the Welfare Reforms on CBC Residents as at 29th July 2013

