

## **OVERVIEW AND SCRUTINY BOARD**

A meeting of **Overview and Scrutiny Board** will be held on

**Wednesday, 18 September 2013**

commencing at **5.30 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,  
Torquay, TQ1 3DR

### **Members of the Board**

Councillor Thomas (J) (Chairman)

Councillor Bent  
Councillor Darling (Vice-Chair)  
Councillor Pentney  
Councillor Stockman

Councillor Hytche  
Councillor Davies  
Councillor McPhail  
Councillor Kingscote

### **Co-opted Members of the Board**

Penny Burnside, Diocese of Exeter

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**Working for a healthy, prosperous and happy Bay**

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For information relating to this meeting or to request a copy in another format or language please contact:

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# OVERVIEW AND SCRUTINY BOARD AGENDA

## 1. Apologies

To receive apologies for absence, including notifications of any changes to the membership of the Committee.

## 2. Minutes

To confirm as a correct record the minutes of the meetings of the Board held on 10 July 2013.

(Pages 1 - 3)

## 3. Declarations of Interest

a) To receive declarations of non pecuniary interests in respect of items on this agenda

**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda

**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

**(Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

## 4. Urgent Items

To consider any other items that the Chairman decides are urgent.

## 5. Welfare Reform

To consider the responses to the Board's recent "call for evidence" on the impact of welfare reform.

(Pages 4 - 99)

Attached is information received from Torbay Council, Torbay Citizens' Advice Bureau, registered social landlords in Torbay, similar local authorities (plus a briefing note prepared by North West Employers on how different authorities are responding welfare reform) and members of the public.

6. **Livermead Sea Wall/Torbay Sea Defences** (Pages 100 - 113)  
The attached briefing notes were provided to members of the Board following a “call for evidence” about the collapse of Livermead Sea Wall. Having considered the information, members have indicated that they wish to further discuss the following points:
- Communications
  - Involvement of South West Water in the tender process
  - Future sea defence issues
7. **Torre Valley North Playing Field** (Pages 114 - 120)  
To consider the briefing note received in relation to the “call for evidence” issued following the Councillor Call for Action in relation to the transfer of land from Torre Valley North Playing Field to Cockington Primary School.
8. **Capital Investment Plan Budget 2013/2014 - Quarter 1 Monitoring** (Page 121)  
To consider the recommendations of the Priorities and Resources Review Panel in relation to the Capital Investment Plan Budget.



## Minutes of the Overview and Scrutiny Board

10 July 2013

-: Present :-

Councillor Thomas (J) (Chairman)

Councillors Barnby, Bent, Darling, Davies, Kingscote, Pentney and Stockman

(Also in attendance: Councillors Cowell, Excell, Lewis, Pritchard and Pountney)

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### 14. Apologies

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Board had been amended for this meeting by including Councillor Barnby in place of Councillor Hytche.

### 15. Minutes

The minutes of the meeting of the Board held on 19 June 2013 were confirmed as a correct record and signed by the Chairman.

### 16. Urgent Items

The Board considered the item in Minute 73 and not included on the agenda, the Chairman being of the opinion that it was urgent by reason of special circumstances i.e. the matter having arisen since the agenda was prepared and it was unreasonable to delay a decision until the next meeting.

### 17. Torre Valley North Playing Field

Councillor Pountney attended the meeting to raise a Councillor Call for Action in relation to the transfer of part of Torre Valley North Playing Field to a local primary school.

**Resolved:** that further information be provided to members of the Overview and Scrutiny Board about the issue.

(**Note:** Prior to consideration of the item in Minute 73, Councillor Pountney declared a non-pecuniary interest in the matter as the brother-in-law of Mark Faulkner, director of Community Investment Company.)

## 18. Home to School Transport Policy

The Board considered a report on proposals to phase out concessionary home to school/college transport assistance over a three year period. The Board recalled that it had first considered the issue in January 2013 when it was proposed to remove all discretionary assistance from September 2013.

A public consultation on the proposal had been undertaken for a period of four weeks in April and May 2013. The consultation had been available on the Council's website and all schools and academies had been contacted, together with South Devon College, and asked to alert parents, pupils and governors to the consultation. The Dioceses of Plymouth and Exeter had also been consulted.

The Board questioned the likely impact on South Devon College as a result of the change in policy. However, the Board were informed that there was now a greater choice in sixth form provision across Torbay than there had been in the past.

**Resolved:** that the Director of Children's Services investigate how the Council can monitor the impact on South Devon College of the changes in the discretionary home of school/college transport policy and the changes in the market provision for further education.

## 19. Community Safety Service Plan (Commercial Team)

The Board considered a report which set out the Commercial Team Service Plan which included the Food Safety Service Plan and the Policy on the Protection of Children in relation to Tobacco Sales and Other Age Related Goods. The Service Plan included the current work plan for the Commercial Team which comprises the functions of Food Safety, Trading Standards, Licensing, Health and Safety and Emergency Planning within the Community Safety Business Unit.

The Board noted that the Business Unit now prioritises its workload based on risk and will always target first those businesses, activities, emergencies and disease outbreaks considered to be of the highest risk. Its resilience to continue to deliver its full range of statutory duties and meet customer expectations, within the resources allocated, is now under significant strain.

**Resolved:** that the following views and recommendations be forwarded to the Council:

The Commercial Team within the Community Safety Business Unit has the full confidence of the Overview and Scrutiny Board which believes it is doing a good job in difficult circumstances.

However, the Board has grave concerns especially as it heard phrases such as the service being "close to falling over" and "not fulfilling its statutory duties" during the course of its debate. The Board also heard how the Team is not able to fully implement the recovery plan agreed with the Food Standards Agency following its inspection in November 2011.

Whilst there is a risk to the reputation of Torbay and the Council, the risk to the public is even greater.

The Board request that the Mayor and Executive Lead review how the actions in recovery plan can be achieved in the short to medium term.

**20. Meadfoot Beach Chalets Development**

This item was withdrawn from the agenda.

**21. Acquisition of Torbay and Southern Devon Health and Care NHS Trust**

This item was withdrawn from the agenda.

**22. Overview and Scrutiny Work Programme**

The Board considered the draft Work Programme for the Board which had been prepared following discussions with members of the Board.

**Resolved:** (i) that the Work Programme for the Overview and Scrutiny Board and Health Scrutiny Board (as circulated at the meeting) be agreed as a framework for the coming year;

(ii) that the principle of undertaking overview and scrutiny reviews in different formats and in different venues in order to best engage with the community be agreed;

(iii) that the Priorities and Resources Review Panel be appointed (comprising the members of the Overview and Scrutiny Board) and meet throughout the year to (a) review and monitor the revenue and capital budgets for the current year; and (b) to review and challenge the emerging proposals for delivering the Council's priorities for the 2013/2014 financial year; and

(iv) that, taking account of the areas of activity and spend identified within the Service Reviews for the Council, the Mayor be requested to identify approximately ten areas which the Overview and Scrutiny Board could usefully review in order to prepare "packages of evidence" which he could use to inform the budget setting process.

Chairman

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## Impact of Welfare Reform

### Background

During the course of 2012/2013, the Overview and Scrutiny Board<sup>1</sup> gave consideration to welfare reforms being implemented by central government, not least the introduction of the Council Tax Support Scheme to replace Council Tax Benefit and the changes to Housing Benefit. These changes also included the amalgamation of different “hardship” funds as well as the transfer of some of those schemes to the local authority.

The Board’s report<sup>2</sup> was considered by the Council at its meeting on 6 December 2012.

### Scope of the review

To review the impact of the changes in the welfare system following their introduction and how the impacts are being mitigated.

To consider how future service changes may further impact those affected by welfare reforms.

### Areas of questioning

#### A. Torbay Council

1. What has been the impact of the introduction of the Council Tax Support Scheme?
  - a. Collection rates
  - b. Bad debt
  - c. Hardship Scheme applications
  - d. Claim handling times
  - e. Numbers of callers – face-to-face, telephone, digital
2. What has been the impact of the changes in Housing Benefit?
  - a. Hardship Scheme applications
  - b. Claim handling times

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<sup>1</sup> 20 June 2012, 3 October 2012 and 21 November 2012

<sup>2</sup> [Report of the Overview and Scrutiny Board](#)

- c. Numbers of callers – face-to-face, telephone, digital
  - d. Requests for re-homing
- 3. How have other welfare changes introduced during the past year impacted on Council services? What mitigation measures has the Council put in place?
- 4. How is the Council monitoring any impact from welfare changes?
- B. Citizen’s Advice Bureau and Registered Social Landlords
  - 5. What has been the impact of the recent welfare reforms on your service?
  - 6. What additional resources have you made available to support your clients/tenants?
- C. Future Changes
  - 7. How are agencies working together to ensure that the cumulative effect of future service changes and further welfare reforms are mitigated as well as possible?
- D. Comparator Authorities
  - 8. What impact are welfare reforms having within your local authority? What mitigating actions have been put in place and how effective have they been?

Plus Question 6
- E. General Public
  - 9. What has been the impact on you of the welfare reforms, in particular changes to Council Tax and Housing Benefits?
  - 10. How have you sought advice and/or information? Where from?
  - 11. What more can the Council do to assist you?

Sources of Information

Torbay Council – Strategic Welfare Group  
 Torbay Citizen’s Advice Bureau  
 Registered Social Landlords  
 Comparator Authorities<sup>3</sup>  
 General Public – Press Release, Social Media, Webpage

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<sup>3</sup> Bournemouth Borough Council, Blackpool Borough Council, Isle of Wight Council, Sefton Metropolitan Borough Council, Southend-on-Sea Borough Council, Poole Borough Council, Portsmouth City Council, Southampton City Council



## Methodology

Representatives from Torbay Council, Torbay Citizen's Advice Bureau, Registered Social Landlords and comparator authorities will be invited to submit written information.

The public will also be invited to submit information.

Appropriate representatives will be invited to attend at the Overview and Scrutiny Board on 18 September 2013.

A further update will be requested for the meeting of the Board on 9 April 2013.



## Impact of Welfare Reform

The central premise of welfare reform is that people will move into work and therefore offset any loss of income from benefits. If the loss of benefits is not compensated by an increase in earnings, then there would be significantly less money within the local economy. Analysis of the Housing and Council Tax Benefit changes in this report suggests an overall loss to the local economy of nearly £2.2 million in 13/14.

To put the scale of the reforms into wider context other key changes affecting all people of working age are:

- Child benefit rates were frozen for 2011/12, 2012/13 and 2013/14, affecting all families and from 2013/14, child benefit is recovered on a sliding scale via income tax from people earning between £50,000 and £60,000 (and in full if earning over £60,000).
- Lone parents must sign on for jobseeker's allowance when their youngest child reaches the age of 5 - they must be available for and actively seeking work, or may face a sanction.
- The baby element of child tax credit has been removed - this was an extra £545 in the first year, payable to low and middle income families.
- Childcare costs covered by working tax credit have been cut from 80 per cent to 70 per cent meaning working parents may need to pay up to £1,560 a year extra for childcare.
- Tax credits have been withdrawn from 'middle income' families.
- Most couples with children are now required to work at least 24 hours a week (previously 16) to qualify for working tax credit, meaning some families lost up to £3,870 a year if unable to find additional hours.

A range of changes are underway and planned to sickness and disability benefits which are:

- People on the old incapacity benefit system are being reassessed for employment and support allowance (ESA), introduced in 2008, with all reviews due to be completed by March 2014
- Contributory employment and support allowance (ESA) is now time limited to one year for most claimants. This particularly affects couples where one is working full-time, so the sick or disabled person loses this independent income which is based on contributions paid when in work, and is reliant on their partner.

- Personal Independence Payment starts to replace Disability Living Allowance (DLA) from April 2013, with new claimants being under the new regime from April 2013, reviews of those with time limited awards of DLA starting in October 2013, and reviews of those with lifetime DLA awards starting in 2015.

Torbay Council also has a strategic/statutory responsibility to prevent Homelessness and ensure we have sufficient support for those affected by welfare reform. This is delivered by the Housing Options Service and in partnership.

The Child Poverty Commission also recognises the impact of welfare reform will be particularly challenging for families in poverty. It is unclear yet whether the impacts will be mitigated by the modest improvement to incomes made by Universal Credit for certain groups or by households moving or finding work. The Commission will be making final recommendations in November following its final evidence gathering sessions in the next couple of months.

Attached is the strategic welfare reform overarching action plan which has already been worked on and agreed by the Strategic Welfare Group.

Anecdotal evidence from housing officers at this point suggest that, of those customers who approach us due to affordability issues, it is often the 25% Council Tax payments they must now make that seem to leave them in a difficult position.

The Council has also been running four appointments each Friday to see those affected by the benefit cap, and therefore this has increased our workload.

## **1. What has been the impact of the introduction of the Council Tax Support Scheme?**

Council Tax Benefit was replaced by Council Tax Support on the 1st April 2013. The funding for the locally-designed scheme was devolved with a 10% cut (£1.6m). Pension-age residents are protected by law. The scheme which has been implemented requires all working age residents must now pay at least 25% of their Council Tax. The scheme was selected by Members as the best way to balance fairness to those on low incomes whilst avoiding the creation of cliff edges in the system where those moving into work would face punitive effective marginal tax rates.

The scheme changes resulted in around 650 households losing their entitlement to Council Tax Support. Working age households receiving less than £4 per week in Council Tax Benefit generally lost their entitlement and those that had capital over £6,000 or received second adult rebate were no longer entitled.

As a consequence the number of households receiving Council Tax Support dropped from just over 18,150 on the 31 March 2013 to 17,499 on 1 April 2013.

Analysis of the impact on household types has been carried out and is summarised in the table below. This shows the average annual change for different households. Overall the highest financial impact is on working age couples with children, due to occupying higher banded properties. Single unemployed people are the largest group affected.

Household composition	Number of Households	Average Weekly Change
<b>Working Age</b>		
Single - Not Working	3,069	£3.62
Single - Working	1,076	£3.82
Couple - Not Working	418	£4.61
Couple - Working	208	£4.75
Couple with Children - Not Working	644	£5.47
Couple with Children - Working	864	£5.37
Lone Parent - Not Working	1,801	£3.99
Lone Parent - Working	1,075	£4.02
<b>Pension Age</b>		
Single	5,710	£0.00
Couple	2,330	£0.00
Lone Parent	29	£0.00
Couple with Children	76	£0.00

Source: Torbay Revenue & Benefit System

The number of working age disabled households affected, which are included in the household composition above, totals 2,810 where the average weekly change is £4.45.

The impact of the implementation of the new scheme has been felt in Council Tax administration as nearly 7,000 working age households that previously received full rate Council Tax Benefit received a bill with something to pay. Just over 600 of these households have not paid any Council Tax for over ten years.

### 1a. Collection rates

The overall collection performance to the end of June is 27.8% which is 0.9% down at the same period in 2012. To put this into context nearly 59,000 households received a Council Tax bill with something to pay and just over 52,500 have made a payment. Just over 75% of households receiving Council Tax Support with something to pay have made a payment and just over 70% of households that previously received full rate Council Tax Benefit have made a payment.

## 1b. Bad debt

Allowance has been made in budget calculations for 3.5% non-payment by all households including those receiving Council Tax Support. Any significant level of non payment above this will mean additional administrative pressure for the service in securing recovery of the amounts through communication and liaising with residents who have fell behind with their payments. Only as a last resort will recovery action be taken through the court and, if appropriate, deductions taken from household welfare benefits.

For many of the new Council Tax Support cases, a balanced approach will be applied. The Council must use the powers given in law to enforce the Council Tax that is due and payable whilst recognising the particular sensitivities around collection for some households receiving Council Tax Support.

It is acknowledged that an increase in debt could lead to an increase in the use of payday loans and other high-interest loan companies. In response to this we are now working with Homemaker South West to provide appropriate financial advice, products and services so that people can avoid using high-interest loan companies.

## 1c. Hardship Scheme applications

The Council introduced an Exceptional Hardship scheme, from April 2013 with a fund of £80,000 to provide further financial assistance to households who are entitled to Council Tax Support.

As outlined in the policy, the fund has financial limitations and, as such, awards can only be made based on eligibility, whilst having regard to the level of funding available or remaining within the Exceptional Hardship Scheme each financial year.

Analysis of the household types awarded Exceptional Hardship has been carried out and is summarised in the table below.

<b>Category</b>	<b>Number</b>
Carers Allowance and Receiving Income Support	3
Care Leaver up to 22	4
Dependant(s) under 5 and Receiving Income Support	5
Disabled Adult in Supported Accommodation	1
Receiving Disability Living Allowance or PIP equivalent	10
Receiving Employment and Support Allowance with Support Component	8
Other Exceptional Circumstances	9
Parental Care for Non Resident Children	5
Attending Rehabilitation Program for Drugs and Alcohol	11

Source: Torbay Revenue & Benefit System

Following analysis a review of the policy was undertaken at the end of June. This led to a change in the qualifying criteria where households receiving any Disability Living Allowance component or Personal Independence Payment equivalent will now be considered for Exceptional Hardship payments.

Just under £11,500 was paid from the fund between April and July. However, we anticipate a sharp increase in expenditure during the second half of the financial year as other reform changes start to affect household income and therefore expect the budget to be fully committed.

### 1d. Claim Handling Times

The table below shows the average number of days to process Council Tax Support new claims and changes of circumstances.

Processing Type	April to June 2012	April to June 2013
New	15.45	21.25
Changes	7.83	12.64

The number of new claims and changes processed between April and June fell when compared to the same period last year.

The council administration team have been under pressure to maintain service levels earlier this year which resulted in delays and a backlog of cases. Longer term resourcing plans are now in place in Revenue and Benefits where 4 FTE processors were appointed in July. They have recently completed the first stage of their training and are currently dealing with Council Tax administration.

### 1e. Customer Enquiries

Since April there has seen significant increase in customer contact for the service. The number of phone calls to the Contact Centre in April increased by nearly 25% for Council Tax related calls compared to the same period last year. This has caused significant difficulties with resourcing to meet such demand and has led to an increase in the number of abandoned calls for the service.

Council Tax - Phone Calls	April 2012	April 2013	%age Change
Offered	3,234	4,028	+24.5%
Handled	2,412	2,144	-11.1%
Abandoned	822	1,884	+129.2%
% Abandoned	25.4%	46.8%	

The number of enquires at Connections offices also increased by nearly 11% when compared to the same period last year. This is significant as enquiries for all other service areas fell quite sharply in comparison, due to resources available at Connections offices.

Council Tax - Connections Offices	April 2012	April 2013	%age Change
Office Callers	847	936	+10.5%

We have also seen a significant increase in the number of calls referred to Revenue and Benefit staff, when more in depth advice or explanation is required. For the broader impact of welfare reform callers are being referred to the council's website for reference.

With the scale of grant reductions from government for Torbay and the necessity to reduce staff resources both the Council Tax and Connections teams have been under significant pressure to meet the increasing demands of the welfare reform changes.

## **2. What has been the impact of the changes in Housing Benefit?**

The following changes have been made to the Housing Benefit scheme;

### **Benefit Cap**

This change will mean that workless working age households will be able to claim a maximum of £26,000 p.a. in benefits, equal to the median household earnings after tax and national insurance. The cap will be £500 per week for couple and lone parent households and £350 per week for single households.

There are exemptions for households where someone starts work and becomes entitled to Working Tax Credits or in receipt of Disability Living Allowance or Personal Independence Payments. There is also a grace period of 9 months for those who have been in work continuously for the previous 12 months.

The Department for Work and Pensions (DWP) provided a list of those likely to be affected by the cap in Torbay and following analysis they were written to and provided with a Discretionary Housing Payments application form.

The cap was first introduced in four London Boroughs in April 2013 and came into effect in Torbay from 15 July 2013, introduced over a five week period to deal with the identified cases. In the first four weeks 34 households have been capped with a further 26 households likely to be affected in the final week. After this phase has completed the DWP will then provide details of any new cases or ongoing changes on a week by week basis.

Analysis of the impact on the households that have already been capped show that all are families with a large number of children. Just over 20% of these households will have a reduction of £100 a week in their benefits, around 35% will lose between £50 and £99 and 26% will lose between £20 and £49 a week.

In Torbay there are 14,100 tenants renting from the private and social sector receiving Housing Benefit, with an estimated 60 households, or 0.004% affected by this change resulting in an average weekly loss of around £60.

## Social Housing Size Criteria (Bedroom Tax)

Since the 1st April 2013 working age households who are in social housing have seen their Housing Benefit cut by 14% for one bedroom and 25% for two or more bedrooms where the Government deems their housing to be too large for their needs.

Disabled tenants who require an additional room for a non-resident carer will not have a reduction. Foster carers will be entitled to one additional bedroom before the cut is applied and adult children in the Armed Forces will be treated as continuing to live at home when deployed on operations.

Analysis of the impact on household types has been carried out and is summarised in the table below. This shows the average weekly change for different households. Overall the highest financial impact is on working age couples, although single people are the largest group affected.

Household Composition	Households	Average Weekly Change
Single People	290	£15.96
Lone Parent One Child	80	£14.14
Lone Parent Two Children	34	£14.29
Lone Parent Three Children	7	£16.49
Lone Parent Four Children	2	£15.45
Couple	92	£16.23
Couple One Child	22	£14.24
Couple Two Children	22	£14.81
Couple Three Children	3	£16.00
Couple Four Children	2	£15.24
Couple Five Children	1	£21.91

Source: Torbay Revenue & Benefit System

In Torbay there are 4,200 social housing tenants receiving Housing Benefit with 555 working age households, or 13.3% affected by this change. There are 457 households that have one extra bedroom (14% reduction) and 98 households that have more than one bedroom (25% reduction) resulting in an average weekly loss of around £15.

The wider administrative and financial impact of this change will be felt by the social landlords in Torbay as they advise and assist their tenants with this change. This service is likely to see an increase in household changes where those affected are encouraged to move to smaller accommodation.



## Total Cost to Torbay Residents

Scheme	Affected	Average Weekly Loss	Total Annual Loss
Benefit Cap*	60	£60	£187,200
Social Housing Size Criteria**	555	£15	£399,600
Council Tax Support	9,155	£4	£1,600,000

Affecting working age households only

\*estimated number of cases affected by the benefit cap

\*\*calculation based on 48 weeks as most social landlords have rent free weeks

### 2a. Hardship Scheme applications

The Discretionary Housing Payments (DHP) scheme was introduced by the Government in July 2001 so that local authorities could provide financial assistance to claimants receiving Housing Benefit when additional help with housing costs is required.

This year the DWP significantly increased their contribution by 46.7% to £393,853 compared to the previous years funding due to the expected effects of Welfare Reform.

The objectives of Torbay's DHP scheme are:

- Alleviate poverty
- Assist tenants to move to affordable accommodation
- Support those in work to allow them to be able to remain in employment
- Safeguard residents in their own homes where there is a need to remain in a particular property or area
- Support those at risk of homelessness to remain in their home in the short term whilst alternative solutions are sought
- Help claimants through personal crises and difficult events
- Support the vulnerable in the local community
- Support young people in the transition to adult life
- Support young people leaving Local Authority care
- Support foster carers and those between fostering
- Support people with disabilities who has or need adaptations to their property or require a larger property than the Housing Benefit Regulations allow
- Help families stay together

DHP awards are generally viewed as either a one off payment to cover a rent deposit or rent in advance or a short-term payment that is paid in addition to the claimants individual Housing Benefit entitlement.

In the first quarter of this year we received 388 applications for DHP, which is a 79% increase on the same period last year.

Analysis of these cases shows the following:

65% of 388 applications (252 cases) were successful and have been awarded a DHP.

24% of the total applications (93 cases) were from tenants of Housing Association properties.

76% of the total applications (295 cases) were from Private Tenants

19% of the successful awards (48 cases) assisted with rent deposits and rent in advance payments.

7.5% of the successful awards (19 cases) assisted households affected by the Local Housing Allowance reductions.

11.5% of the successful awards (29 cases) assisted households affected by the size criteria restrictions (bedroom tax).

The number of applications which have been unsuccessful was to be expected at this early stage due to media coverage encouraging people to apply. Unsuccessful applications are mostly from households that are not in need of support through DHP as they are able to meet their housing costs based on their income and expenditure.

Revenue and Benefits are working closely with colleagues in Housing and other service areas as well as the third sector to identify people where DHP can help as a way of a short term solution in order to reach a sustainable outcome.

Just over £101,000 was paid from the fund between April and July. However, we anticipate a significant increase in hardship payments during the second half of the financial year as the changes start to affect household income and the budget will be fully committed. For example, the size criteria restrictions (bedroom tax) and benefit cap will reduce Housing Benefit by an amount each week. It is likely that households may try to make up the shortfalls or make lifestyle changes though it may not be sustainable. We suspect some households are not applying for DHPs at this stage as they are not yet under pressure from landlords due to rent arrears.

## **2b. Claim Handling times**

The table below shows the average number of days to process Housing Benefit new claims and changes of circumstances.

<b>Processing Type</b>	<b>April to June 2012</b>	<b>April to June 2013</b>
New	15.12	21.91
Changes	7.81	12.67

As with Council Tax Support administration, the number of new claims and changes processed between April and June fell when compared to the same period last year, which confirms the impact the reform changes has had on performance levels.

Similarly the number of appeals and applications for Discretionary Housing Payments have also significantly increased, which has led to an increase in workload.

## 2c. Customer Enquiries

Since April there has been a significant increase in customer contact for the service. The number of phone calls to the Contact Centre in April more than doubled for Housing Benefit related calls compared to the same period last year. This caused difficulties with resourcing to meet such demand as the number of abandoned calls more than trebled for the service.

Housing Benefit - Phone Calls	April 2012	April 2013	%age Change
Offered	7,610	17,359	+128%
Handled	5,569	8,755	+57.2%
Abandoned	2,041	8,604	+321.6%
% Abandoned	26.8%	49.6%	

The number of enquires at Connections offices fell by 12.5% when compared to the same period last year. Apart from Council Tax, which is the only exception, the number of enquiries for all other service areas fell quite sharply due to resources available at Connections offices.

Housing Benefit - Connections Offices	April 2012	April 2013	%age Change
Office Callers	3,171	2,774	-12.5%

Like Council Tax Support there has been a significant increase in the number of calls referred to Revenue and Benefit staff, when more in depth advice or explanation is required. For the broader impact of welfare reform callers are being referred to the council's website for reference.

## 2d. Requests for re-homing

We currently do not have any information on this as this dealt with primarily by Housing Options and social landlords. An update will be issued when data is available.

## 3. How have other welfare changes introduced during the past year impacted on Council services? What mitigation measures has the Council put in place?

The impact of the welfare changes mentioned at the beginning of this paper has contributed to the increase in caller demand from our residents. People who have had a cut in their benefits or tax credits have contacted the council for advice on making a claim for Housing Benefit or help with their Council Tax or to inform the council of their income change.

From 1 April 2013 the responsibility to administer the discretionary Social Fund, which consisted of Crisis Loans and Community Care Grants, was transferred from the Department of Works and Pensions (DWP) to the council and funding was made available to administer the scheme.

Local Authorities were encouraged to look at new ways of meeting the needs of local people living in their area, at times of crisis. This provided an opportunity to develop a local scheme, which ensures an appropriate, but not necessarily financial solution for people in crisis. Financial assistance takes the form of a grant rather than a loan and other alternative forms of assistance may be provided instead. For example food, clothing, household goods etc.

A fair and transparent process has been developed giving applicants the right of appeal and to request internal reviews of decisions made. The eligibility criteria will remain subject to constant review during the transition year to ensure that those in most need are assisted and applicants' rights are fully protected.

Torbay received £552k scheme funding from the DWP for 2013/14.

The scheme is administered by two staff and the initial enquiries are dealt with by Revenue and Benefits staff, which has proved to be very effective. So far there are no major resource issues, though it has increased the workload for Revenue and Benefits staff.

Analysis of the number of applications received and payments from April to July is summarised in the table below. This shows the number of successful applications has steadily increased since April to around 45.5%, which is a similar rate to the DWP when they administered the scheme, where around 50% of applications were successful.

<b>Month</b>	<b>Applications</b>	<b>Awarded</b>	<b>Refused</b>	<b>Amount Paid</b>
April	224	72	152	£11,360
May	303	136	167	£13,772
June	259	119	140	£8,816
July	324	147	177	£24,565
<b>Total</b>	<b>1110</b>	<b>474</b>	<b>636</b>	<b>£58,513</b>

#### **4. How is the Council monitoring any impact from welfare changes?**

We have developed a monitoring framework to check these impacts during 2013/14 and beyond. The framework considers possible impacts of welfare reform on:

- Number of Housing Benefit and Council Tax Support claimants claiming out of work benefits;
- Number and household types affected by size criteria restrictions (bedroom tax);
- Number and household types affected by the benefit cap;
- Council tax collection rates for all households and those receiving Council Tax Support;
- Number, household types and value of Discretionary Housing Payments;

- Number, household types and value of Exceptional Hardship Payments;
- Number of applications, household types and awards within the Crisis Support scheme

**7. How are agencies working together to ensure that the cumulative effect of future service changes and further welfare reforms are mitigated as well as possible?**

The council and its partners recognise the potential impact of welfare reform as one of the major challenges it will face over coming years. Welfare reform features as a high priority for the council so we are working with the Devon Strategic Partnership Board that will oversee the local response to the changes. The board will work to a welfare reform action plan, which features actions under the following themes:

- Support those most affected by welfare reform into jobs;
- Make the money of those affected by welfare reform go further;
- Inform and prepare residents for welfare reform;
- Inform and prepare staff for welfare reform;
- Engage, involve and prepare elected members;
- Internal council activity.

We are ensuring that support for families with children is reflected in the actions we are taking in the above action plan. Information on some of the most significant actions we are taking are set out below:

**Information and Awareness**

A welfare reform section has been added to the council website. We also developed fact sheets for council and partner staff to give them information about the changes and how to communicate these to residents as well as various briefing and information sessions have been held for staff to keep them up to date with changes.

Information and awareness around welfare reforms will continue as other changes, in particular the roll out of Universal Credit takes place. Particular focus will be made of the support available to people to help them through the changes.

**Welfare rights/advice services**

We have recognised that a key element of support for families affected by welfare reforms is detailed benefit and debt advice. Existing advice services in Torbay, such as the Citizen’s Advice Bureau, have seen a significant increase in demand for their services in the last 2 years, and are expecting a similar increase in demand in the next two years as the government’s welfare reform programme is implemented.

We are planning to implement a demand management approach to advice, which encourages people to deal with their issues themselves where appropriate, developing self help materials and support to help with this. It will also include closer working with Citizen's Advice and Age UK and hope to develop a single information system and a single contact number for advice.

### **Local Support Services Framework for Universal Credit**

Universal Credit will present many challenges to residents in Torbay, with the main issues being that some people will struggle with the "digital by default" method of managing claims, and some will struggle to manage large monthly payments (as opposed to fortnightly payments for some of the benefits Universal Credit replaces), often including housing costs for the first time. Nationally, the Department for Work and Pensions have also come to this view.

The Department for Work and Pensions have indicated that funding will be made available for support in these areas, which will be delivered through a local partnership. This could consist of offering budgeting and financial support alongside an exercise to establish levels of IT skills, and IT access in the community.

### **What are we doing to mitigate the effects?**

A summary of the measures taken to date are provided in Appendix 1 with the key themes being:

- Training on welfare reforms provided to front-line staff and the third sector to enable them to understand the policy drivers and potential solutions available to support families.
- Discretionary Housing Allowance (DHP) specifically aimed at groups affected by the size criteria restrictions (bedroom tax) and the benefit cap.
- Establishing the response to welfare reform as a priority in conjunction with partners including Jobcentre Plus, housing providers and the Worklessness network of employment support organizations.
- Working with Homemaker Southwest who offer specialist advice and support to individuals and families who may be at risk of losing their home. They also offer support to people who may be moving into new accommodation and living independently for the first time.
- Supporting a local credit union Plough and Share who provide access to affordable financial services and advice on budgeting household income
- Use of Crisis Support scheme (introduced to replace the Social Fund) to support vulnerable people who are in short term crisis, to meet their needs for food and essential items or to assist them to maintain their independence within the community.

<b>Appendix 1a: Summary of measures in place to support vulnerable households affected by welfare reforms</b>		
<b>Objective</b>	<b>Action</b>	<b>Outcome</b>
<b>To safeguard vulnerable families/children affected by reforms.</b>	Use DHP and EHF policies to ensure appropriate targeting and prioritisation of vulnerable families.	DHP and EHF provide financial assistance to vulnerable households.
<b>Support children in education when families are affected by reforms.</b>	Use of DHP where appropriate to enable families to stay in property if possible.	Education not interrupted.
<b>Assess the scale and impact of the reforms.</b>	Monitor demand for services, factoring in benefits changes.  Use data and share data to understand scale and impact.	Private and Social Sector Housing monitoring.  Use of data to identify and support vulnerable groups.
<b>Make staff aware of the impact of reforms and have a response for families.</b>	Ongoing training and development of reform changes	Benefits Bulletin for all staff published regularly.
<b>Make information available to families / residents on welfare reforms.</b>	Website (general) information with signposts for further support.  Send letters to households affected by reform changes.	Comprehensive information on the Torbay website.  Sent to all Housing Benefit claimants affected by the changes.
<b>Ensure Members are updated on welfare reforms and their impact.</b>	Regular updates to members and scrutiny committees.	Improve awareness on how welfare changes affect residents and service delivery.
<b>Support households affected by families subject to reforms, or close to them.</b>	Households that previously received full Council Tax Benefit and are falling into arrears are monitored.	Vulnerable households are being contacted to offer support and prevent escalation.
<b>Provide emergency support (goods / services).</b>	Crisis Support Payments administration now provided Torbay Council.	Implementation during April and timescales now quicker than previous arrangements, with families more likely to receive items.

<b>Appendix 1b: Proposed measures to support vulnerable households affected by welfare reforms</b>		
<b>Objective</b>	<b>Action</b>	<b>Expected outcome</b>
<b>To safeguard vulnerable families/children affected by reforms.</b>	Cross check families affected by Council Tax Support, Social Sector Size Criteria (bedroom tax), Benefit Cap and Personal Independence Payments (PIP) with children's databases.	Social workers informed where reforms apply to their cases; Council Tax recovery, benefit cap, and social sector size criteria restrictions.
<b>Support families moving, either into temporary accommodation or permanently.</b>	Provide advice and assistance to under-occupiers to downsize including promotion of direct financial incentives and support packages. By definition, these are focused on under-occupiers rather than rent properties becoming available to families in priority need.	Policy to support where families cannot move into more affordable accommodation.  Arrange welfare reform advice sessions, aimed primarily at households affected by the size criteria restrictions (bedroom tax).
<b>Support families to work / work longer hours.</b>	Employability support: finding employment, create CVs, short courses, training, interview skills, address substance dependency, explore childcare options, specialist support for mental and physical conditions.  Establishing the response to welfare reform as a key theme with the Worklessness coordinator and TDA, and capturing essential joint actions in a Partnership Agreement with Jobcentre Plus  Local employment support providers through the Worklessness coordinator briefed on the programme of welfare reforms and likely increase in demand.	To be developed by Worklessness coordinator.  Welfare reforms to be established as a key theme.  Develop a partnership agreement and identify supporting actions.



<b>Make staff and partners aware of the impact of reforms and have a response for families.</b>	Ongoing training in children's service to cover changes and provide an update on current impact.	Better understanding and improves advice.
<b>Make information available to families / residents on welfare reforms.</b>	Targeted information	Leaflets on various welfare reform changes to be published.
<b>Support families subject to reforms, or close to them.</b>	Potential increase in household debt, health impacts, fuel poverty, poor diet.	Early help service to support families and prevent escalation.

### Welfare Reforms: Action Plan and Activities

#### Outcomes:

1. Increased self help and independence
2. Easy, efficient, effective support to those with short term / high priority needs
3. Help for people and their communities and build resilience within those communities

#### Timescales:

- Short term – 1 to 3 months
- Medium term – 3 to 6 months
- Longer term – 6 months +

The actions highlighted below are high level actions and it is suggested that the Strategic Welfare Group identify leads for these actions who can co-ordinate these projects/ Task Groups and feedback to the Strategic Welfare Group.

This action plan is linked to the longer term aims and objectives of the Economic Regeneration Strategy and the Child Poverty Strategy

LO = Linda Owen, CB=Claire Barrow, AW=Alison Whittaker, BC=Bob Clarke, ND=Nigel Denning, HV=Heather Vallance, LF=Lisa Finn, BP=Bernard Page, JW=Jayne Wills, CU=Charles Uzzell, JB=Joanne Beer

Communication / information / advice			
<b>1</b>	Co-ordinated approach to raise awareness with the public and our partners.	<b>FIS</b> <b>LO</b>	<p>Short term</p> <p>Leaflet outlining some changes produced by Family Information Services (FIS) and published online</p> <p>Council Tax new scheme published at <a href="http://www.torbay.gov.uk/cts">http://www.torbay.gov.uk/cts</a></p> <p>Action: update leaflet</p>

2	<p>Co-ordinated approach to raise awareness among staff and bringing together departments to work together on understanding the impacts on families/ individuals and the knock on impacts on services, as well as how the local authority can work strategically across departments to minimise the impact on families/individuals</p>	<p><b>CB</b> <b>LO</b> <b>AW</b></p>	<p>Short term</p>	<p>Working with DWP on joint awareness sessions covering Welfare Reforms.</p> <p>Working with assistance of TAN for both internal and external staff</p> <p>Action: regular updates on customer contact, mirror public info to staff, website pages/links</p> <p>Action: report on position in Torbay</p>
3	<p>Digital inclusion – report for Torbay to understand digital inclusion</p>	<p><b>JB</b></p>	<p>Short term</p>	<p>Action: Establish/publicise current resources where is internet access free/ cheap. Alternative routes via telephone, face to face.</p>
4	<p>Digital inclusion – establish a method to improve digital inclusion</p>	<p><b>LO</b> <b>AW</b></p>	<p>Medium term</p>	<p>LGA Pilots for the delivery of Universal credit, bringing together, JCP careers advice, CAB, money advice, free school meals to existing Connections services. Co location improves data sharing, opps to charge partners for a hot desking facility.</p>
5	<p>Strategic and co-ordinated approach to the provision of and access to information and advice services.</p> <p>Consider the one stop shop approach and create single face to face gateway for most vulnerable - Linked to 5 below</p>	<p><b>BC</b></p>	<p>Longer term</p>	<p>Is one stop shop right for Torbay?</p>
<p><b>Targeted Support</b></p>				
1	<p>To identify and understand the potential increase in signposting activity from April 2013. Linked to 2 above</p>	<p><b>BC</b> <b>AW</b></p>	<p>Short term</p>	
2	<p>Identify options to ensure that those who need help receive it at the time they need it</p>	<p><b>ND</b></p>	<p>Short term / Medium term</p>	

	Consider Investing in case workers for intensive work with families, working across housing, employment and social services to help families understand their options and, where possible, move into employment.				
<b>3</b>	Appropriate levels of contact for those clients who will be affected by reforms. Offering additional and specific support. Proactively contacting claimants affected by the changes. Consider investing in either telephoning or visiting claimants, as letters are likely to be ignored.	<b>LO</b>	Short term / Medium term	Working with JCP, identification of clients who will be affected by benefit cap already taking place and contact being made to advise of changes.  Clients of Council Tax Benefit contacted to advise them of the changes.	
<b>4</b>	Ensure that existing funding is targeted for those clients most in need. Agree criteria and definition of most in need. Ensuring that the <i>cumulative</i> impact on families of all changes to benefits is understood to avoid multiple and confusing communications with claimants. Ensuring that decisions about allocating discretionary and other funding are in line with the Public Sector Equality Duty, which requires them to advance equality of opportunity.	<b>LO HV LF</b>	Short term / Medium term		
<b>5</b>	Work with partners to identify and bid for external funding. Identify funding streams for local advice services to ensure sustainability and resilience in helping local residents affected more broadly (particularly for those for whom employment is not an option).	<b>BP Devon WAG  JS/FM</b>	On-going	Link to SLA development with CDT Community Development Trust	

<b>6</b>	Establish a policy on debts owed to the Council and the support which is available for our residents.	<b>JW</b>	Short term		Action: ensure Corporate Debt Policy includes action as a result of welfare reforms		
<b>7</b>	Encourage work placements and apprenticeships across public sector organisations.	<b>CU</b>	Short term / Medium term				
<b>Monitoring</b>							
<b>1</b>	Ensuring that Impact Assessments inform decision making.	<b>JB</b>	On-going				
<b>2</b>	Work with the Devon Strategic Partnership Welfare Advisory Group (WAG) to monitor trend and develop an impact register.	<b>JB</b>	Short term / Medium term				
<b>3</b>	Re-establish the partnership forum to assist in the compiling of the impact register and Partnership to support Online Access, Financial Capability, Employment, Vulnerability	<b>JB LO</b>	Short term / Medium term		Action: Establish contact with Welfare Benefits Forum, consider template for impacts		



# **Impact of Welfare Reform in Torbay**

**August 2013**

John Cooper  
District Manager  
Torbay Citizens Advice Bureau

# Impact of welfare reform in Torbay

## 1.0 Background

- 1.1 As the series of major welfare reforms continue to be introduced over the next few years, Torbay Citizens Advice Bureau is well placed to see the human impact of these changes and provide help in mitigating against the problems that arise.
- 1.2 This report highlights in more detail some of the key issues facing Torbay residents in relation to welfare benefit issues from information extracted from our records, the experience of our caseworkers and highlights how access to advice services can help people overcome some of the challenges they are facing. The report also predicts the impact of the changes still to come and provides early indications of the impact of the reforms introduced in April 2013.

## 2.0 Welfare Benefits Advice

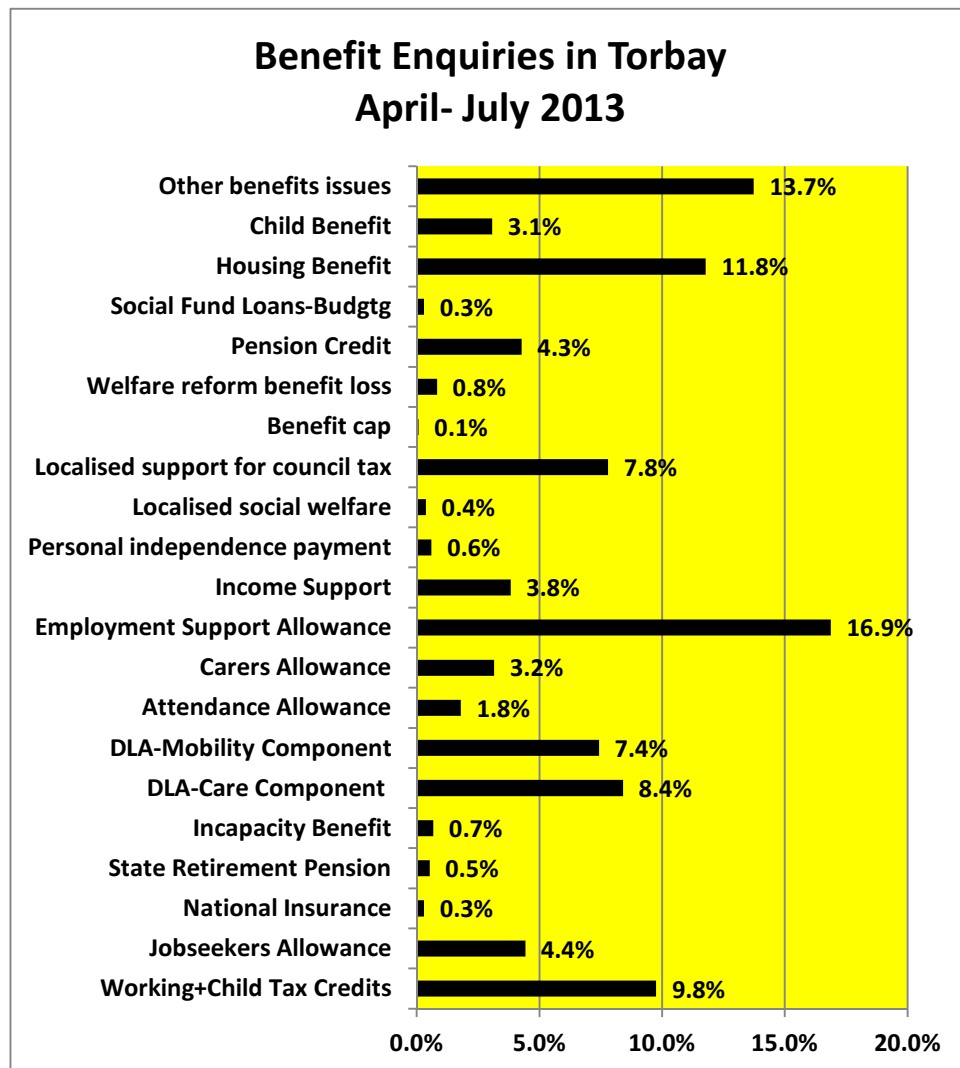
- 2.1 In 2012-13 Torbay CAB dealt with 28,114 enquiries, a 16% increase over the previous year. The top five issues facing residents were as follows:-

- Benefits 30.22%
- Debt 19.51%
- Housing 10.07%
- Employment 9.12%
- Relationships 8.23%

- 2.2 Benefits advice alone accounted for 30.22% of all new issues the service provided advice and advocacy on in 2012/13. Between April 2013 and July 2013 welfare benefit enquiries have now increased to 34.86% of all enquiries received compared to 31.87% for the same period last year.

- 2.3 The graph below illustrates the main areas of welfare benefit issues raised by people accessing our service between April and July 2013. It shows significant welfare benefit issues raised by clients involve Employment Support Allowance, Housing Benefit, Disability Living Allowance, Working and Child Tax Credit and the localised Council Tax reduction scheme.

## Welfare Benefit issues in Torbay:- April to July 2013/14



(Figures are rounded)

### 3.0 Impact so far

- 3.1 A series of welfare reforms have already impacted on a range of people within Torbay. This includes working families, sickness benefit claimants, jobseekers and Housing Benefit claimants. The Local Government Association (August 2013 report) suggest Torbay is one of the worse affected places in the country with 20% of households impacted by the combined effects of welfare reforms.
- 3.2 The combined impact of the welfare reforms has and will continue to result in significantly reduced income for many clients, narrow housing options and ultimately make it difficult for many to remain in their existing home. The benefit changes represent a major challenge for local authorities both in terms of their implementation and in relation to dealing with the increased risks of poverty, debt and homelessness. There is a clear need for access to good quality advice and assistance to maximise income, reduce expenditure and deal with debt and potential homelessness.



- 3.3 Torbay has been particularly hard hit due to the high levels of benefit dependency and a low wage economy. The Local Government Association suggests that 59% of those affected by the welfare reforms include households with at least one person in work. This is confirmed by our figures showing that 55% of people seeking debt advice from us are in work, with 25% working 30 hours or more and the vast majority receiving working and child tax credits due to the low wage levels they receive. The changes to the tax credit system has eroded the living standards and real spending power of many of these households, pushing many people to the brink with residents severely cutting back and in increasing cases, relying on credit for essentials such as food and energy
- 3.4 A survey carried out by Citizens Advice Bureaux across Devon found that people affected by the reforms are faced with stark choices with increasingly high risks of poverty, debt and homelessness. Many will be required to meet housing costs out of benefits which are not designed for this purpose e.g. Jobseekers Allowance, Income Support, Disability Living Allowance unless they can plug the gap with Discretionary Housing Payments which in any event are designed to represent only a short term measure.
- 3.5 While the reforms will reduce national government spending on welfare the increase in debt, poverty and homelessness particularly in low wage areas like Torbay will have financial implications for local budgets and workloads as local authorities, other statutory agencies and increasingly the voluntary sector attempt to support those affected. This will also have a detrimental effect on the local economy as households will have less money to spend in the local economy. Poverty, debt and homelessness often also result in depression and illness, making it more difficult for people to enter the labour market which negates the stated purpose of the reforms which is to 'Make Work Pay', and support people into work.

**Case Study: Impact on income**

Mary is a single person aged 36 in receipt of Jobseekers Allowance of £71.70 per week. She lives in a private sector one bedroom rented flat. Her Housing Benefit was cut by £10 per week as a result of the reduction in her eligible rent to that of the 30th percentile. Prior to the cut, her Housing Benefit fell short of her actual rent by £5 per week.

In April 2013, she became liable to pay 25% (£5 a week) of the council tax.

The net result is that she must find these amounts from her Jobseekers Allowance of £71.70 per week:

- £5 for the pre-Housing Benefit reduction shortfall
- £10 for the reduction to the 30th percentile
- £5 for the council tax.

After paying this £20 a week, Mary is left with Jobseekers Allowance of £51.70: 28% less than the amount the government sets as a minimum income threshold after housing costs.

### **3.6 Employment Support Allowance**

Employment Support Allowance (ESA) remains a significant enquiry area. From April 2011, existing Incapacity Benefit claimants began to be reassessed for ESA, a process which will continue through until 2014 with many losing entitlement to health related benefits.

Between April 2013 and July 2013 we saw a 10% increase in ESA enquiries compared to the same period last year. In particular we have seen a 28% increase in the number of people needing help with appeals (nationally 40% of clients who appeal against their work capability assessment (many of whom are severely ill and/or disabled and have not had their medical evidence adequately assessed at their work capability assessments) have won their appeals - in Torbay we have been successful with 95% of the appeals we have undertaken). In the past month alone we have been successful with 7 ESA appeals for Torbay residents gaining them a combined total of £65,655 in entitlements.

### **3.7 Tax Credits**

Working and Child Tax Credit client enquiries continue to be an important area of advice due to the changing rules in relation to eligibility for working tax credit: including reductions in the basic, 30-hour and childcare elements; increases in the child element; changes to working hours requirements, thresholds, disregards and withdrawal rates.

### **3.8 Housing Benefit**

The changes to Housing Benefit have been complex and wide ranging and will continue to take effect on an on-going basis to 2014. In Torbay, Housing Benefit enquiries increased 20% between 2011/12 and 2012/13 and this trend is continuing into 2013/14. The Local Government Association suggest that reforms to housing benefit and particularly local housing allowance mean that Torbay is one of the worse affected places in the country with 19.5% of households impacted upon by the housing benefit reforms resulting in an annual average loss of £1039 per household by 2015/16. Some of these reforms include-

- April 2011:- Local Housing Allowance cap based on the size of a claimant's property and the scrapping of the five bedroom rate;
- October 2011:- setting Local Housing Allowance against the 30th percentile of local rents instead of the median rent for private sector housing tenants ;
- In January 2012 raising the age at which the Shared Accommodation Rate applies from age 25 to 35; In line with this change Torbay CAB

saw an 8% increase in client enquiries in relation to housing benefit from the 25-34 age groups between Q1 of 2011/12 and Q1 of 2012/13. This trend continues with a 38% increase in client enquiries between Q1 2012/13 and Q1 2013/14. People may be forced to find shared accommodation or face arrears and possible homelessness.

- Increases in non dependant deductions taken from Housing and Council Tax Benefit entitlements in respect of working age households for non dependant adults living at the property
- The introduction of a cap on the total value of benefits (including housing benefit) received for households where no adult is in work of £500 a week for families and £350 a week for single people
- April 2012:- increasing Housing Benefit rates by the Consumer Price Index rather than the Retail Price Index; It is unlikely the Consumer Price Index will keep pace with the rise in local rents. In addition from next year the uprating of Local Housing Allowance will be restricted to a maximum of 1%.
- April 2013:- Introduction of the 'bedroom tax' into the social housing rented sector for "working age" households deemed to have more bedrooms than they need. Those with one "extra" bedroom have seen their benefit reduced by 14 per cent, and those with two "extra" bedrooms see a reduction of 25 per cent. Claimants are facing the choice of making up the difference in rent from other income or trying to find smaller accommodation. Our experience is that people are willing to downsize to avoid the bedroom tax but suitable smaller accommodation is often unavailable. Teign Housing has offered tenants a cash incentive of around £2000 to downsize. As incomes are squeezed and affordable smaller accommodation becomes more limited many could face arrears and potential eviction. This impact will be kept under review in the coming months. However we expect advice on the 'bedroom tax', help to find smaller accommodation in the privately rented sector and the knock on need for money advice to place considerable additional pressures on advice services.

We have already seen a range of people who are affected by the changes, including those with specially adapted homes for their health conditions, separated parents who potentially face losing access to their children and tenants who are struggling to find alternative accommodation despite being willing to move.

- Continuing cuts to housing benefit and the impact of the 'bedroom tax' have increased reliance and demand for discretionary housing payments. This creates real concern as Discretionary Housing payments have only ever been suitable as a short term measure 'to plug the gap'. The Local Government Association (August 2013) estimate that Discretionary Housing Payments will only cover £1 in every £7 of the impact of housing reforms on benefits and then only for a limited period.

### **3.9 Localised Support for Council Tax**

This is a new area of enquiry for 2013 and likely to be an area of growing demand. It currently represents 7.8% of benefit related enquiries but recent evidence suggests people are only just starting to raise concerns.

The main area of enquiry that has recently emerged is arising from people who previously received 100% Council Tax benefit and are now having to pay 25% of their bill. The real concern here is that the families concerned are having to pay significant amounts in council tax out of meagre incomes when they have previously received 100% Council Tax Benefit. This creates a real problem for these working age households who are struggling to make up the shortfall. It also adds additional work and costs to the Council both in terms of reduced income from those accounts they are unable to collect the money from and difficulties in pursuing what in overall terms are relatively small amounts of arrears. The importance of specialist debt and financial capability services to help people meet their obligations is likely to increase in importance.

### **3.10 Crisis Support**

The abolition of the discretionary social fund (community care grants and crisis loans) from April 2013 and its replacement with 'local welfare assistance'. It is likely that there will be additional demand on these payments towards the end of October 2013 when the DWP amend their appeals process which may leave applicants without their benefit while they progress through the mandatory reconsideration process before they are entitled to lodge an appeal against a decision to withdraw or reduce entitlement.

There is a concern that cash payments are still required to help vulnerable people facing an emergency situation (i.e. women fleeing domestic violence, those made redundant etc.), often waiting for benefit payments, and who would not be able to take out a loan with a bank could be forced to use loan sharks, payday loans or begging from friends. The importance of a scheme that continues to offer emergency cash support and advice services that can assist with debt/money problems and assist in accessing charitable and other grants will increase in importance for this group of people

3.11 Therefore the vast majority of the welfare benefit reforms have led to significant reductions in the amount of entitlement available. This has necessitated guiding people through the process to help them understand the changes, challenge decisions when they appear wrong and supporting individuals and families with money management issues as they struggle to adjust to often significantly reduced incomes.

3.12 These changes have increased the value of ensuring Torbay residents maximise their incomes during this difficult time, with an emphasis on helping those suffering ill health and disability who are being hit particularly hard by the changes. As a direct consequence of our work, during the first three months of 2013/14 our advisers increased the incomes of Torbay residents by £619,095 helping to reduce poverty and inequality within the Bay.

This represents not only an increase in income and an enhancement to the quality of life for the recipients and their families but also provides an inflow of resources into the Torbay economy. The biggest area of impact has been in health and disability entitlements, particularly for carers and families with special needs children. This reinforces our emphasis on providing advice within the community through GP surgeries, home visits for the disabled/long term sick, carers and families with children with special needs.

3.13 Many of the changes within the welfare reforms and therefore the resulting challenges that will affect Torbay residents are still to have an impact. Changes being introduced to the benefit system will impact both on working and non-working families. These families will need help, advice and support to understand these changes and cope with the consequences including further reductions in household incomes, increased child poverty, homelessness etc. Some of the changes and challenges which will take place between now and 2017 are detailed below:-

- Continuing cuts to housing benefit and the growing reliance and demand for discretionary housing payments. A meeting between representatives from our bureau and officers from Torbay Council highlighted the need to extend the allocation of discretionary housing payments to other applicants in need i.e. deposits for private rented accommodation outside those for whom the Council had a statutory obligation to assist.
  
- Introduction of Universal Credit. A joint report by the Children's Society and Disability Rights UK based on the findings of an inquiry led by Baroness Tanni Grey-Thompson recently found that while some people will be better off under universal credit several key groups would lose out financially under the new system. These include up to half a million disabled people including:-
  - 230,000 severely disabled people who live alone, or with only a young carer – usually lone parents with school age children – will receive between £28 and £58 less in benefits every week.
  - 100,000 disabled children stand to lose up to £28 a week
  - up to 116,000 disabled people who work will be at risk of losing around £40 a week.

Universal Credit represents one of the biggest set of changes to the welfare system since its creation. Its nationwide implementation, which has recently been delayed, will be a huge challenge not only for the Department for Work and Pensions and HMRC but also for the frontline advice services that will support claimants to navigate the new system. All applications for Universal Credit, with few exceptions, will be online. The 'digital by default' approach to making a claim will not be suitable for a significant number of claimants who will undoubtedly struggle to make a claim. This raises issues of digital exclusion from groups not 'online' and the risk of losing benefit entitlements. There is a real need to address

groups of people who are not 'on-line' for reasons of financial exclusion, cultural reasons and vulnerable groups such as those with mental health support needs or those with complex needs or chaotic lifestyles

In addition with universal credit payments being made monthly and a Citizens Advice survey showing 9 out of 10 people are not prepared for this change people will need help to budget effectively and the option of fortnightly payments.

- Introduction of Personal Independent Payments (replacing Disability Living Allowance for working age households) on a rolling programme between 2013 and 2017 with ESA type medical assessments. This represents a major change to benefits paid to the sick and disabled and is a significant issue for many of the most vulnerable residents within Torbay. The proportion of the Torbay population who experience limiting long term illness is significantly higher at 23.03% than the national average of 17.93 % ( Source: Census). This places Torbay in the top 25% of local authorities in the country in terms of long term limiting illness. In addition, 8 areas in Torbay fall within the top 10% most deprived areas for health and disability deprivation with 14 in the top 20% (Source 2010 deprivation indices). There is a strong correlation between health deprivation and wider inequalities. Torbay also has an above average proportion of the population providing unpaid care in the home. It is therefore inevitable that we will see a significant increase in the advice needs from this section of the community.
- Older couples are currently able to claim pension credit if one of them is over the state pension age for women. Under the welfare reform bill 'mixed age' couples (i.e. one person of working age and one over state retirement age) will be unable to claim pension credit. Under current plans these couples will receive £100 a week less than a couple entitled to pension credit and £30 a week less than the older partner would get if they lived alone. Citizens Advice is currently campaigning to help older people falling within these categories to receive increased payments

#### **4.0 Torbay Citizens Advice Bureau, resources available and mitigating actions**

- 4.1 In the last few months the resources available to help clients with the welfare reforms have been reduced with the loss of legal aid for welfare benefit and debt issues. We are receiving a significant number of people being referred to us by solicitors who are no longer offering their services in areas which were previously covered by legal aid. This has resulted in an increased demand for our services but no extra resources to cope with the demand.
- 4.2 The Local Government Association (August 2013) suggest the available response to mitigating the effect of the welfare reforms is limited to:-

- increasing income by finding work, new jobs or increasing hours(evidence suggesting around a third would seek work to make up lost income although few are being successful)
- increasing income through benefit checks
- reducing expenditure by spending less on non-essential expenditure, trying to re-negotiate rents with landlords(less than 6% of the impact on claimants has been offset by negotiating lower rents) and moving house to lower the rent(there is little evidence this happened although around third in the survey said they wanted to before the reforms)

An interesting idea is the concept of “jam jar” accounts which a credit union can offer whereby rent and utility payments can be held in subdivided accounts to ensure these are untouched and used to clear these bills. Some housing providers are now beginning to pay financial institutions such as credit unions to set up these accounts for their tenants as a way of guaranteeing consistent rent payments and assisting individuals with budgeting.

4.3 The continuation of our core grant from Torbay Council at its current levels for 2013/14 has meant we have been able to continue to provide an advice service including specialist welfare benefit advice from our Paignton and Brixham offices. It is vital that this funding is retained to enable us to continue to help clients during this difficult period. We are able to provide help and assistance to ensure that :-

- **The legal rights and entitlements of residents, particularly those who are vulnerable and disadvantaged, are protected**
- **A sense of clarity and direction is provided** which with the fundamental reform of the welfare benefit system will mean more people will need help and support to understand the changes and adapt to their new situation
- **Residents receive the money they are entitled to.** Benefit related work resulted in a £1,539,003 increase in incomes for some of the lowest income households within Torbay in 2012/13 which not only increased incomes and enhanced the quality of life for recipients (many of whom are on low incomes) but also provides an inflow of resources into Torbay with consequent benefits to the local economy.
- **Debt and money problems can be effectively managed** and where possible alleviated which as the welfare reforms take hold, combined with the current economic situation will result in more people needing help and advice to manage on significantly reduced incomes i.e. financial capability /debt/ benefit/income maximisation advice

4.4 Due to the high level of demand we have developed our service in an effort to overcome the loss of legal aid funding and mitigate against the impact of the welfare reforms and economic problems of Torbay further:-

- We are one of only 16 bureau throughout England and Wales that have been chosen following a tender process to participate in a Martin Lewis Pilot Project from 4<sup>th</sup> November 2013 to March 2014 to integrate

financial capability into the debt advice process. This project will run alongside our financial capability project which helps people manage their debts (i.e. debt relief orders, negotiate with creditors, repayment plans etc), reduce expenditure on essential bills such as energy and water bills while providing life skills for the future, building confidence and enabling families to manage problems and their household budgets better. Our financial capability project also helps clients manage their personal finances with bespoke training provided across all age groups (with a particular emphasis on young people and vulnerable adults) to increase financial confidence and capability

- Our F2F specialist debt caseworker is funded until March 2014 providing specialist debt advice which from 4<sup>th</sup> November 2013 will link into the Martin Lewis Pilot Project. This service provides a key role in making a meaningful contribution to the well-being of individuals, supporting them to face up to and deal with debt at an early stage, helping to alleviate the social costs both to the person/ family concerned and to the wider community resulting from the misery of debt. The service also works to help people who are often desperate and in many cases vulnerable to avoid falling prey to loan sharks or expensive debt management companies whose fees exacerbate the problems they are facing.
- We are also seeking to develop an on-line advice portal to increase self help and advice to help clients through the impacts of welfare reforms, assist with debt and employment issues and offer preventative assistance through income maximisation etc. This will be combined with preventative advice packages to help clients through this particularly difficult time. This project is due to start early next year.

The grant provided by Torbay Council to support our core service remains vital in enabling us to reach the large number of residents who need our help and support during these difficult times.

## **5.0 Conclusion**

- 5.1 Welfare Reform has already had a significant impact on the people of Torbay. Our service is on the frontline of welfare advice and every day we see people affected by these changes. Combined with the economic and social problems prevalent within Torbay and the prevailing economic/ financial climate the impact of the welfare reforms in Torbay is likely to be intensified further as the reductions in income for many of our working age households continues.
- 5.2 The challenges Torbay residents face and the increased demand for advice due to the economic situation, welfare reforms and reductions in household incomes comes at a time of cuts to the funding streams available to not for profit advice agencies. This presents a risk that people will be unable to access the advice they need in order to mitigate and prevent problems spiralling out of control with inevitable consequences for the person/family concerned, local communities and the public purse.



Tina Cross  
Local Service Manager  
Community Outreach Support Service  
Sanctuary Supported Living  
Woodview House  
Torbay Business Park  
Woodview Road  
Paignton  
TQ4 7HP

As a manager of a service that deals with and supports various people with various problems – especially the recent changes in Housing benefit and council tax and all the other changes – we know how important this service is to the public.

Not only do we support the most vulnerable in society but we deliver an extremely valuable service to ordinary people within the community.

Unfortunately, we have seen major cuts within this sector and can only view the future with concern both for the people who are employed in this sector and the people who we offer a service to.

We have seen a marked increase in people needing our support services and can only implore you to continue to set aside monies for this sector, whether it is through Supporting Peoples or direct funding to services like ours

We can only envisage the need for support to increase.



Agenda item: 

<b>4</b>
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**Decision maker:** Cabinet

**Subject:** Housing & Social Care Scrutiny Panel - 'The Impact on the Rented Housing Market of Welfare Reform Proposals' - Progress Report

**Date of decision:** Monday 4<sup>th</sup> February 2013

**Report by:** PCC Tackling Poverty Co-ordinator

**Wards affected:** All

**Key decision (over £250k):** Yes                      n/a

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**1. Purpose of report**

1.1 The purpose of this report is to provide a progress report against the above review and its recommendations, which was conducted between October 2011 and May 2012.

**2. Recommendations**

2.1 That the Cabinet notes the progress made against the Scrutiny Panel report and recommendations (see background documents on page 7).

**3. Background**

3.1 The Housing and Social Care Scrutiny Panel undertook a review 'to consider the impact on the rented housing market of welfare reform proposals' from October 2011 to May 2012. The Panel was chaired by Councillor Michael Andrewes and met formally on several occasions. The Panel received evidence from a number of Council officers, and external independent/voluntary sector contributors. They also visited a key homelessness service in the city.

3.2 The scope for the review was agreed as follows:

- 3.2.1 To understand the timetable for reforms, including consultation processes and how the changes are being communicated to residents.
- 3.2.2 To understand the impact of the reforms in the private sector, in particular the shared accommodation rate for those aged 25-35 coming into effect from January 2012, and the impact for families in 5 bedroom accommodation with the removal of the Local Housing Allowance.
- 3.2.3 To understand the impact of the reforms for the Local Authority Housing Service and tenants, in particular under-occupation policy and single room rates, and treatment of non-dependants
- 3.2.4 To understand the joint effects for private landlords, Registered Social Landlords and the Local Authority of how the move to

Universal Credit paid direct to tenants will affect them and their investment opportunities.

- 3.2.5 To understand the wider implications of the reforms on employment opportunities, the potential rise in homelessness and the reduction in accommodation available for the most vulnerable.
  - 3.2.6 To understand local measures to deal with the potential consequences of the reforms, such as the encouragement of sound financial management through information, advice and education.
- 3.3 A report was subsequently published on the 18<sup>th</sup> June 2012, setting out the key findings of the review and a series of recommendations. The Strategic Director for Adult Services then provided a formal response to these recommendations in her report to Cabinet dated 02 July 2012 (see background documents on page 7). This stated that the majority of recommendations were accepted but it acknowledged that the remit had been a difficult one as, for some aspects of the reforms, more detailed guidance was still being awaited; and others had already been implemented and work was complete. One of the difficulties therefore of the review was that, even as the review was occurring, new announcements were being made in relation to the reforms and it was very much a 'moving sands' situation; and some of the recommendations were out of date by the time the report was published.
- 3.4 Since the review, a comprehensive city-wide welfare reforms risk assessment has been completed, which picks up on most of these actions and goes further than the recommendations in the report, in light of learning and good communication across a range of services around key risks and mitigating actions. This work is co-ordinated by the Tackling Poverty Co-ordinator and is reported in to the Public Services Board on a regular basis.
- 3.5 In this context, progress against the recommendations is as follows:

#### 4. What progress has been made?

- 4.1 **Recommendations 1a,b and c:** these related to lobbying through the Chair of the Panel, in relation to concerns about the implementation of Universal Credit, particularly around the loss of direct payments to landlords under Universal Credit. However this was one of the recommendations which was out-of-date before the end of the review and was no longer therefore applicable. (Wider work is being conducted around Universal Credit and the loss of direct payments of rent to landlords, as evidenced later in this report).
- 4.2 **Recommendation 2:** representation was made by Councillor Andrewes to Lord Freud in relation to the loss of access to justice through legal aid, which affects advice and legal representation on law relating to areas such as benefits, community care and employment. Unfortunately these changes will still be implemented, although they were delayed until April 2013. Some provision however will be available in the city, for example through the PCC-funded service Advice Portsmouth.
- 4.3 **Recommendation 3:** this related to potential lobbying in relation to concerns about the changes to the shared room rates and how this could bring about unsuitable accommodation for parents having contact with their children. This recommendation



was out of date by the time the recommendations were published as the changes had already been implemented. Feedback from Children's Services on this recommendation suggests that unsuitable accommodation caused by the change in shared room rates for 25-35 year olds would certainly pose difficulties in terms of children having space to play in child contact situations, although parents would need to supervise their children adequately within shared accommodation as they would in any other situations. The Head of Children's Services is not aware of any specific feedback to date on this issue but will share any issues as part of the wider welfare reforms work, so that mitigating actions can be considered.

- 4.4 **Recommendation 4:** this related to Council frontline staff receiving training to give basic advice and signposting, with updated information for tenants and more accessible PCC website information. Much work has now been completed in this area. 'Supporting People in Financial Hardship' sessions have been delivered to frontline staff by the Tackling Poverty Co-ordinator throughout the year, and Welfare Reforms Briefing Sessions are being held once a month from January - March 2013 (with more to be booked if required), and are being accessed by a range of staff from different services across the Council. Services such as Revenues and Benefits have signposting in place, in addition to staff's knowledge and experience of welfare benefits. Training is due to be delivered to key Priority B Troubled Families and Families with Complex Problems services in March 2013. In addition the PCC website has been updated with all of the city's key money advices services in one 'Money Advice' section; along with a welfare reforms timetable and general information about the welfare reforms all in one place for both residents and frontline staff. The website information is being updated on a regular basis and can currently be found at: <http://www.portsmouth.gov.uk/living/27879.html>
- 4.5 **Recommendation 5:** this related to the Council promoting the (limited) availability of discretionary housing payments (DHP), and keeping the policy under review to ensure sufficient provision. A DHP briefing was provided to all Councillors in May 2012. Extra funding was provided by central Government for 2012/13 and it appears that this funding is sufficient. Revenues and Benefits are currently working on the requirements for DHP in 2013/14.
- 4.6 **Recommendation 6:** this related to the Council highlighting the help available for older persons e.g. Pension Credit, which is under-claimed, and winter warmth initiatives to help address fuel poverty. Much work has been completed by the Fuel Poverty and Affordable Energy Group and key Advice Services in the city (facilitated by PCC), examples of which include a benefits take up campaign in Flagship in October 2012, benefits and money advice clinics (Buckland Community Centre, the Over 60's Festival), and training to frontline staff as detailed in Recommendation 4. A Winter Warmth Conference was held for Council and VCS frontline staff in October 2012 to prepare for the winter and to ensure that staff were upskilled with the right information and tools. PCC has secured DoH 'Warm Homes' funding for extra 'Keep Warm' resources and grants locally for the winter. Another funding bid has recently been successful for the upgrading of boilers within PCC tenancies, but with a home check that addresses the wider problems associated with fuel poverty. The Fuel Poverty and Affordable Energy Group has also developed literature for frontline staff with details of key messages and resources that frontline staff can use to access support for residents around fuel poverty.
- 4.7 **Recommendation 7:** this related to the Council continuing to promote the take up of benefits and the use of outreach work to get to harder to reach groups - actions for this are covered under Recommendation 6. It should also be noted that Revenues

and Benefits continue to fund a post at the Robert's Centre to provide tenancy support in an effort to avoid evictions and also to maximise income for residents.

- 4.8 **Recommendation 8:** this related to the Council giving consideration to setting up its own rent deposit scheme and the promotion of local schemes. Information from Housing Options suggests that this could be established, but that it would need substantial funding, which hasn't been identified at present. There are a range of local schemes that provide rent deposits which are promoted accordingly (although they do not meet the full demand).
- 4.9 **Recommendation 9:** this related to the Council exploring the encouragement of supported lodging schemes to provide additional housing places. Housing Options have indicated that work within the service has had to focus on key changes such as under-occupancy and so this hasn't been pursued as of yet. However the under-occupancy work will provide opportunities to explore the need for accommodation and this will therefore be reviewed accordingly.
- 4.10 **Recommendation 10:** this related to a review of the Housing Allocation Policy in order to be able to respond to some of the changes - for example addressing under occupation through the transfers list, and also work with tenants around under occupancy to look at their options. As a result of this recommendation and other changes, the Housing Allocation Policy is in draft format and will go out for formal consultation this week. It tries to account wherever possible for the welfare reforms; for example, under-occupancy will be given high priority within the new allocations scheme. In relation to work around under-occupancy, PCC has contacted all affected PCC households (approximately 1600) and has been in direct contact with approximately 1,100, helping residents to look at their options (which may for example involve staying where they are if they can afford to; or downsizing if they can't). The work has highlighted that a significant number of residents are felt to be 'burying their heads in the sand' as to how they are going to manage when their housing benefit is reduced in April 2013. Some residents are however looking at moving to a more affordable property and Housing Options is working closely with Housing Officers to match accommodation to need.
- 4.11 **Recommendation 11:** this related to keeping 'tackling poverty' on the agenda at PCC with promotion through the media, the PCC website, Flagship etc, ensuring that Councillors and others know where to refer people to for specialist advice. See Recommendations 4, 6 and 7 for work in this area. In addition the Tackling Poverty Co-ordinator has been undertaking the wider co-ordination of the Council's response to the welfare reforms, having undertaken a city-wide welfare reforms risk assessment and is reporting this work in to the Public Services Board.
- 4.12 **Recommendation 12:** this related to the Tackling Poverty Co-ordinator analysing the range of advice services on offer, looking at any gaps/duplications and looking at how provision is promoted to the public. Considerable work has been done on this, culminating in the 'Money Advice' pages going live on the PCC website in December, providing an up-to-date directory of key advice services in the city, which can be accessed by residents and frontline staff.
- 4.13 **Recommendation 13:** this involved the possibility of matched funding/in kind funding from PCC (e.g. through premises) to the Fresh Start furniture and training project. This is still being explored - an interim solution has been provided by PCC



for the storage of furniture. PCC will continue to explore suitable premises that meet the requirements of the project.

- 4.14 **Recommendation 14:** this involved lobbying the government to require Personal, Social, Health and Economic Education (PSHE) lessons to include financial management as this was not currently a statutory requirement. Unfortunately the Government's PSHE review had just closed when this recommendation was made. The Tackling Poverty Co-ordinator did however submit an Officer's response highlighting the need for this. Local work on this is addressed in Recommendation 15.
- 4.15 **Recommendation 15:** this was a recommendation that schools locally were encouraged to include financial management within PSHE lessons. In fact much work has been done on this with PCC establishing a PSHE Network with representation from PSHE Leads across a range of schools. After relevant consultation a PSHE Plan has now been developed and is being presented to Head Teachers over the next month.
- 4.16 **Recommendation 16:** this recommended that PCC Housing and RSLs pursue joined up working on providing financial advice/education, looking at areas such as publicity materials, advice, articles etc. Some work has been done on this in relation to the PCC money advice website pages, which any residents can access - PCC or non PCC. The challenge with producing paper materials (brochures etc) is that information about the welfare reforms changes constantly. For example, the Benefits Cap was due to be implemented in all areas in 2013. This will now just be in 4 pilot areas - the rest of the country will be rolled out sometime between May and September. Online advice and materials are therefore easier to amend in light of any changes or updates. The Housing Partnership brings together both PCC, RSLs and private landlords in the city and work has begun in this group to explore more areas for joined up work.
- 4.17 **Recommendation 17:** this related to the Council's promotion of the Credit Union. This is being done in a number of ways; for example, the Council is actively working with the Credit Union on establishing funding opportunities within private sector housing. The Credit Union is always cited by the Council in money advice articles in publications such as Flagship. They are named as a key resource on the money advice pages on the PCC website. Other areas of work with the Credit Union are also being considered, for example possible promotion of the Credit Union's 'jam jar' accounts to help residents manage paying their rent when they lose the right have their housing benefit paid direct to their landlord. However the government is currently looking at the possibility of national financial products and assistance in this arena, and so this will not be progressed until the outcome of the national work is known/considered.
- 4.18 **Recommendation 18:** this related to the Council exploring bank accounts and other financial products on offer to manage benefits and rent, in order to ensure that vital housing costs are paid first. See Recommendation 17 for exploration of 'jam jar' accounts. A working group has been meeting to look at products in more detail that could be promoted to residents in the run up to implementation of Universal Credit.
- 4.19 **Recommendation 19:** this recommendation centred around the need to get more people online, particularly given that Universal Credit will in most cases be claimed online. A multi-agency workgroup was established in 2012, as part of the learning from the city-wide welfare reforms risk assessment and subsequent action plan,

specifically relating to IT Access and Support in the lead up to the implementation of Universal Credit. An audit has been completed of IT that is available to residents in the city, and an audit is now being carried out around the IT skills support required. This will enable some analysis around where the demand is, and what accessibility issues need to be considered. As part of the group's workplan, resources in the city will be promoted heavily as part of the government campaign 'Race on Line' for 2013, to coincide with introduction of Universal Credit. IT courses at the Learning Place are also to incorporate making online claims as part of IT and employment courses.

4.20 **Recommendation 20:** this recommended that Council officers give consideration to the help and support that can be given at Central Point and other organisations in the city to promote their good work for the homeless (such as signing up to the 'No Second Night Out' initiative). Due to competing priorities this has not been physically signed as of yet; however Portsmouth is already recognised as operating under its terms, and is cited as good practice in this area.

4.21 **Recommendation 21:** this stated that a progress report be made against these recommendations in six months' time - as fulfilled by this report.

**5. Reasons for recommendations**

Not applicable - progress report only.

**6. Equality impact assessment (EIA)**

Not applicable - progress report only.

**7. Head of legal, licensing & registrars' comments**

Not applicable - progress report only.

**8. Head of Financial Services and Section 151 Officer's comments**

Not applicable - progress report only.

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Signed by:

**Appendices:**

None

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Housing & Social Care Scrutiny Panel - 'Review to Consider the Impact on the Rented Housing Market of Welfare Reform Proposals' - Report dated 18 <sup>th</sup> June 2012	<a href="http://www.portsmouth.gov.uk/media/cab20120702r6app.pdf">http://www.portsmouth.gov.uk/media/cab20120702r6app.pdf</a>
Response to Housing and Social Care Scrutiny Panel by the Strategic Director - Adult Services	<a href="http://www.portsmouth.gov.uk/media/cab20120702r6.pdf">http://www.portsmouth.gov.uk/media/cab20120702r6.pdf</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:



Portsmouth City Council have provided this risk assessment which captures all of the Council's work on the welfare reforms (assessment of risks, mitigating actions etc).  
PLEASE NOTE it is a draft as it is updated regularly - this is the version as of 5th September.

## WELFARE REFORMS: CITY OF PORTSMOUTH RISK ASSESSMENT

**Version: 5<sup>th</sup> September 2013**

### Risk 1: Impact of Benefits Cap

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Reduced income through Benefits Cap</p> <p>a) Risk that frontline staff/community leaders will be unable to understand where relevant information and advice can be accessed from, for people affected by the benefits cap.</p> <p>b) Risk that those affected do not get the relevant advice and support.</p>	<ul style="list-style-type: none"> <li>• Affects approx 119 households in Portsmouth and 12 in Leigh Park/Wecock Farm.</li> <li>• Mostly affects larger families (households with 3 or more children).</li> <li>• Impact for families: latest analysis shows an average £71 deduction a week (but with the possibility of some support from DHP on a temporary basis). The following examples gives context to these impacts as follows:                             <ul style="list-style-type: none"> <li>○ Weekly loss of under £5 : 2 households</li> <li>○ Weekly loss of £5 - £15 : 17 households</li> <li>○ Weekly loss of £15 - £25 : 27 households</li> <li>○ Weekly loss of £25 - £50 : 20 households</li> <li>○ Weekly loss of over £50 : 65 households</li> </ul> </li> </ul>	<p>Risk a: Likelihood 2 (unlikely) Impact 3 (serious)</p> <p>Risk b: Likelihood 2 (unlikely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>• Jobcentre Plus and Housing Options have worked in partnership to contact affected claimants/look at options such as employment or exchanges. This has mostly focused on the private sector as PCC Housing/RSLs are focusing on the social housing sector.</li> <li>• In the private sector, as of the 28<sup>th</sup> August, 24 affected households are now in employment (some were long term unemployed) and 112 children are now living in working households.</li> <li>• Comparison data re the above currently being sought from within the social housing sector.</li> <li>• Information has been communicated out to relevant frontline staff with processes to follow re the Benefits Cap to ensure effective communication between agencies.</li> <li>• DHP being issued by PCC Revenues and Benefits to support some families with the financial transition, if the families are engaging with the</li> </ul>	<ul style="list-style-type: none"> <li>• Continued work on 'non-engagers' - currently about 16 households in the private sector - by gaining more understanding around lack of engagement (including checking links children's services, children's centres etc)</li> <li>• Continued promotion of website info to JCP staff for better signposting to advice services for affected households e.g. (benefits checks, income maximisation, help with debt/other support services).</li> <li>• Reminders to services about resources to help people get into work such as Progress (currently under-used).</li> <li>• Continued promotion of website info and welfare reforms briefings to frontline staff to advise families.</li> <li>• Continued work on assisting claimants with re-housing through effective use of transfers list.</li> <li>• Continued work on budgeting advice to families.</li> </ul>

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
	<ul style="list-style-type: none"> <li>Options – pay excess if can afford - get employment - re-locate to cheaper accommodation if can't.</li> <li>Consequences - rise in arrears, debt and homelessness. Instability and loss of support networks for children and families where moves are necessary.</li> <li>Private sector households likely to be most vulnerable, without the same support that is available to social housing tenants.</li> </ul>		<p>support available/trying to resolve their situations.</p> <ul style="list-style-type: none"> <li>Continued info sharing between Revenues and Benefits and RSLs.</li> <li>Co-ordinated information on PCC website for frontline staff and the public re welfare reforms and money advice.</li> <li>Targeted welfare reforms briefings delivered to Priority B Services (families with multiple problems), as well as on-going monthly welfare reforms briefings delivered to frontline staff across the city.</li> </ul>	

## Risk 2: Universal Credit (UC): Loss of Direct Payments of Housing Benefit to Landlords

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Loss of ability to make direct payments of housing benefit to landlords under Universal Credit (revised UC timeline - likely to be late 2014 for Portsmouth). <i>(Also risk re move from fortnightly payments to monthly payments).</i></p> <p><b>UC</b> Risk that some tenants will not pay their rent, leading to arrears and homelessness</p> <p>b) Risk that significant proportion of RSLs/Landlords won't take tenants on Housing Benefit.</p> <p>c) Risk that the Council fails to fully understand what is going on in the housing market and fails to communicate this with landlords.</p>	<ul style="list-style-type: none"> <li>DWP decision-maker will decide on vulnerable claimants who need alternative payment methods in consultation with claimant and social landlords.</li> <li>8 week 'switch back' re arrears is critical to avoid debt/eviction.</li> <li>Impact of monthly payments for those with poor budgeting skills (e.g. debt, arrears; increased demand on advice services).</li> <li>Impact of residents without appropriate financial products e.g. bank accounts.</li> <li>Anecdotally rents may be going up; more RSLs using 'affordable rents' model; student numbers going down Need to have up-to-date understanding of the housing market, communicate with landlords etc.</li> <li><b>New as of 28<sup>th</sup> August:</b> Tackling Poverty Strategy Group concerned re impact of sanctions on people's ability to pay rent directly to landlord, with landlords likely to be quick to evict in the private sector (8 week 'switch back' to direct payments may be too late for some).</li> </ul>	<p>Risk a:</p> <p>Likelihood 3 (likely) Impact 3 (serious)</p> <p>Risk b:</p> <p>Likelihood 4 (very likely) Impact 3 (serious)</p> <p>Risk c:</p> <p>Likelihood 2 (unlikely) Impact 3 (serious)</p>	<p>PCC and partners are working on options as follows:</p> <ul style="list-style-type: none"> <li>Exploring appropriate financial products e.g. 'jam jar' bank accounts for tenants who may be more vulnerable to arrears (Some RSLs also doing this).</li> <li>Communicating with and delivering welfare reforms briefings to frontline staff as to how they can work with residents around changes e.g. budgeting advice, products, money management.</li> <li>Co-ordinated information on PCC website re welfare reforms and money advice. Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</li> </ul> <p><i>(N.B. Timing is key. Not all people will transfer on to UC in 2014. It is important therefore that communications aren't delivered too early as this has been found to have little impact with residents).</i></p>	<ul style="list-style-type: none"> <li>Provide residents with appropriate financial products to help with transition.</li> <li>Continue to provide training and briefings to frontline staff as to the changes coming, and how they can help advise residents.</li> <li>Work with residents in advance to increase financial capability through advice from frontline staff, and specialist budgeting/money management support.</li> <li>Comms Strategy work (as with all changes).</li> <li>Work with landlords.</li> <li>Establish from DWP level of influence key workers might have in determining alternative payment methods.</li> <li>Continued work on the Local Support Services Framework (mapping of support and need, consultation with key stakeholders etc).</li> <li>Possible partnership work with JCP locally on sanctions (processes re vulnerable groups e.g. those in hostels etc).</li> </ul>

### Risk 3: Impact of Under-Occupancy/Bedroom Tax' Changes

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Reduced income through new under-occupancy rules for social housing sector tenants (implemented Apr 13)</p> <p>a) Risk that some tenants will not be able to pay their rent, leading to arrears and homelessness.</p> <p>b) Risk that tenants who need to move can't get properties in the areas they need (including moving from larger properties/having to stay in existing properties).</p>	<ul style="list-style-type: none"> <li>Approx 1,700 households are currently affected across the PCC and RSL housing stock.</li> <li>Those with 1 'extra' bedroom lose 14% of their HB, against their total eligible rent (average deduction £12.50 a week) – (on this year's rent levels).</li> <li>Those with 2 or more 'extra' bedrooms lose 25% of their HB as above – average deduction is £22.50 a week.</li> <li>Issues re sufficient properties being available re downsizing.</li> <li>Potential issue re people under-occupying as a result of disabled adaptations.</li> <li>As of July: about PCC 600 households not paying the difference; (about 200 had arrears prior to April).</li> </ul>	<p>Risk a: Likelihood 3 (likely) Impact 3 (serious)</p> <p>Risk b: Likelihood 3 (likely) Impact 3 (serious))</p>	<ul style="list-style-type: none"> <li>Housing Officers are working intensively with tenants to explore options. Resident Participation are helping with employment signposting and support.</li> <li>As of June, exchanges were up 30% on last year. Housing Options have rehoused 41 households since January 2013. (Under-occupiers prioritised on Housing List)).</li> <li>PCC Revenues and Benefits Service working with RSLs to identify and support those affected. Regular communication about changes in both Flagship and Husetalk, posters in area offices, and PCC website info.</li> <li>Partnership between OT and Housing re directing adapted property queries to Housing Officers for advice.</li> <li>DHP is being paid to people who meet the policy criteria and who have significant 'disabled adaptation' to their property, or are registered foster carers.</li> <li>Multi agency Homeswapper event held 12 June to help residents with exchanges. Homeswapper website adapted to help people find exchanges more easily.</li> </ul>	<ul style="list-style-type: none"> <li>Continued work by Housing on engaging residents to find appropriate solutions e.g. make up shortfall, take a lodger, seek income through further employment, downsize etc.</li> <li>Continued welfare reforms briefings/training to wider frontline staff, to enable appropriate advice and support; and also joint work with Housing.</li> <li>Continued consideration to be given, when people ask for adaptations, as to whether this will have under-occupying implications, or whether it is better to downsize to a property that is already adapted.</li> <li>PCC meeting with RSLs re low levels of contact re DHP and the Housing Waiting List to increase joint working etc</li> <li>Continued effort by housing and other agencies on budgeting work with families.</li> <li>Training and tools to support the above (some already released; improved package to be issued shortly).</li> </ul>

### Risk 4: Universal Credit (UC): Impact of Moving to Online Claims

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Moving to online claims (Universal Credit) – latest time line - transitions likely to begin late 2014 in Portsmouth.</p> <p>Risk that 50%+ people in the city (re recent 'On the Buses' campaign) do not have the access, skills, and/or landlines required to manage online claims, leading to increased pressure on the Social Fund and other services, and a decline in income.</p>	<ul style="list-style-type: none"> <li>Consequences – unprocessed benefits claims leading to debt and arrears, mistakes in claims (with claimant having to pay back when over-payments are made)</li> <li>Longer-term consequences of residents not able to manage their finances leading to debt, poverty and homelessness.</li> </ul>	<p>Likelihood 3 (likely) Impact 2 (significant)</p>	<p>Examples of current support in the city:</p> <ul style="list-style-type: none"> <li>Digital Champions (including support in libraries)</li> <li>Regular IT classes (always full)</li> <li>Drop in sessions with JCP once a fortnight</li> <li>Support to Work and Learning Clubs</li> <li>Work with carers</li> </ul> <p>CHAT and JCP also provide sources of support. Ditto re the Community Chests Initiative (computers in Community Centres).</p> <p>Multi-agency meetings have identified reasonable access to IT equipment in the city. The issue is the support/skills required.</p> <p>Work has commenced on a Local Support Services Framework - see next column.</p>	<p>Work is in progress by PCC Revenues and Benefits Service to map the inputs for the Local Support Services Framework for Universal Credit, in consultation with key stakeholders. Work will involve:</p> <ul style="list-style-type: none"> <li>Mapping current support and IT provision across the city.</li> <li>Exploring support available within agencies (with current capacity).</li> <li>Exploring what could be done with additional resources.</li> <li>Exploring links with Super-Connectivity Bid.</li> <li>Establishing the required Local Delivery Partnership, and Framework for Delivery.</li> <li>Sharing of DWP tools that enable staff to better understand the UC process (e.g. distribution of DWP practitioner's toolkit)</li> <li>Feedback to DWP nationally (via regional contacts) re preferred funding draw down mechanisms for Framework (e.g. benefits of LA co-ordination)</li> </ul>

**Risk 5: Impact of Residents who are sick or disabled being incorrectly declared 'Fit for Work'**

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Reduced income/support for people who are sick/disabled but are being incorrectly declared fit for work. (Previously for incapacity benefit transitions, but now will also include DLA/PIP cases).</p> <p>a) Risk of reduced income, debt, arrears and possible homelessness</p> <p>b) Risk that residents misunderstand the advice they are given and/or there is a lack of effective signposting, leading to increased appeals.</p> <p>c) Risk of increased impact on the Social Fund, mental health services and increase in cost for other services.</p>	<ul style="list-style-type: none"> <li>• Reports from relevant advice services in the city that this is frequently occurring.</li> <li>• Of people who have received 0 points on their ATOS assessments/been refused Employment Support Allowance, a high percentage are successful at appeal.</li> <li>• However impact of rising GP workload and not providing medical evidence for appeals unless requested by DWP.</li> <li>• Impact of financial hardship (claimant placed on lower JSA rate during appeal process).</li> <li>• Impact of stress during this process on people who are sick/disabled.</li> <li>• Also an issue with 'bad decisions' on DLA forms – not filled out correctly as people don't understand the questions/relevance.</li> <li>• Impact on services: Advice/other relevant agencies reporting prevalence of cases/increased workload re all of the above.</li> </ul>	<p>Risk a: Likelihood 3 (likely) Impact 3 (serious)</p> <p>Risk b: Likelihood 2 (unlikely) Impact 1 (minor)</p> <p>Risk c: Likelihood 3 (likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>• Advice services are supporting people through appeals processes (but workload is heavy) and provide help with filling out forms.</li> <li>• Feedback given by local advice services through national consultations on medical assessments (but currently problem continues re quality of assessments).</li> <li>• Issues flagged with the Clinical Commissioning Group (CCG) in June.</li> <li>• Issue re GP letters for appeal cases - plans for joint work between PCC and Health, information sessions for GPs etc.</li> <li>• Co-ordinated information now available on the PCC website re welfare reforms and money advice. Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued support required for people when filling in DLA forms (if people had help to understand the relevance of questions more would be correct/successful).</li> <li>• City to provide more help upfront to avoid appeals etc? Capacity to do this through frontline staff? Requires further work.</li> <li>• Continued lobbying re changes to medical assessment/ATOS process (see future mitigating actions in Risk 8).</li> <li>• Comms Strategy work (as with all changes)</li> </ul>

## Risk 6: Implementation of local council tax scheme

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Households in poverty in the city who have not previously paid Council Tax have had to make a contribution from April 2013, under the new funding for the Council Tax Support Local Scheme.</p> <p>The Government funding for council tax assistance has been cut by 10%. In addition the Government has stipulated that pensioners are to be protected, resulting in less support being available across other low income groups).</p>	<ul style="list-style-type: none"> <li>Some households who currently pay nothing are now expected to pay on average £3 a week (depending on the makeup of the household).</li> <li>Every non-dependent is now required to pay a charge.</li> <li>Some households are subject to other welfare benefits cuts, such as under-occupancy changes, or the benefits cap, and so face multiple losses of income.</li> <li>Households who cannot or do not make the payments will fall into arrears which could lead to debt and homelessness</li> <li>Implications for Council revenue streams</li> <li>Possible increase in demand on other services</li> </ul>	<p>Likelihood 3 (likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>Scheme implemented from April 2013.</li> <li>Some arrears already occurring (but still early days).</li> <li>Information available on PCC website about Local Council Tax Support and also re wider welfare reforms and money advice. Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</li> <li>A Council Tax Support Hardship Fund, similar to DHP, has been established to provide support to the most vulnerable who are affected by the changes. Applications for the Hardship Fund are now being received.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration of financial products such as jam jar accounts, to help people budget better for the changes.</li> <li>Reminders to staff that if they hear of residents who are struggling to pay their Council Tax, they should speak to the Council Tax section within PCC. Also reminders – e.g. through frontline staff welfare reforms briefings, and through children’s services – that the Hardship Fund is available, as numbers of applications are currently quite low. (This may be as staff are more focused on applying for DHP for the bigger monetary losses, such as the Benefits Cap and Under-Occupancy).</li> </ul>

### Risk 7: Implementation of local welfare assistance scheme

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>The abolition of the DWP Social Fund from April 2013 (Crisis Loan and Community Care Grant elements) and transfer to a local welfare assistance scheme may result in inadequate support for people in financial crisis.</p>	<ul style="list-style-type: none"> <li>• Tight timelines and insufficient data from DWP meant serious challenges to planning effective provision.</li> <li>• The amount in the administrative pot (i.e. to run the scheme) was challenging in terms of provision.</li> <li>• The overall impact of the welfare reforms is likely to drive up demand. (Demand is currently rising for the provision, although some of this may be seasonal variation).</li> <li>• Provision could therefore not get to the most vulnerable in the city when they need it, leading to further crisis and/or harm for vulnerable individuals/families</li> </ul>	<p>Likelihood 3 (likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>• Provision commissioned out to Northgate (in partnership with the Family Fund) to achieve better value for money with the limited funding available (e.g. providers have access to discounts on goods etc).</li> <li>• Provision commenced 02 April 2013.</li> <li>• Joint work between Northgate and PCC means that learning about local need from the live demand is occurring, and the service is subsequently being shaped to meet the needs of the most vulnerable.</li> <li>• Areas have been identified where demand can be appropriately driven down to compensate for some of the other potential increases.</li> <li>• Information available through the PCC website and through welfare reforms briefings to frontline staff. Feedback from staff is shaping the provision.</li> <li>• Good money advice info available on the PCC website to negate the need for the scheme where possible.</li> <li>• Good local signposting information available as part of the application process, to try and find longer term solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Will use year one to obtain knowledge and learning from the new provision to develop sustainable models for the future, maximising resources that are already available in the city.</li> <li>• Will consult regularly with key stakeholder organisations in the city to ensure that the eligibility criteria targets those most in need.</li> <li>• Further work on join up with/maximising other local resources e.g. Warm Front monies re cookers etc.</li> </ul>



### Risk 8: Implementation of Personal Independence Payment (PIP)

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>People who currently qualify for Disability Living Allowance (DLA) will not qualify, or will receive reduced support, under the new Personal Independence Payment (PIP). This was introduced in Portsmouth for all new claims in June 2013. Existing claims will be processed transitionally from Oct 13 onwards. DLA will be abolished for working age claims).</p>	<ul style="list-style-type: none"> <li>• People likely to receive lower, or no funding under PIP</li> <li>• Impact of financial hardship, with possible debt, arrears and homelessness</li> <li>• Impact of worry on physical as well as mental health.</li> <li>• Possible increase in demand on other services.</li> <li>• Concern that 'Distance able to walk' criteria has been reduced from 50m to 20m.</li> <li>• Will affect vulnerable groups. As of 17.06.13 (excluding those over 65 who aren't affected), 367 Adult Social Care DLA claimants will be affected (of which 258 have learning disabilities).</li> <li>• 'Knock on' effect on other benefits e.g. Benefits Cap</li> <li>• If a claimant no longer gets DLA, their Carer will lose their Carers' Allowance.</li> <li>• Carers will be needed to support those they are caring for at DLA/PIP interviews, but carers could be unaware of this if there isn't effective communication with them.</li> </ul>	<p>Likelihood 3 (likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>• Some specific frontline staff have received briefing/training in relation to PIP so they can advise clients accordingly (e.g. PCC Money Advice and Finance and Benefits Teams).</li> <li>• 2x DWP PIP Briefing Sessions for any/all frontline staff were delivered by DWP in May and June 2013 at Civic Offices - well received.</li> <li>• Information is available on the PCC website (and also re wider welfare reforms and money advice).</li> <li>• Wider welfare reforms briefings, including info on PIP, are being delivered for any frontline staff on a monthly basis.</li> <li>• DWP 'Access to Work' funding is available for people in the workplace with disability issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued communications with relevant frontline staff.</li> <li>• More joint work with health on issues such as appeals/GP letters (see page 6).</li> <li>• Feedback of issues re ATOS/assessments at a national level through lobbying (raise with elected members/Council Leader).</li> <li>• Continued work with Adult Social Care to get better understanding around the predicted impact of PIP transitions in Adult Social Care, OT, Carers Services etc and to look at communications around risks e.g. carers (also impact re children up to 16 transitioning to PIP in Children's Services).</li> </ul>

## Risk 9: Cumulative Impact of All Welfare Reforms

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Lack of co-ordinated approach to mitigating the impact of the welfare reforms across the city</p>	<ul style="list-style-type: none"> <li>• Unnecessary duplication of effort occurs</li> <li>• Gaps are not identified</li> <li>• The public receive confusing information or no information when they need it</li> <li>• As a result mitigating actions do not occur, leading to increased money and debt problems within the city.</li> </ul>	<p>Likelihood 3 (likely) Impact 2 (significant)</p>	<ul style="list-style-type: none"> <li>• Strategic Directors Board agreement for Lead Officer (Tackling Poverty) to co-ordinate wider work.</li> <li>• Structure for work ensures coherency of approach and maximisation of resources.</li> <li>• Work is reported in to Public Services Board for regular updates, ensuring strategic ownership of city-wide response.</li> <li>• Co-ordinated information now available on the PCC website re welfare reforms and money advice, enabling more consistent approach to messages.</li> <li>• Welfare Reforms Briefings being delivered monthly to a wide range of frontline staff (Council, Health, VCS etc) to ensure informed, consistent approach.</li> <li>• PCC Housing and RSLs working together in partnership to mitigate effects e.g. Under Occupancy.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued co-ordination including further work on co-ordination of the ongoing communications strategy.</li> <li>• Continued welfare reforms briefings for frontline staff (including up-to-date website information). Briefings include focus on working with residents more holistically to meet their needs, regardless of service.</li> </ul>
<p>Overall reduced income across the city's population, and changes in spending patterns.  Risk of negative impact on regeneration strategy.</p>	<ul style="list-style-type: none"> <li>• Impact on city – less money in the local economy.</li> <li>• Loss of students will also increase this risk.</li> <li>• Impact of job losses (although some new job creation will offset re Tipner).</li> </ul>	<p>Likelihood 4 (very likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>• Tackling Poverty Strategy and Action Plan has co-ordinated detailed work including:</li> <li>• Review of PCC's key advice services 2011 – which resulted in improved capacity/quality of service.</li> <li>• Promotion of income maximisation</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure scrutiny of decision-making within council as to impact on people in poverty/financial hardship in the city.</li> <li>• Continued improvement of advice services.</li> <li>• Work on increased budgeting help for residents through frontline staff and</li> </ul>

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Overall rise in homelessness (also links to Risk 2 – Direct Payments of HB to Landlords)</p> <p>Risk that Council is unable to meet its statutory responsibilities re housing</p>	<ul style="list-style-type: none"> <li>Real concern over increase in crime as households suffer financial hardship – also increased crime from drug users etc.</li> <li>Impact of increased cost of living – e.g. rising fuel costs/fuel poverty.</li> </ul>		<p>work in the city (helping people to claim unclaimed benefits through PCC FAB Team, AgeUK, Revs and Bens, and advice services).</p> <ul style="list-style-type: none"> <li>Encouraging residents to get debt advice early through promotions and improved advice services.</li> <li>Co-ordinated information now available on the PCC website re welfare reforms and money advice. Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</li> <li>Regular welfare reforms and supporting people in financial hardship training being delivered to frontline staff.</li> </ul>	<p>services.</p> <ul style="list-style-type: none"> <li>Use of case examples to help services understand multiple impacts on residents of changes.</li> <li>Continued welfare reforms briefings/training.</li> <li>More concentrated work around increasing budgeting skills across the city.</li> <li>Comms Strategy work (as with all changes) including website info.</li> </ul>
<p>Risk that Council is unable to meet its statutory responsibilities re housing</p>	<ul style="list-style-type: none"> <li>Increase in arrears/evictions</li> <li>Impact on groups who are already vulnerable to poverty – e.g. children and families (worst hit by the reforms), people with mental illness etc. Safeguarding issues.</li> <li>Impact of displacement from local support networks (likely to cause additional pressure)</li> <li>Anecdotal evidence from agencies that increasing numbers of landlords in Portsmouth are not prepared to take under 35's, and/or</li> </ul>	<p>Likelihood 3 (likely) Impact 4 (major)</p>	<ul style="list-style-type: none"> <li>Supportive rent arrears process already in place for PCC tenants (through rents intervention).</li> <li>Pro-active work by Housing re Under Occupancy, Housing Options and wider work of Housing Welfare Reforms Working Group.</li> <li>RSL actions re money advice and support for tenants.</li> <li>Work on helping people into employment – JCP and a range of other organisations across the city.</li> <li>Co-ordinated information now available on the PCC website re welfare reforms and money advice.</li> </ul>	<ul style="list-style-type: none"> <li>All of the above</li> <li>Further income maximisation – encouraging benefits checks, budgeting, and helping people to access advice, or gain employment through frontline staff and agencies in the city</li> </ul>

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
	those on benefits.		<p>Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</p> <ul style="list-style-type: none"> <li>• Portsmouth Employment, Learning and Skills Plan being finalised – specific to the needs of people in the city. Involves providing people with the skills they need so that they can access the employment opportunities that will be created through regeneration such as the Tipner development.</li> <li>• JCP Work Programme.</li> <li>• Also JCP support in Children's Centres. <b>Update - some provision withdrawn by DWP, but PCC and DWP negotiations have led to 4 JCP workers remaining co-located with another 3 (whilst not co-located) providing outreach.</b> Work of Integrated Youth Support Service re NEETS.</li> <li>• Support from other organisations in the city e.g. PCMI, Pride in Pompey, Learning Links, Go For It etc.</li> <li>• Recent work between PCC and RSLs specifically around joining up effort around employment initiatives for residents/maximising resources.</li> </ul>	
Rise in unemployment/lack of job opportunities	<ul style="list-style-type: none"> <li>• Young people unable to access employment after studies – dangers of 'generation of young people who have never worked'</li> <li>• Higher levels of unemployment in general in most deprived wards.</li> <li>• Impact of potential increase in debt in the city/arrears/evictions/re-possession etc.</li> </ul>	Likelihood 3 (likely) Impact 3 (serious)	<ul style="list-style-type: none"> <li>• Continued awareness-raising re the importance of frontline staff roles – e.g. raising expectations and aspirations, linking residents/young people with agencies to access employment opportunities, encouraging 'better off in work' benefits checks (through continued welfare reforms briefings and training) and work on budgeting.</li> <li>• Build on incentives to employers to employ young people through structures/forums such as the Children's Trust Board, the Business Leaders Group.</li> <li>• Use of contract clauses re jobs for local people as part of PCC and wider procurement etc.</li> <li>• Consider 'City Deal' links.</li> </ul>	

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Increased demand on support services in the city</p> <p>Risk that support services e.g. city help desk, voluntary sector are 'swamped'/unable to respond effectively to meet demand</p>	<ul style="list-style-type: none"> <li>Impact in particular on advice agencies, support services for the vulnerable, Social Housing providers and landlords (e.g. Advice Portsmouth is currently seeing record numbers of people needing help).</li> <li>Likely increase in demand on a range of services in the city including money advice, foodbank, requests for cash assistance at all agencies, as well as DWP Social Fund, and grant giving organisations such as Family Welfare Association etc)</li> <li>Landlords are experiencing increased volume of work re the impact of changes such as under occupancy and general income reduction/arrears concerns.</li> </ul>	<p>Likelihood 3 (likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>Some RSLs are delivering new money advice/tenancy support services to counteract reforms.</li> <li>Review of PCC advice services has increased efficiency/access to service</li> <li>Pro-active preventive work with vulnerable groups, e.g. under-occupiers, those hit by the benefits cap.</li> <li>A new way of working is being piloted by PCC Housing in the Portsea and now Leigh Park area to improve support to people from Housing Officers/pulling in money advice etc.</li> <li>Co-ordinated information now available on the PCC website re welfare reforms and money advice. Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</li> </ul>	<ul style="list-style-type: none"> <li>Upskilling of all frontline staff to identify money problems a.s.a.p./work with people at an early stage before specialist intervention is required.</li> <li>Comms Strategy work (as with all changes).</li> </ul>

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Ineffective communications with residents and staff leading the people not accessing the help they need at an early stage.</p>	<ul style="list-style-type: none"> <li>Residents do not receive timely information about the reforms and their impact.</li> <li>As a result residents end up in money difficulties/debt because they have not been able to take action at an early stage.</li> <li>Residents receive communications (e.g. letters) but do not understand them/do not act.</li> <li>Impact: increase in arrears and debt leading to financial hardship and possible eviction.</li> <li>The needs of people with communication barriers (e.g. those who do not have English as a first language) are not accounted for, and thus people do not receive the advice and support they need.</li> </ul>	<p>Likelihood 4 (very likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>Shared communications plan and timetable across PCC services in development, ensuring information is shared in a consistent way and at the right time with residents.</li> <li>Co-ordinated information now available on the PCC website re welfare reforms and money advice. Info is for both public and frontline staff so that frontline staff can provide advice, support and signposting when needed.</li> </ul>	<ul style="list-style-type: none"> <li>Further development of comms plan as reforms progress/more information is available e.g. detail behind Universal Credit.</li> <li>Specific work required around the needs of those with communication barriers e.g. those for whom English is not their first language, people with learning disabilities.</li> </ul>

Risk	Potential Impact / Consequences	Likelihood / Impact	Current Mitigating Actions	Future Mitigating Actions
<p>Knock on impact of cuts to services across the city.</p>	<ul style="list-style-type: none"> <li>• Cuts to services mean that less support is available for people who are already vulnerable.</li> <li>• People do not receive the advice they need.</li> <li>• People suffer a higher level of financial hardship as a result.</li> <li>• This in turn drives up demand on other services.</li> <li>• Many examples of service cuts that impact – for example the reduction in numbers of JCP workers in Children’s Centres announced recently (which was a way of engaging with hard-to-reach families in children’s centres, including helping them into employment). This has a knock on effect in terms of helping people through the changes.</li> </ul>	<p>Likelihood 4 (very likely) Impact 3 (serious)</p>	<ul style="list-style-type: none"> <li>• Efforts to influence decisions about service cuts in light of welfare reforms.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued reporting to the Public Services Board and other key strategic decision making forums in order to influence decision making.</li> </ul>

# Agenda Item 5

## Appendix 7

### Sefton Metropolitan Borough Council

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<b>Report to:</b> Cabinet	<b>Date of Meeting:</b> 31 January 2013
<b>Subject:</b> Welfare Reform	
<b>Report of:</b> Strategic Director- People	<b>Wards Affected:</b> All
<b>Is this a Key Decision?</b> Yes	<b>Is it included in the Forward Plan?</b> Yes
<b>Exempt/Confidential</b>	No

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#### Purpose/Summary

- 1) To inform Members of the implications of the Welfare Reform Act 2012.
- 2) To consider how Sefton Council working with key partners can develop a response to Welfare Reform to mitigate where possible any impacts on our communities.
- 3) To provide an update on progress so far on looking at the impacts of Welfare Reform.

#### Recommendation(s)

It is recommended that:

- 1) the partnership Action Plan approach is endorsed.
- 2) progress to date on the themes in the Action Plan is noted.
- 3) further specific workshops on themes and neighbourhoods are held with partners.
- 4) progress reports are brought back to Cabinet every six months.
- 5) the real energy and commitment from partners and within the Council to mitigate impact where possible is noted and encouraged.
- 6) a small reference group comprising Cabinet Members – Children, Schools, Families and Leisure; Older People and Health and Communities and Environment be established to oversee the direction of Welfare Reform mitigation.



**How does the decision contribute to the Council's Corporate Objectives?**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community	X		
2	Jobs and Prosperity	X		
3	Environmental Sustainability		X	
4	Health and Well-Being	X		
5	Children and Young People	X		
6	Creating Safe Communities	X		
7	Creating Inclusive Communities	X		
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

**Reasons for the Recommendation:**

- (i) Ensure that Cabinet are fully aware of the potential impacts of Welfare Reform.
- (ii) Enable the Council to set a clear direction and focus for efforts to mitigate impacts of Welfare Reform.
- (iii) To put in place any mitigating actions if possible and work with partners to do so.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

There are minimal costs for organising workshops which are already contained within key budgets. The remainder of costs relate to existing officer time. There may be costs associated with pump priming some of the infrastructure for Welfare Reform. These are contained within a separate report dealing with the Social Fund.

**(B) Capital Costs**

n/a

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b> - Welfare Reform Act 2012 and S1 Localism Act 2011.
<b>Human Resources</b>

<b>Equality</b>		
1.	No Equality Implication	<input type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input checked="" type="checkbox"/>

**Impact on Service Delivery:** The Action Plan has been put into place to mitigate where possible the impacts of Welfare Reform. However, it is clear that even with partner engagement, the Council will only be able to make a marginal impact. There are significant efforts to raise awareness of welfare reform through the introduction of a shared web page and through training of staff. Similarly, work by housing partners to mitigate the impact of housing benefit and trying to prevent homelessness will support the council. However, Welfare reform will inevitably impact on residents and the Council will need to take a view on potential impact on service delivery. It is difficult at this stage to quantify any future impact.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance (FD2069/13) has been consulted and has no comments on the report.

Head of Corporate Legal Services (LD1385/13) have been consulted and any comments have been incorporated into the report.

**Are there any other options available for consideration?**

The proposed mitigation measures have been developed in partnership with key organisations such as JobCentre Plus, Citizens Advice Bureau, One Vision Housing and the community, voluntary and faith sector. Various options were suggested through the vibrant and well attended partner workshops and these have been considered for both deliverability and viability. The options put forward in the Action Plan are considered to be those that can be progressed with a practical outcome.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

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**Background Papers:**

There are no background papers.

## **1. BACKGROUND AND POLICY CONTEXT**

- 1.1 The Welfare Reform Act 2012 received royal assent on the 8th March 2012. The Act – one of the Coalition Government’s flagship bills - puts into law many of the proposals, as well as the broad vision, contained in the 2010 Welfare Reform White Paper *Universal Credit: Welfare that Works*. As with that document the Act is primarily concerned with replacing a number of benefits with Universal Credit. It also develops on a number of changes existent in a nascent form in that White Paper, relating to Housing Benefit, Council Tax Benefit, Disability Benefits, and Employment and Support Allowance.
- 1.2 The premise of the Welfare Reform Act is to move more people into work; simplify the complexities that exist around benefits and to realise savings estimated at £28 billion. Various announcements since the initial financial assessment of savings has made this figure significantly higher.

## **2. KEY ELEMENTS**

The following sets out each of the key elements:

### **2.1 Household Benefit Cap**

- 2.1.1 From April 2013 the Government will put a limit on the total amount of benefit that working age people can receive. This means that households claiming out of work benefits will no longer receive more in benefits than the average wage paid to those who are working. Total benefit payable will be limited to a maximum of £500 each week for couples and lone parents and £350 for single people, though entitlement to certain other benefits will exempt claimants from the Household Benefit cap.
- 2.1.2 Local authorities will be responsible for applying the Household Benefit cap to new and existing claims from April 2013, through Housing Benefit deductions. From October 2013 new claims will start to be taken through Universal Credit and the cap will be applied directly to those claims.

### **2.2 Reforming Council Tax Support**

- 2.2.1 Local authorities have been given responsibility for developing a local Council Tax Reduction Scheme within the following framework:
  - Future Council Tax Support to be offered in form of a discount
  - Local authorities must have a Council Tax Support Scheme by 31st January 2013 to begin on 1st April, 2013
  - Support for vulnerable pensioners should be delivered through a national framework of criteria and allowances (with no changes to current levels of award)
  - Support for Council Tax is provided for the most vulnerable in society
  - Schemes should support work incentives and in particular avoid disincentives to move into work
  - Schemes must set out the classes of person who are entitled to a reduction and the reductions that will apply

- A billing Council must consult before making a scheme and each year must consider whether to revise or replace the scheme.

2.2.2 At the 2010 Spending Review, the Government announced that it would localise support for council tax from 2013-14, reducing expenditure by 10 per cent. This is part of a wider policy of decentralisation and welfare reform. A separate report setting out the approach to localisation of Council Tax Support was agreed by Cabinet.

## 2.3 Universal Credit (UC)

2.3.1 This will be a single benefit paid on a monthly basis and will replace Income Support, income based Job Seekers Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit.

2.3.2 The Department for Work and Pensions (DWP) has worked in partnership with local authorities through the Local Government Association to examine the options for face to face service delivery and it has been agreed that a national service with targeted local flexibility is the optimum solution from the point of UC rollout. The core UC offering, for the majority of UC claimants will be provided by DWP. However local authorities to provide face-to-face support for a minority of UC claimants, with more complex needs, who will need help to access the new online system and more intensive, work focussed support.

2.3.3 An incremental approach is envisaged from October 2013 with applications for the new benefit arising only from new claims or major changes in a claimant's circumstances. Government are asking local authorities who may be considering reducing their benefits services to have regard to the fact that some capacity will be needed to maintain the Housing Benefit caseload prior to full migration to UC; process new claims to Housing Benefit for some working age claimants until April 2014; and to provide the face to face support described above. New Housing Benefit claims for pensioners will also continue until October 2014 and full migration of all existing claims to UC will not be complete until the end of 2017.

2.3.4 The DWP and the Local Government Association are working together on the development of short term pilots to help ensure that local authorities are ready for Universal Credit in 2013, and longer term pilots to help develop a more diverse model for delivering Universal Credit after 2015. More information about these can be found on the website of the Local Government Association.

2.3.5 During discussions with the DWP and DCLG concerns were expressed about plans to pay rent to claimants, rather than landlords, under UC. Housing Benefit Demonstration Projects are underway in certain local authority areas and will involve directly paying Housing Benefit to approximately 2000 tenants in each local authority to examine approaches to help claimants manage their own money on a monthly cycle, test safeguards for landlords and understand the level of exceptions. Although, Sefton is not one of the selected areas, One Vision Housing are testing this out locally with new housing development in Seaforth to see how this would impact on their tenants in Sefton.

## **2.4 Social Fund**

- 2.4.1 This will be replaced with a non-ring fenced grant which will be paid to local authorities and they will become responsible for distribution. This covered crisis loans for people at most need, i.e. victims of domestic violence who have been forced to flee their homes and start up somewhere else. A separate report setting out proposals for how the Council may operate this is on the same Cabinet agenda.

## **2.5 Disability Living Allowance (DLA)**

- 2.5.1 This will be replaced for all working age claimants by a Personal Independence Payment. There is no automatic transfer from one to the other, so people currently receiving DLA will have to make a fresh claim for the new benefit and will be reassessed in line with new assessment criteria.

## **2.6 Employment Support Allowance (ESA)**

- 2.6.1 The amount of time that people can receive contribution based ESA will be limited to 265 days for those claimants in a work related activity group or in assessment phase. The youth element of this for disabled young people has been abolished within the Act for those who haven't paid National Insurance contributions.

## **2.7 The Single Fraud Investigation Service (SFIS)**

- 2.7.1 In February 2012 the Government produced a strategy called Tackling Fraud and Error in Government. This outlined plans to tackle fraud and error in the tax credit and benefit system. They will be creating a single integrated fraud investigation service with statutory powers to investigate and sanction all benefit and tax credit offences. They are also piloting a Mobile Regional Taskforce to concentrate on fraud in targeted, small, areas of the UK.
- 2.7.2 In November 2011, the Government announced that local authority staff currently employed on welfare benefit investigation will become part of SFIS from 2013. These staff will remain employed by local authorities, but operate under SFIS powers, policies, and priorities.

## **2.8 Social Sector Size Criteria**

- 2.8.1 From April 2013, the applicable maximum rent will be reduced by a national percentage rate depending on how many bedrooms the household is considered not to require. A 14% reduction will be made for those who under-occupy their home by a single bedroom and a 25% reduction for two bedrooms or more. The assessment of requirements will be against the same criteria currently used for LHA: a bedroom will be allocated for a single adult or couple; every two children under the age of 10 or each child over 10 if they are different genders.
- 2.8.2 Although there are no planned exemptions to the new size criteria, the Government announced that it would add an additional £30m per year to the national discretionary housing payment budget from 2013/14.

This is aimed at supporting two specific groups of social tenants through the changes. The first group are disabled people who live in significantly adapted accommodation and who may need additional support to remain in their existing homes. The second group are foster carers, including those who need to keep an extra room when they are in between fostering.

- 2.8.3 The Government are working with social housing providers and local authorities to build an effective implementation strategy that will support tenants, their advisers and housing providers in preparing properly for this change.

### **3. DEVELOPING THE COUNCIL'S RESPONSE TO WELFARE REFORM**

3.1 Welfare Reform is one of the largest policy changes to be introduced by the current Government. It was recognised immediately that the Council needed to develop a potential mitigation plan for Sefton residents. From the outset, a strong inclusive partnership approach was taken to develop a single message and a collaborative approach. It is also important that the leadership for the approach is undertaken by partners and community agencies in terms of developing community capacity and resilience.

3.2 A partnership group to oversee mitigation for Welfare Reform was established through the Sefton Borough Partnership Operations Board. This group led by the Strategic Director – People has been overseeing the development of an Action Plan for potential mitigating action. Membership is Citizens Advice Bureau (CAB), One Vision Housing – representing the Strategic Housing Partnership, Sefton CVS – representing the VCF sector, Council and Job Centre Plus.

3.3 The Action Plan has been developed through a series of Partnership meetings and wider partner workshops. These have all been exceptionally well attended with a real energy and commitment to doing what we can. The following themes have come out of the workshop and form the basis for the Action Plan:

- Influencing Policy and Strategy
- Information and advice provision
- Awareness raising/training and workforce development
- Working with employers
- Financial Inclusion
- Foodbanks
- Furniture Recycling
- Clothesbanks and Charity Shop Networks
- Communication

### **4. Update on Themes**

4.1 The following sets out a snapshot of existing activity and is not an exhaustive list. If Cabinet require more detailed information on particular themes, the Head of Corporate Commissioning and Neighbourhood Co-ordination can provide this.

#### **4.1.1 Influencing Policy and Strategy**

- Work has been done in broad terms to develop intelligence and customer insight into where impact may be felt the most. This has been linked to the work undertaken around Council Tax Benefit
- Partnership Group is ensuring that Welfare Reform is factored where possible into policy approaches across all organisations
- Sefton Council continues to participate in and influence City Region work around child poverty, financial inclusion, employment and skills

#### **4.1.2 Information and advice provision**

- In process of mapping current provision and developing a signposting tool for people needing advice and agencies to signpost
- Investigating possibility of a Welfare Rights Forum for workers
- To agree consultation quality assurance standards for advice
- Developing Lottery application for advice and guidance around benefits

#### **4.1.3 Awareness raising/training and workforce development**

- Layered training programme being developed for Council (Members and Officers) and VCF organisations. This will include Member briefings, information packs for Councillor surgeries, training for benefit advisers, basic awareness training for Managers in Council and VCF organisations to cascade to teams.
- Timeline for this is by end of March 2013

#### **4.1.4 Working with employers**

- Looking at opportunities to maintain people into work through Sefton e-work

#### **4.1.5 Financial Inclusion**

- Considering Credit Union Development in Sefton – this is a substantial area for development – including jamjar accounts, emergency payments and how to stop people taking out payday loans
- Addressing illegal money lending – events are planned
- General welfare reform events planned in neighbourhood areas – two already taken place in Derby ward and one planned for Netherton in February 2013
- Linacre and Netherton wards are looking at how VCF organisations can mitigate the impacts of Welfare Reform at a neighbourhood level
- Tentatively looking at digital inclusion and barriers people will face in accessing benefits online – Grange Childrens Centre will be running IT courses supported by CAB

#### **4.1.6 Foodbanks**

- Independent charity for Sefton established with three main hubs
- Sefton CVS facilitating establishments of foodbanks in North and Central Sefton, Sefton Council facilitating establishment in South Sefton
- North Hub- agreed with Lakeside Christian Centre. Temporary storage space agreed

- Central Hub- Discussions are ongoing about coverage of area. St Lukes Church in Crosby will support a foodbank in parts of central Sefton. Sefton CVS are facilitating discussions with other faith leaders about support for foodbanks.
- South Hub- St Leonards/Bootle Team Ministry agreed as lead. Distribution and referral points agreed.
- Collection points in place for all main Council buildings, including Leisure Centres and Childrens Centres – (south only at this stage)
- Collection points in Fire Stations, Marks and Spencers, Bootle, Strand Shopping Centre, Health and Safety Executive, Marsh Lane Police Station, One Vision Housing, range of VCF organisations inc L3o Centre, Sefton Women’s and Childrens Aid
- Meeting with all supermarkets to get sign up in Sefton planned to agree collection weekends
- 1.8 tonnes collected so far. 1 ton is the equivalent to 25,000 cans of soup
- £500 cash donations already made
- Volunteer job descriptions on national volunteering Do-it.org.uk
- Intention to go live as soon as possible but need 4 tonnes of food per foodbank to start

#### **4.1.7 Furniture Recycling**

- Currently mapping out who does what around furniture recycling in Sefton and Merseyside
- Potential opportunities with Bulky Bobs, Furniture Resource Centre being explored
- Looking at a potential cost effective agreements with white goods supplier

#### **4.1.8 Clothesbanks and Charity Shop Networks**

- Exploring whether charity shops could be part of a voucher system linked to work on Social Fund
- Investigating Liverpool Foodbanks clothes swap approach called Tango

#### **4.1.9 Communication**

- Draft webpage developed for use by all partners
- Map of offers made by organisations to support Welfare Reform to be part of webpage signposting people to support

4.2 In terms of the development of the Action Plan and other associated Welfare Reform activity, including related Social Fund initiatives, it is recommended that a Reference Group comprising of the comprising Cabinet Members – Children, Schools, Families and Leisure; Older People and Health and Communities and Environment be established to oversee the direction of Welfare Reform mitigation.



**Sefton Metropolitan Borough Council**

**Report to:** Cabinet

**Date of Meeting:** 18 July 2013

**Subject:** Welfare Reform Update

**Report of:** Cabinet Members Welfare Reform Reference Group **Wards Affected:** All

**Is this a Key Decision?** No **Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

**Purpose/Summary**

To update Cabinet on the work of the Member led Welfare Reform Reference Group which sets the direction for welfare reform mitigation which encompasses:-

- A. Impact of implementation of Welfare Reform legislation so far
- B. Work that partners and the Council are doing collectively around mitigation of impact where possible
- C. Preparation work for further Welfare Reform legislation impacts

**Recommendation(s)**

It is recommended that:

- 1. The incredible energy and commitment from partners and within the Council to mitigate the impact wherever possible is noted and encouraged
- 2. The timeline for implementation of Welfare Reform legislation as set out in Appendix A is noted
- 3. The considerable progress to date on the Partnership Action Plan themes as set out in Section 2 is noted
- 4. The update on Emergency Limited Assistance Scheme (ELAS) as set out in Section 3 is noted
- 5. The emerging issues and proposed mitigation measures are understood and endorsed by Members as set out in Section 4
- 6. Priority short term support wherever possible is offered to families most affected by the Benefits Cap and that the Discretionary Housing Payments Policy is amended to include this priority as set out in para 4.2. d

**How does the decision contribute to the Council's Corporate Objectives?**

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	X		
2	Jobs and Prosperity	X		
3	Environmental Sustainability	X		
4	Health and Well-Being	X		
5	Children and Young People	X		
6	Creating Safe Communities	X		
7	Creating Inclusive Communities	X		
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

**Reasons for the Recommendation:**

- (i) Ensure that the Cabinet is fully informed of the emerging impact of Welfare Reform
- (ii) Enable the Council to focus efforts and capacity in the most appropriate ways to try and mitigate the impact of Welfare Reform wherever possible
- (iii) To put into place any mitigating actions if possible and work with partners to do so

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

Existing officer and partner time is the major resource. The use of the pump priming resource element of £200,000 agreed by Cabinet on 31 July 2013, is also supporting some of the infrastructure that is needed to mitigate the impact wherever possible.

**(B) Capital Costs**

n/a

## Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal – Welfare Reform Act 2012 and S1 Localism Act 2011</b>		
<b>Human Resources</b>		
<b>Equality</b>		
1.	No Equality Implication	<input type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input checked="" type="checkbox"/>

**Impact on Service Delivery:** The partner Action Plan has been put into place and the Welfare Reform Reference Group established to mitigate wherever possible the impacts of Welfare Reform. However, it remains clear that even with partner engagement, the Council will only ever be able to make a marginal impact.

## What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD.2395) and Head of Corporate Legal Services (LD.1710) have been consulted and any comments have been incorporated into the report.

## Are there any other options available for consideration?

The proposed mitigation measures have been developed in partnership with key organisations such as JobCentre Plus, Citizens Advice Bureau, One Vision Housing and the voluntary, community and faith sector. Various options have been discussed and suggested at the vibrant and well attended partner workshops as well as internal workshops. All of these have been considered for deliverability and viability. The options put forward are those that are considered to have a practical and realistic outcome.

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

**Contact Officer:** Steph Prewett  
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## Background Papers:

None

## **1.0 BACKGROUND AND POLICY CONTEXT**

1.1. The previous Cabinet report of 31 January 2013 set out the implications of the Welfare Reform Act 2012. It outlined each element of Welfare Reform and the initial response of the Council working with partners in terms of mitigation. Agreed recommendations were as follows:

- Mitigation partner action plan endorsed
- Cabinet Member Reference Group established to oversee the direction of welfare reform
- Progress report to be brought back to Cabinet every six months.

1.2. There are two significant groups looking at Welfare impact in Sefton and potential mitigation measures. These are the Welfare Reform Reference Group comprising Cabinet Members – Communities and Environment, Children, Schools, Families and Leisure and Health and Older People. This group meets monthly and provides leadership and direction for the Council on Welfare Reform and have delegated authority on Emergency Limited Assistance Scheme. This report as shown above is submitted on their behalf and shows the breadth of issues relating to welfare reform implementation- but also the depth, commitment and activity of partners across Sefton. The Welfare Reform Partners Group which is a sub group of the Sefton Borough Partnership Operations Board is the group that brings together key partners from Voluntary, Community and Faith sector, Citizens Advice Bureau, One Vision Housing on behalf of Registered Social Landlords, JobCentre Plus and the Council. This group looks at how collectively we can mitigate the impact of Welfare Reform on the community. The discussions and decisions from each group

1.3. This report sets out progress in terms of mitigation to date, reflection on the impact of some legislation now in place and how the Council and partners are planning actions as the reforms take further effect. A timeline of when changes will impact in each year is attached at Appendix A.

## **2.0 CURRENT POSITION – RESPONSE TO WELFARE REFORM SO FAR**

2.1 Work continues to progress the key themes identified in the Partner Mitigation Action Plan. This is based on the very well attended and positive workshops that have been held with partners. The following sets out “You Said” which is a collective term for all participants in the workshops and the partnership effort that has happened since:

### **2.1.1 Influencing Policy and Strategy**

#### ***You said:***

Don't produce lots of strategy documents but focus on influencing existing and new policies and strategies:

#### ***What has Happened:-***

- City Region Conference was convened in March 2013 to bring together key partners around opportunities for mitigation. Sefton was highlighted as an area of best practice in terms of its approach and activity relating to welfare reform mitigation. Further conference planned to assess impact of changes in near future.
- Cumulative impact tool has been developed for Welfare Reform which will also provide information to the Child Poverty Commission
- One Vision Housing has piloted paying housing benefit direct to tenants with mixed results which has informed their future plans.

### **2.1.2 Information and advice provision**

***You said:***

Focus on providing specialist advice and information services to people potentially affected by welfare reform changes to build their resilience to cope with the changes.

***What has happened:-***

- Citizens Advice Bureau (CAB) are already commissioned by the Council to provide advice and information across Sefton. In April – mid June 2013 they provided initial gateway assessments to over 500 people in the Goddard Hall office. 51% of requests were for benefits advice
- CAB has produced a mapping tool showing where people can access advice and information. Posters are being displayed in accessible well used venues by the public i.e Council One Stop Shop, community centres
- CAB have successfully secured over £300,000 Lottery funding. Key elements include training frontline staff in public, private and not for profit organisations to be able to effectively signpost and make ‘warm referrals’, creation of a new central advice website with online referrals facility and a single telephone number for advice.

### **2.1.3 Awareness Raising/Training and Workforce Development**

***You said:***

Upskill organisations to make sure that they are aware and understand what the impending Welfare Reform legislation means and the impact on our communities.

***What has happened:-***

- CAB have successfully delivered training on Welfare Reform to over 145 people in the Council and partner organisations. The feedback from this has been exceptionally positive with 83.4% saying it was excellent. Further training will be available if needs be around particular areas and groups
- Welfare rights forum is currently being established to share best practice, manage workloads and influence social policy
- Limited funding has been provided to CAB to provide additional awareness and training sessions for partners on welfare reform as well as developing partner capacity

### **2.1.4 Financial Inclusion**

***You said:***

Tackle illegal money lending, payday loans and try and help people not to get into debt.

***What has happened:-***

- A successful Illegal Money Lending Event was held in February 2013 half term in conjunction with the local schools and community. It raised awareness of loan sharks and provided information about alternative ways of managing money.
- Several locally community organised welfare reform events have been held to raise awareness of advice and support offers. These have been well attended by residents and organisations and more are planned.
- Work is ongoing around community based bank accounts and how credit unions can support people to budget more effectively.
- CAB have secured two years funding from United Utilities to offer financial capability sessions for parents in South Sefton
- A very limited amount of funding has been allocated to tackle illegal money lending

### **2.1.5 Foodbanks**

***You said:***

Create foodbanks to make sure that people in crisis have access to emergency food provision. Make sure that we work alongside existing food giving models.

***What has happened:-***

- Southport and South Sefton Foodbanks launched on 10 May 2013. By mid June they had fed 237 people. 76 from Linacre ward.
- Crosby Foodbank opened on 21 June 2013.
- Maghull Foodbank hopes to be open by September 2013
- Formby churches are sorting out being a distribution point for Southport Foodbank
- Pump priming funding has been made available for infrastructure costs associated with the development of Foodbank provision

### **2.1.6 Furniture Recycling**

***You said:***

Focus on making sure that people in need have access to something to cook on, keep cold food in, sleep and sit on wherever possible

***What has happened:-***

- Sefton Helping Hand Service (SHSS), a local community organisation operate a crisis package (kettle, microwave, toaster, bed, fridge and settee) for those in need linked to Emergency Limited Assistance Scheme
- Council has provided temporary accommodation at Pendle Drive, Litherland to store furniture, etc
- One Vision Housing has agreed to give all pre-loved good condition furniture to them for redistribution and a potential base for the future.
- Sefton Credit Union offer affordable low cost loans for white goods.
- Limited pump priming for SHSS for infrastructure

### **2.1.7 Clothesbanks and Charity Shop Networks**

***You said:***

Provide where possible cheap clothing or clothes swap schemes for people in need

***What has happened:-***

- Parenting 2000 have set up a school uniform bank with five schools in the South Sefton area
- The Council's Education Welfare Service collect school uniform donations and distribute to those in need
- New booklet showing all of the charity shops and services has been produced by Sefton CVS

### **2.1.8 Communication**

***You said:***

Lets have all the information about Welfare Reform in Sefton consistent with clear key messages shared by all partners

***What has happened:-***

- Sefton Borough Partnership Operations Board retain this as a strategic priority and monitor the strategic direction of partners on Welfare Reform
- South Sefton Area Partnership retains this as a strategic priority and is monitoring the impact on South Sefton, the area most affected by Welfare Reform
- Welfare Reform Partner Group as sub group of the Operations Board continues to meet and ensure that partners are fully engaged in supporting mitigation of Welfare Reform and communicating to their respective sectors
- Council website page operational and hyperlinked to partner websites with details of offers of support from partner organisations by area
- Specific workshops around welfare reform issues have been held with high levels of attendance (over 90 people at each one). These have covered development of specific actions such as foodbanks and created the overall action plan. In March 2013, a specific training/raising awareness session on illegal money lending to enable partner organisations and Council officers to spot the signs was held.
- Internal Council officer workshop has been held to share information on Sefton progress and to listen to officer experiences.

### **3.0 Update on Emergency Limited Assistance Scheme**

3.1 ELAS at 25 June 2013 is at week 12 of its operation. Cash payments are coming to an end as arrangements have now been firmed up around the use of Foodbank vouchers and "Paypoint" services.

3.2 By 14 June 2013, 2,347 applications had been received from 1,811 applicants. 1,200 have been agreed. The average amount of the award is £43 which is less than the average DWP award of £62. The highest number of applications are

from 16 - 45 year olds at 76%. 86.5% of applicants reside in South Sefton with over 36% coming from Linacre ward.

- 3.3 The Welfare Reform Reference Group has agreed that the operation of the ELAS scheme with its current temporary staffing arrangements should continue as planned until 31 December 2013 with a continuous rigorous review of performance and spend. All spending is on target and within the amounts awarded by the Council.
- 3.4 An analysis of Linacre ward ELAS applications has been undertaken at the request of the Welfare Reform Reference Group.

This showed that:

1. 712 applications were submitted with 379 being agreed.
2. Highest number of applications were from single females with dependent children (35.8%)
3. 333 (46.7) applicants had dependent children 16 and under. 220 of these had children under 5 years old
4. Four main categories for asking for help:
  1. Awaiting benefits 7%
  2. Benefit Sanctions- 5%
  3. Lost or stolen money- 7%
  4. Ran out of money – 81%

#### **4.0 Emerging Impacts and Potential Mitigation Measures identified by the Council and Partners**

4.1 Much of the work on Welfare Reform has been planning for the changes and putting some of the necessary infrastructure in place, especially with the voluntary, community and faith sector. However, the intention has always been to take stock of the actual impact of the changes as they start to hit and reflect on what potential mitigation measures could be put into place if anything. A further workshop for all partners is planned for September 2013 to share experiences and discuss potential mitigation from a resident and volunteer perspective.

4.2 The following sets out a snapshot of some experiences of our partners and the outcomes of an internal session with Council officers involved in the Welfare Reform agenda. There are potential mitigation measures included where possible, but these are very marginal and are “tinkering around the edges” as the Council and partners cannot mitigate the impacts in their entirety.

- a) **Impact** - One Vision Housing are experiencing a drop in income and a lack of demand for three bed roomed houses because of fears over the Bedroom Tax. They are currently considering their strategy for debt collection.

**Potential Mitigation Measures** - Debt collection policies and the real possibility of cumulative debt are being discussed by the Council and Registered Social Landlords

- b) **Impact** - CAB has seen over 500 people in their Bootle office from beginning of April 2013 to 10 May 2013 and on average are unable to see over 75 plus people



a week. Request for benefits advice is rising from 40% of the Bureau workload to 51%.

A real issue of concern which comes through partners and Council frontline staff is the level of stress that communities are under. Staff and volunteers in some cases are struggling to provide support for people preventing in crisis as there is not a solution to the issues. Volunteers which are the lifeblood of organisations like CAB are under considerable stress and are reporting that they do not feel that they can make a difference which is what they signed up to do.

**Potential Mitigation Measures** - CAB has been awarded a further £200,000 from the Emergency Limited Assistance Scheme and the Community Support Fund. This is for work in South Sefton to enable them to recruit more volunteers and therefore undertake more assessments and extend the opening hours. The stress and pressure on staff and volunteers is a serious issue and building resilience is a key element of the draft Council Action Plan.

- c) **Impact** - Concerns have been raised about the level of awareness and understanding of the impact of welfare reform by JobCentre Plus. For example, people are presenting at CAB asking for foodbank vouchers after being sent there by JobCentre Plus. The JobCentre Plus has the facility to provide foodbank vouchers direct and are potentially building up further capacity issues for CAB. Similarly, JobCentre Plus have referred people direct to the Council for ELAS when they offer a short term benefit advances loan for people whose benefits have not been paid.

Organisations have also requested details of where benefit sanctions have been applied to understand what support clients may need. Anecdotal experiences of where benefit sanctions have been applied have been told to organisations like St Leonards and Sefton@Work within the Council. Work is ongoing to see what information about benefit sanctions can be provided and if so to whom.

**Potential Mitigation Measures:** The above issues are being addressed by building up direct relationships with the local Job Centre Managers and this is a key priority action to keep flagging issues up and addressing them. This will become increasingly important as the Department Work and Pensions (DWP) Local Support Services Framework takes effect.

There is another City Region Welfare Reform Conference planned for September 2013 and this will be another opportunity for the Council and partners in Sefton to continue to lobby DWP about having realistic expectations of the capacity of Sefton to respond and the need for DWP to understand the needs of customers and potential access to support services.

- d) **Impact** - Arvato have seen the highest ever levels of customer contact in their One Stop Shops and Contact Centre in the last two months as a result of Council Tax Reduction Scheme (CTRS) and Welfare Reform, especially Housing Benefit concerns. In Sefton, there are 3,700 households affected by Housing Benefit reductions with the average reduction per household being £12.65 per week. The total reduction is likely to be £2.4m.

82 families who may be most affected by the Benefit Cap have now been identified by DWP. The impact for some families is expected to be at its highest £150 per week this relates to loss of Housing Benefit. Implementation date is between 15 July- September 2013. There is no indication of who will be affected first as the system works on National Insurance numbers.

**Potential Mitigation Measures** - Work is ongoing in the Council and with partners to undertake some case management with these families if they wish to access support to try and help them to cope with reduced income and build their personal resilience. This will not replace the amount lost, but will try and mitigate some of the impact and potentially increased costs to the Council and partners.

A Discretionary Housing Payments Fund (DHP) of £547,790.00 is available to provide financial assistance for those affected by Housing Benefits reductions. In April and May 2013, the volume of applications has increased by 747% on the same period last year. By end of the first quarter to June 2013, £133,000 has been paid or committed. This equates to 24% of the available resource. No cases of benefits cap are included to end of June 2013 since this only comes into effect in July 2013. Whilst a few cases have been committed for six months all will be reviewed after three or six months and the commitments arising from in year reviews have not been included in those figures. 686 decisions have been made with 354 being refused and 332 granted. It should be noted that in some cases 68% related to under-occupancy in the social rented sector.

The Discretionary Housing Payments may be used to support families affected by the benefit cap. There is pressure on this fund, however it is being managed to contain the range of demands within the budget available. It is accepted that this is challenging given the pressures of welfare reform. If the number of claims continues at the rate of this first quarter, this may lead to an overspend against the fund. However, it is anticipated that the first quarter will be the highest quarter, with the exception of the benefit cap. Members may wish to use the DHP to support families with the benefits cap.

CAB continue to provide debt advice through the One Stop Shops. Arvato work closely with RSLs and provide a dedicated officer to OVH to assist with priority cases.

A DWP employee will be co-located within the Council in the next few weeks to support the implementation of the benefit cap

The Welfare Reform Reference Group are asking Cabinet to prioritise support for those families most affected wherever possible. As a short interim measure, it is recommended that the Discretionary Housing Payments Fund includes them as a priority group for support and the policy amended to reflect this. Recommendation 5 refers to this.

Confirmation is also being sought from Arvato for resource arrangements beyond 31<sup>st</sup> December 2013.

- e) **Impact** - There are reports of an increase in illegal money lending and payday loans which are both issues that the Welfare Reform Reference Group and Partner Group continue to look for ways to address them.

**Potential Mitigation Measures** - On 9 August 2013, there is a community event called Boofest, Council staff will be carrying out questionnaires about illegal money lending and providing information about it. Riverside Housing Association will be holding a raising awareness session outside the Strand- date to be arranged. Awareness raising days in Southport and work with local schools are being planned. Leaflets warning of the dangers of loan sharks are being put in every food parcel from the foodbanks in the south and north of Sefton. Ward Members will be kept fully informed and involved in this work as it develops.

It is acknowledged that providing alternatives to payday loans is still a major gap going forward. Work is going on at a national level which Sefton is looking at closely. Locally, Sefton Credit Union offers emergency loans to existing Council employees only. Work is ongoing around community bank accounts as a way forward. This is very much an area under development.

- f) **Impact** – The fact that benefits are accessed online is a continuing issue for Sefton as digital exclusion is a problem in some of Sefton’s communities. CAB estimate that 37% of clients will need support to make this digital transition.

**Potential Mitigation Measure** – The Council recognises that capacity issues have hindered the pushing forward on this agenda. An internal workshop is in the process of being organised to identify what can be done. Sefton CVS are currently refreshing the mapping of all Voluntary, Community and Faith organisations that may be able to assist.

- g) **Impact** - Linked to Welfare Reform is the fact that 32,000 Sefton households have migrated from Council Tax Benefit to local Council Tax Reduction Scheme from April 2013. This has meant a further 17,330 Sefton households paying more Council Tax since April 2013. Council Tax collection is currently running at 0.5% below last year levels.

**Potential Mitigation Measures-** Initially for those residents in arrears and subject to Court proceedings – only cost is £3 that the court charges them. The approach to collection of money is one of encouragement to pay through letters and phone calls.

As above the Council and OVH and other RSLs are discussing cumulative debts and agreeing a common approach. An exceptional Hardship Fund does exist for those customers in financial difficulty with paying their Council Tax.

#### **4.3 Initial Priority Actions Identified by Internal Council Workshop**

4.3.1 These are initial priority actions proposed by the above which need to be explored in further detail:-

- Increase the availability and provision of information, advice and support.
- Identify further funding streams that exist within the council that are related to Welfare Reform linking in with the existing work already undertaken.
- Supporting families most affected back into work.
- Optimise the opportunities afforded to the council in the Local Plan for our residents and communities

- Training for frontline staff & support.
- To adopt a holistic to those Not in Education, Employment or Training (NEET)
- Utilise the options available through the Complex Families contract to improve residents skills.
- To monitor and mitigate the potential for increasing homelessness due to the impacts of Welfare Reform.
- To develop a sustainable model for community resilience
- More collaborative working with DWP
- Ensure that we have the right information in the right places.

5. Resources to support the impact of Welfare Reform are tabled below.

<b>Funding stream</b>	<b>Amount</b>	<b>Purpose of funding</b>
<b>CTRS hardship fund</b>	£143k	To assist CTR applicants to meet their CT liability
<b>Welfare assistance</b>	£955k (Plus £250k administration)	To help Sefton residents to pay for items that they may need in a 'crisis'
<b>Troubled families</b>	£660k (Attachment fees)	The Government has provided this funding in order to provide intensive interventions for 'troubled families'. The DCLG are providing an 'up front' attachment fee, with potential more funding to follow, based on results. The amount of funding for 2013/ 2014 is yet to be agreed, but is likely to be around £660k Arvato have worked with Sefton Council and have identified 11 'troubled families' that will be affected by the benefit cap
<b>Children's Act (Section 17 funding)</b>	£60k	Sefton MBC set aside Council money for 'Preventative and Support budgets', to support children and families. The £60k is the budgeted amount that Sefton receives for looking after children and care leavers. In reality, the team spends more than twice that amount as the budgets weren't aligned when the functions of the teams changed. The extra funding comes out of Sefton's budget
<b>Homelessness</b>	£88k	The Council has a Homelessness Prevention Grant of £88k. The vast majority of this funding is used for Southport Housing Centre. The centre helps with a wide range of housing related issues including rent arrears, tenant rights, landlord rights, disrepair and homelessness. They also advise and support landlords, tenants, homeowners and the homeless

<p><b>Independent Living Fund</b></p>	<p>Care package funding of circa £200 per week for the disabled person</p>	<p>The ILF is a Non-Departmental Public Body of the Department for Work and Pensions and provides discretionary trust funding to allow disabled people to live independently.</p> <p>The ILF currently provides payments to 19,136 disabled people nationally. Local Authorities provide care packages to 16,128 of these disabled people of in excess of £200 per week. The funding comes out of Sefton's budget.</p> <p>The DWP carried out a consultation on the future of the ILF – the response is attached at Appendix 6.</p> <p>The Government will close the ILF in 2015 and will devolve funding to Local Government</p>

Welfare Reforms – Outline Timeline for Changes

The following timelines are subject to change, and some in relation to Universal Credit are 'best guess' estimations.

	CHANGE
2013	Abolition of Council Tax Benefit – Introduction of localised Council Tax Reduction Schemes
	Abolition of Community Care Grants and Crisis Loans for general living expenses – Introduction of localised Welfare Assistance Schemes
	Replacement of Crisis Loan Alignment payments with a new national scheme of Short Term Advances – Administered by DWP
	Introduction of Universal Credit in pathfinder area (Tameside) reduced to 1 pilot site, from initial 4.
	Introduction of Housing Benefit Size Criteria in Social Rented Sector (Bedroom Tax)
	Introduction of Personal Independence Payments (PIP) to replace Disability Living Allowance for new claimants in pathfinder areas – Includes Merseyside
	Introduction of Personal Independence Payments (PIP) to replace Disability Living Allowance for new claimants nationally
	Introduction of a Benefit Cap (Limiting the total amount of benefit payable to working age customers)
	Introduction of Universal Credit to replace Job Seekers Allowance
	Commencement of re-assessment of limited Disability Living Allowance awards
2014	National rollout of Disability Living Allowance re-assessments
	Migration of Incapacity Benefit claimants to Employment Support Allowance completed
	Introduction of Universal Credit for in work customers
	New out of work HB claims transition to Universal Credit commences
	Changes to Pension Credit to support customers with children in full time education
2015	New in work HB claims transition to Universal Credit commences
	Proposed closure of Independent Living Fund (ILF) and devolvement of funding to Local Government
	Change in Circumstance and JSA HB claims transition to Universal Credit commences
	All other HB claims transition to Universal Credit commences
	Pensioner HB claims move to Housing Support as part of Pension Credit

	CHANGE
	Re-assessment of all Disability Living Allowance claims completed
	Transfer of all claimants on legacy benefits to Universal Credit completed

### Quick Guide Three: Welfare reform, the impact on communities and demand for local services



North West Employers has come together with the Centre for Local Economic Strategies (CLES) to develop and deliver this new and thought provoking councillor development series to help you to be up to date with the latest thinking and practice in community leadership.

We are really excited about this series and the opportunities it will give councillors to learn and discover how they can shape their own community leader role to achieve the best outcomes for local people. This is vital given the fast moving pace of policy agenda, the on-going financial pressures and the radical changes taking place in local government.

The community leadership series has a total of 7 different sessions for delegates to attend. Each session will also be accompanied by a quick guide to the topic which will give a no nonsense overview and sign-post you to further information.

- **Community Leadership:** What does this look like for the 21st century councillor?
- **Localism:** The beginning of a new era
- **Governance:** Exploring new approaches
- **Health Care Reform:** The challenge for councillors, constituents and services
- **Welfare Reform:** The impact on communities and demand for local services
- **Economic Stewardship:** Creating local economies that benefit local people
- **Social Growth and Civil Society:** The changing relationship

#### Introduction

The Government is currently undertaking the biggest shake up of the UK's welfare system in over fifty years. In the eyes of the Government, the system has become mired in complexity, subject to fraud and operating to maintain people on benefit rather than in employment. The Welfare Reform Act 2012 is now in force and through a series of legislative measures contained within it, Government is seeking to reduce the UK's welfare benefit costs by £18 billion over the next five years and promote work as more beneficial than claiming benefit (a further £3.7 billion savings was announced in the Autumn Statement). Embedded in the Act are a range of measures designed to simplify, streamline and reform the payment of out of work, income, housing and disability related benefits; re-assess the fitness or otherwise of claimants to work; and provide employment related support.

This briefing provides the following:

- An outline of the key elements of welfare reform;
- An assessment of some of the key likely impacts on places, people and services;
- An overview of examples of what local authorities are doing in response to welfare reform.



Centre for Local  
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## The welfare reforms

There are four key elements to the welfare reform programme, which follow on from reforms that were introduced under the previous government:

- to replace the complex mix of out of work benefits and working tax credits with a single Universal Credit;
- to introduce a single welfare to work programme (the Work Programme), designed to support longer term unemployed people back to work;
- to reassess claims of disability and incapacity related benefit, and particularly individuals' capability to work;
- to cap the total amount of benefit that working age people can receive so that workless households should no longer receive more in benefits than the average earnings of working households. The cap will be £500 p/wk for couples and lone parents and £350 p/wk for single adults.

## Changes to welfare benefits

There are currently, and have been historically, five key types of benefits:

1. Out of work benefits - Jobseekers Allowance (JSA), Incapacity Benefit (IB), Employment and Support Allowance (ESA), Severe Disablement Allowance (SDA) and Income Support (IS). These have sought to provide income for both jobseekers and those unable to work due to particular circumstances such as sickness or having small children. These will all be replaced by Universal Credit;
2. Housing benefits - Local Housing Allowance (LHA). This has sought to support low-earning or unemployed residents in the payment of their social housing or private rented housing sector rents. This will be incorporated into Universal Credit from October this year but current reductions in LHA for under 35 year olds and penalties for working age families under-occupying social housing and the benefits cap (to be administered by reductions in Housing Benefit payment) will impact from this April.
3. Disability benefits - Disability Living Allowance (DLA). This has sought to support the care arrangements for disabled people and enhance their mobility. Personal Independence Payments (PIPs) will replace DLA with existing claimants of DLA being re-assessed;
4. Tax credits - Working Tax Credit (WTC) and Child Tax Credit (CTC). This has sought to supplement the incomes of working families and support the payment for childcare arrangements. These will be incorporated into Universal Credit;
5. Council Tax Benefit – This supports people on low incomes in paying their council tax bills. This will be replaced with a localised support mechanism from this April. Funding for council tax benefit will come from un-ring fenced grants paid directly to local authorities but will encompass a 10% saving on the current Council Tax Benefit bill.

## Universal Credit

The Welfare Reform Act will streamline some of the above benefits (with the exception of DLA and some elements of contributory ESA and JSA which are time-limited) and replace it with a single Universal Credit, designed to reduce the administrative burden and cut some of the fraud that currently exists in the system. The Universal Credit will be implemented in phases from October 2013 (subject to piloting from pathfinders in Greater Manchester and Cheshire from April 2013) on a means tested basis for people of working age, with change in amounts of benefit payment expected for current recipients of the above benefits and credits. Universal Credit will be phased in as follows:

- 2013-14 - 500,000 new claimants of benefits and credits will be placed on Universal Credit and around 500,000 existing claimants will move to Universal Credit when they experience a significant change of circumstances;
- April 2014 onwards - 3.5 million existing claimants of benefits and credits move onto Universal Credit when they experience a significant change of circumstances;
- 2015-17 - 3 million households will be transferred to Universal Credit by local authority boundary as the old system winds down.

The amount of Universal Credit paid will depend on a claimant's level of income and other family circumstances with reference to four elements:

- a standard allowance to cover basic living costs;
- support for those with children;
- support for housing costs;
- support for what the Act terms 'other particular needs and circumstances'.

## Housing Benefits

Universal Credit will replace most existing benefits including Housing Benefit. The reform to Housing Benefit (or the housing component of Universal Credit as it will become) will introduce a new size criteria or 'bedroom tax' in the social rented sector whereby those under-occupying their property may receive a penalty of between 14% for one extra room to 25% for two or more rooms. Benefit will also be received directly by the tenant.

From April, there will be a total benefit cap of £26,000 a year, equivalent to £500 a week for a couple or family; where this is exceeded, Housing Benefit will be restricted to a nominal 50p a week. Where it is less, the amount of Housing Benefit paid must not take total income over the £500 a week level. A cap of £18,200 a year or £350 a week applies for single claimants. The policy only applies to people of working age. Those who are working and receiving Working Tax Credit will be exempt.

There is also a new cap on Local Housing Allowance (LHA) which sets LHA at the 30th percentile of Private Rented Sector (PRS) market rents in each Broad Rental Market Area (BRMA), as opposed to the previous median. Following the changes to LHA, the Department for Work and Pensions suggest that the average family in England will lose an average £22 a week.

The changes to LHA for private tenants and Housing Benefit for social tenants are likely to have impacts upon the extent to which people can afford to live in certain neighbourhoods. There may be movements to seek cheaper rental property or people downsizing to social housing that better meets their requirements without under-occupancy penalties.

## The Work Programme

The Work Programme (WP) is the Government's key initiative for supporting people into employment. Whilst Jobcentre Plus retains its role as the core mainstream provider of employment support; individuals are referred to a Work Programme prime contractor once they reach a certain point in their claim of out of work benefits. The programme was commissioned from contractors using a 'black box' approach, meaning that there are no prescriptions for delivery and there are a range of interventions. The WP also operates on a payment by results basis, so the main bulk of payment is received when an individual sustains work beyond six months. Prior to referral to the WP, claimants can access a range of support tools through Jobcentre Plus advisors. One tool is skills conditionality where the skills needs of claimants are identified and then they are mandated onto local employment related training.

Advisers can also refer claimants to the 'Next Step' service (now known as the National Careers Service). If claimants still need support they are moved onto the WP. The WP has been supplemented from April 2012 by the Youth Contract, where WP providers will receive extra funding for supporting young people into work experience and apprenticeship opportunities. It also includes guaranteed work experience placements for all unemployed 18 to 24 year olds wishing to participate.

The introduction of the WP has changed the employment support available to individuals. Particularly it will affect the longer term unemployed and those with more complex needs.

## Work Capability Assessment and Disability Reassessment

The reassessment of Incapacity Benefit (IB) claimants through the Work Capability Assessment (WCA) has been ongoing since October 2008 for new ESA applicants and is now assessing the fitness for work of the UK's 2.6 million claimants of IB. It is being carried out by private sector firm ATOS, and claimants are being put into 3 groups dependent upon the outcome of their assessment:

- 'fit for work', where they have the opportunity to apply for JSA and actively seek employment;
- 'support group', where they are transferred to ESA as they are unable to work;
- 'work related activity group', where they receive the basic rate of ESA and support in getting back to work. Their medical condition will also be reviewed again.

For new claims between September and November 2011, figures released by the DWP show that 45% of assessments had an outcome, and of these: 45% were entitled to ESA, 20% were placed in the 'work related activity group', 25% were placed in the support group; and 55% were assessed fit for work and therefore not eligible for ESA. For the reassessment of existing claimants up until July 2011, of the 92% of assessments that had an outcome: 63% were entitled to ESA, 34% of which were put in the work related activity group and, 29% of which were put in the support group; and 37% were assessed fit for work, and therefore not eligible for ESA.

This change causes a significant loss of income for those moved to JSA from IB; over £28 a week is lost for those aged over 25 and nearly £43 a week for those under 25. The outcomes are also increasingly being met with appeals and challenges.

DLA will not be included in Universal Credit, however, but it will be replaced with PIPs to streamline the system. Reassessment is expected to cause a 20% reduction in costs and 500,000 fewer people receiving DLA by 2015.

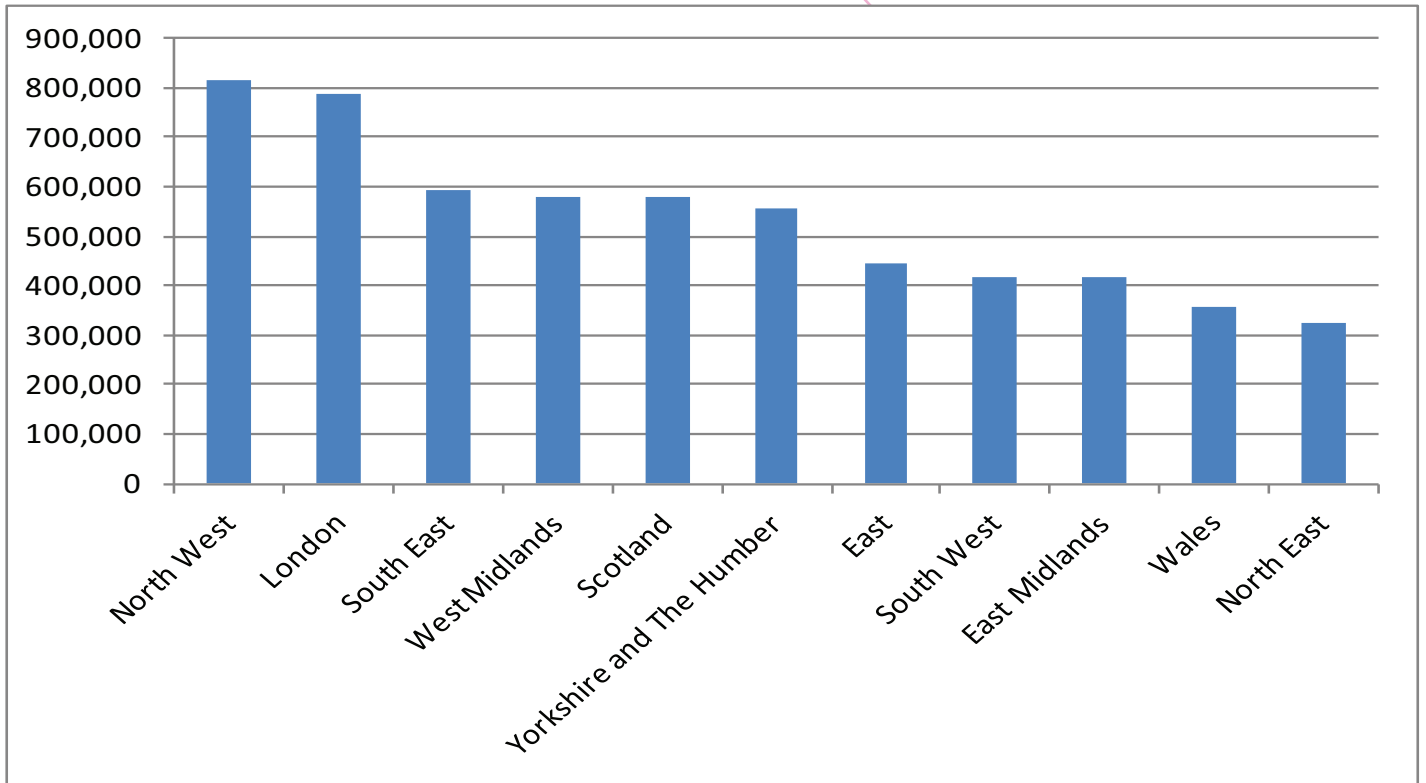
### **The scale of the welfare challenge in the North West**

The North West will be disproportionately affected by welfare reform. Many areas were affected by significant industrial restructuring in the 1980s and 1990s and as such, issues around long term worklessness and uncompetitive local economies are at the forefront of the region's challenges. Figure 1 below shows that with 814,000 benefit claimants, the North West has the highest volume of claimants out of all the regions and countries in Great Britain. In terms of the rate of total benefit claimants (percentage of claimants as a proportion of the working age population) at 17.9% it is lower only than Wales (18.5%) and the North East (19.3%). To illustrate the challenge around long term workless households and distance from the labour market, incapacity related benefit claimants constitute 8.3% of the working age population – only Wales has a higher proportion at 9.0%. Therefore the challenges in changing many people's behaviours and aspirations are acute and this comes before considering putting them into employment.

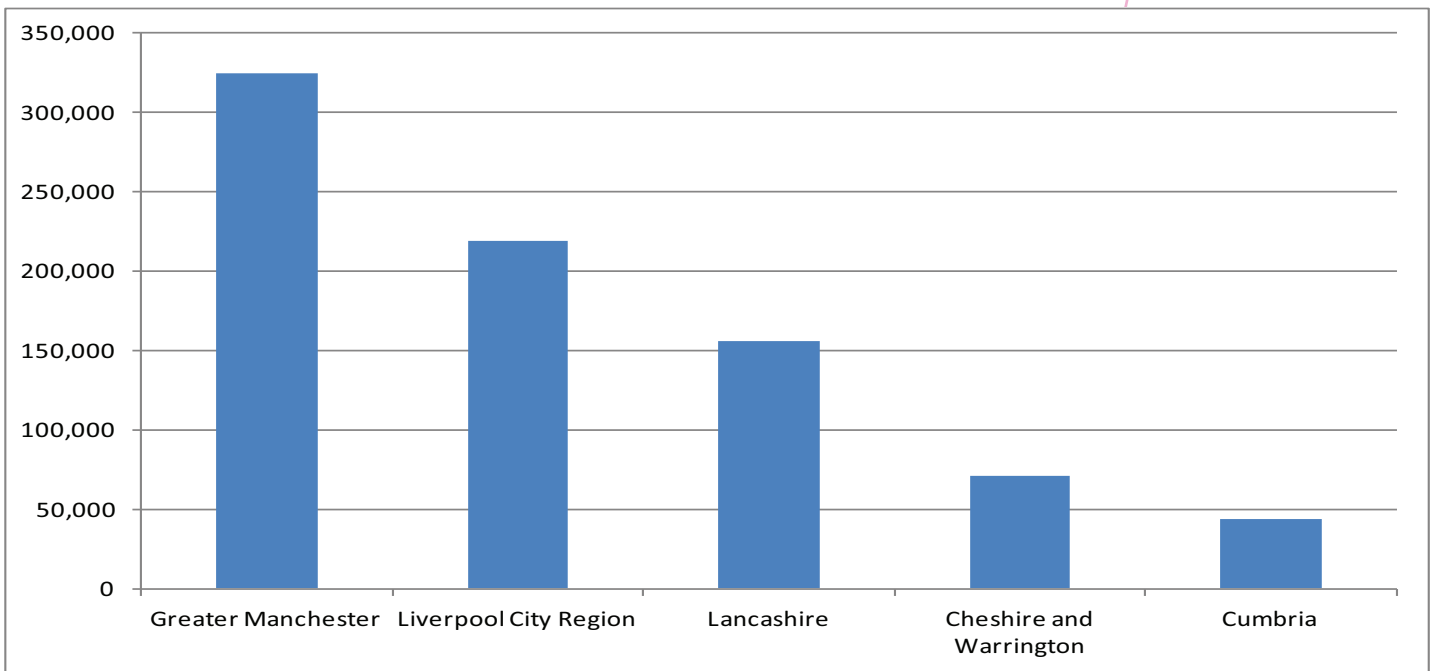
The impacts in the region will therefore be severe however this changes markedly by sub-region. Figure 2 below shows the proportion of total claimants across each of the sub-regions of the North West. It shows the much higher concentration of claimants in Greater Manchester, Liverpool City Region, and to a lesser extent, in Lancashire, where there is a greater propensity of urban conurbations. In terms of volume the figures are much lower in Cheshire and Warrington and Cumbria. Nevertheless the challenges for local authorities and partners are relative depending on the resource they have to address the issues. For instance Cumbria's challenges may be less marked in terms of absolute numbers of claimants but there is still 12.4% of the population claiming benefits, and this will be difficult to address with increasingly limited resources.

Of course, within these sub-regions there are again concentrations of claimants, typically in the more urbanised areas. For example in Liverpool City Region there are dense pockets of claimants across North Liverpool, Knowsley, East Wirral and South Sefton – impacts are less marked in South Liverpool, Wirral West and North Sefton, characterised by more suburban and rural areas. The challenges therefore are uneven across the region and this could lead to further exacerbating inequality and social exclusion.

**Figure 1: Total volume of working age benefits by region, February 2012**



**Figure 2: Total volume of working age benefits by North West sub-region, February 2012**



## Impacts of welfare reform

There are three different types of impacts of welfare reform which are discussed below – these are place based, people based and services based.

### Place based impacts

#### *Local economic impacts*

Residents' loss of income will equate to significant cuts in spending in local economies. Research recently undertaken by CLES with Greater Manchester social tenants suggested that for each £1 lost through welfare reform, 80 pence will be lost to the local economy.

The economic impacts of welfare reform therefore are severe, but are not being fully recognised by government as the changes are implemented. With such a narrow focus upon the continuing drive towards austerity and bringing down the welfare bill as a key component of this, the government is risking permanent scarring and damage of local economies up and down the country. Welfare reform may save the government money in the short and medium term, but will cost the economy in the long run. The growth agenda will not bear fruition and communities will become further unequal and in-cohesive.

#### *Lack of sustainable employment reinforces local impacts*

The most important element of overcoming the economic and social impacts of poverty and the changes to benefits is of course, through work. The Government's welfare to work initiative, The Work Programme, is the main vehicle for achieving this, aiming to get 2.4 million long term unemployed people back into work. However at present there is little evidence of the programme delivering tangible results which would offset the other impacts of welfare reform.

As of November 2012, just 3.5% of the 878,000 jobseekers referred to the programme had found work for six months or more. The target at this stage is 5.5%. Admittedly this refers only to the data from early on in the programme, but the overall picture is worrying. Amongst a backdrop of economic stagnation the task for providers is doubly difficult and there may not be a step change in the trend anytime soon. Many of the new jobs being created regionally are part time or poorly paid, and may not be at an acceptable living wage. The lack of quality and sustainable employment opportunities for local residents therefore remains a critical problem and means that demand in the economy will continue to be constrained.

#### *A two speed recovery across the North West*

There is a considerable risk of a two speed economy and recovery in the North West. This was already the case due to the disparities in economic growth across the region. But to assess it in such a way is too simplistic. There are complex spatial patterns of prosperous versus heavily disadvantaged areas across each sub-region, and a fall in income combined with a lack of sustainable employment opportunities means a patchwork of local economies that will further struggle and fall further behind the growth curve of the wider North West economy, with differential impacts obvious across the region.

#### *Population movement and migration*

There could also be population movement and migration due to changes in housing affordability. In particular, benefit changes could cause pressure on people to move out of areas with a shortage of reasonably priced property, bringing increased strain on areas with more supply. Migration could happen over a wider area, with people moving in and out of an area to neighbouring boroughs.

There are 14,000 social housing tenants in Manchester for instance that could be affected by under occupancy charges which could potentially also lead to more rent arrears, evictions and even homelessness.

The government states that bedroom tax will help move people into properties that are the right size for them. From a certain view, in principle this is a practical step which will ensure that larger properties are occupied by those who need them. However the evidence shows that demand is outstripping supply markedly, and even if people want to move into smaller properties, for the most part many do not exist. This is a 'ticking time-bomb' which will have major consequences for society.

Another problem is that for some housing associations, such as those in previously low demand Pathfinder areas (e.g. Oldham, Rochdale and parts of Salford), there could be issues around less numbers of people living in two or three bedroom properties in the future, meaning the only option for some properties would be demolition. The challenge therefore is that people will no longer be able to afford to live alone, they will have to double up and there will not be a strong enough demand for homes.

#### *Breakdown in community cohesion*

Reforms will have a major negative impact on local communities and their cohesion. This is especially important when related to bedroom tax and the combination of this and losing income from other benefits through the Work Capability Assessment. The nature of communities is likely to change as a result of welfare reform and housing affordability. Some low income households will be compelled to move from their homes to areas where cheaper stock is available. This may be between or within districts depending on the supply to meet the demand.

A key concern therefore is that many of these communities could 'break down' as considerable numbers of people/households move into new areas where they can afford. Different families coming into an area means a different social dynamic, and communities will feel different when there are families there who are 'forced' to locate rather than the area being somewhere where people necessarily want to live. It could also mean for some communities increased competition for services and school places, which could affect the nature of cohesion with a locality, and there have been local warnings of increasing tension and conflict.

#### **Impacts on people**

##### *Differential impacts across claimant groups*

The welfare reforms are likely to impact differently on different parts of the population. The research in Manchester and other research undertaken by DEMOS and the Institute for Fiscal Studies highlights the potential for certain groups that may rely on a combination of benefits to be adversely affected. This will include large families on low incomes; carers; disabled people; tenants in private rented accommodation, and people in social housing under-occupying their accommodation.

Disabled people and carers could be affected both through the reassessment for DLA and the move to PIP and through the shift to Universal Credit and the tie in of Carers Allowance. The impact of the Work Capability Assessment is likely to be highest on people with mental health problems who may not comply with the reassessment process or whose conditions are difficult to assess by generalists.

There may also be emerging a cohort of the population, who move off benefits altogether, but are still in need of support. Therefore, the burden is shifted onto the informal economy and service providers.

#### *Coping strategies: cutting back on food and energy*

As part of CLES' recent research assessing the impacts of welfare reform in Greater Manchester, the primary response from claimants to dealing with income shortfalls was to either cut down on the costs of essentials (such as food, clothing), other spending such as leisure/socialising, or energy costs. In particular, both cutting down on food and energy are likely to increase the risk of residents experiencing negative health outcomes. Whilst parents typically suggested they would not let their children go without food (although some noted that meals may become smaller), many already reported cutting back on the use of heating. Fuel and food bills will continue to rise as the income of significant cohorts of the population falls. For example, in recent years' gas and electricity tariffs have increased by at least 23%, with average combined energy bills standing at over £1,100 per year. The cumulative effects will be an increase in food and fuel poverty.

#### *Increase in levels of crime*

CLES' research in Greater Manchester included consultation with the police, and the impacts will include minor theft, which is expected to increase significantly together with a rise in larger scale burglaries. The reforms could also increase levels of drug taking. This is directly related to the plan to pay residents their housing benefit directly on a monthly basis as some buy drugs in bulk. Domestic violence is also a key problem in many of the localities and it is feared by the police that extra pressures of welfare changes will make the situation even worse and this will lead to many instances of family breakdown.

#### *Increase in personal debts*

An inevitable consequence of people experiencing poverty is that they look for other sources of finance to pay bills, rent and daily essentials. This includes using credit cards, short term high interest loans (payday loans, doorstep lending and loan sharks), informal lending or credit unions. It is likely that debt will become an even more serious problem than it is now. Credit unions are experiencing strong demand, and loan sharks are known to be a growing problem across communities. These expected outcomes from debt are reinforced by national research by the National Housing Federation which warns that up to one million social housing tenants could find themselves in debt as a result of welfare reform.

#### *Service impacts*

The welfare reforms are likely to impact upon local services. There is particular potential for increased demand for specialist advice around finance, debt and benefits and emergency everyday living services in addition to impact on Adults, Children's and Health services. There is likely to be impact in relation to internal structures of revenues and benefits services, specifically with Housing Benefits being incorporated into Universal Credit; but also with greater responsibility placed upon local government and housing organisations as the communicators of information about welfare reforms and what they mean for individuals.

For health services the impacts of the food and fuel poverty will be considerable. As an example, living in a cold home has been a significant contributor to 27,000 excess winter deaths that have occurred over the last decade in England and Wales, and illnesses caused by cold homes currently costs the NHS £850m per year.



Welfare reform will certainly increase other mental health and physical ailment concerns across all age groups (some of these are also related to fuel poverty), therefore putting further strain on the NHS. CLES' consultation during its research in Greater Manchester has also highlighted the expected increase in crime and drug taking which will impact on police resources.

In terms of services it is the 'perfect storm'. Services for the police, local authorities and housing associations are being cut and stretched to breaking point as part of the wider austerity measures – for instance Manchester City Council cuts for adult services are 40% and for housing service it is 25%. There are also major cuts to advisory organisations such as the Citizens Advice Bureau who will not have resources to provide the depth of responses required for residents as demand increases.

### Responding to welfare reform

As part of a previous research project, CLES issued a call for best practice to member local authorities to seek to identify what councils are doing to respond to the welfare reform changes, and mitigate and minimise the negative effects of reforms. The following section thematically explores the types of actions which authorities have, or are looking to instigate.

#### *Governance arrangements*

The first action many local authorities have undertaken in response to the welfare reforms is to bulk up their welfare associated governance arrangements. This has come in the form of the continuation of existing and well established cross-departmental groups, or the formulation of new cross-departmental and cross-agency working groups. The associated partners often include Jobcentre Plus, health practitioners and social landlords.

### Case Study – Bristol City Council

*Bristol City Council has set up a corporate welfare reform group, which is chaired by a strategic director. The group is in the process of setting up a formal programme of activity which is likely to relate to two themes:*

- *administration – facilitating the changes around council tax benefit and housing benefit;*
- *preparedness – engaging relevant stakeholders, measuring impacts and communicating changes.*

*The group has already carried out research on a number of people and locations impacted by welfare reform; with the next steps being to work directly with external stakeholders, such as advice agencies, to ensure that the support offered helps residents and minimises impacts on the city and local authority.*

Many authorities are undertaking ongoing monitoring of the impact of welfare reform and responding accordingly through cross-departmental groups. Nottingham City Council has adopted a city-regional approach to minimising the impacts of welfare reform; they are particularly working with neighbouring authorities around the localisation of council tax support.

#### *Customer services*

Many of the local authorities responding to the call for practice have upped their relationships with customers to ensure they are fully aware of the welfare reform changes. The first stage of this has been research and intelligence gathering, to seek to identify those who are most at risk and in need of the greatest levels of support and advice.

Authorities have then moved quickly to communicate, via telephone and advice centres, what the welfare changes mean for those customers. There has also been the development of online mechanisms of communicating the changes to claimants once they are fully implemented.

### **Case Study – London Borough of Hackney**

*The London Borough of Hackney's Corporate Customer Services Team is undertaking work to promote online engagement with customers, to ready them in advance of the full implementation of the changes. They are:*

- *leaving recorded messages explaining the online options available and how to access them;*
- *adding information about welfare reform to the scripts of Council call centre operatives;*
- *overhauling all Council web forms to make them more accessible and user friendly.*

The welfare reforms are also leading to an increased digitalisation of welfare information and information around benefit changes and payments. The challenge here is for those individuals who do not have access to the internet.

Once customers have been informed of the nature of the welfare reform changes, local authorities are then providing claimants with information about the types of support available from the authority itself and partner organisations. The London Borough of Hackney is working with the NHS, Jobcentre Plus and Citizens Advice Bureau to provide this information. This is being supplemented by work internally with specialist teams such as Drug and Alcohol and Supporting People.

Some authorities, such as the London Borough of Brent, have been successful in attracting funding from the DWP LHA transition pot to facilitate such communication.

### **Case Study – London Borough of Brent**

*The LHA transition pot has provided the London Borough of Brent with the funding required to call every resident in the authority that will be losing more than £10 per week as a result of the welfare reform changes. The purpose of the call has often been to provide advice and guidance. The funding has also enabled the authority to engage with private landlords, negotiate lower rents on behalf of claimants, and facilitate alternative accommodation.*

In Cheshire West and Chester, the focus has not just been upon informing customers of the welfare reform changes over the telephone; through the Helping Hands project, they have been out to visit benefit claimants to identify their needs, which has enabled support to be offered on a much more bespoke basis. There has been a particular focus upon claimants living in the Westminster and Rossmore areas of Ellesmere Port and the Rudheath and Witton area of Northwich.

The focus of customer services at Essex County Council has been raising awareness of debt and welfare advice, and organisations such as credit unions. They are seeking to ensure that customers do not fall into the trap of high interest loans or doorstep lenders.

### **Service reconfiguration**

Some authorities have reconfigured the content of some of their services to reflect the welfare reform changes; this has included tagging advice services onto wider services or changing the use of council facilities.

### **Case Study – Plymouth City Council**

*Plymouth City Council has recognised that many of their service assets, both centrally and in neighbourhoods, could be used to provide a much broader range of advice and support. These could provide much needed support but also mitigate the impacts of wider austerity measures upon council facilities. The Council is particularly using libraries as hubs for advice around welfare reform.*

Plymouth has also sought to ensure that responses to welfare reform are embedded in the re-commissioning of services, whether directly related services around advice, or indirect adult social care or housing contracts.

#### **Training**

Given that the welfare reforms are particularly complex, a number of local authorities have sought to provide specialist training for staff. This training has not only been for customer services staff, but also frontline customer facing staff and staff working at partner organisations, such as the voluntary and community sector.

### **Case Study – Brighton and Hove City Council**

Brighton and Hove City Council have provided a host of training opportunities for frontline and management staff. The training opportunities have focused upon describing and exploring the welfare reforms, and identifying the impact of the welfare reforms for Brighton and Hove. The Council are utilising the training to shape service commissioning strategies for 2012 to 2015 to embed welfare reform as a key theme in wider strategy.

#### **Partner capacity building**

As well as upping their customer service activities and improving communication around what the changes mean for residents, local authorities have been seeking to develop the capacity of partners to respond. This includes: providing information; referring customers for advice; identifying localities at greatest risk; and commissioning direct advice and support. These partners have been largely in the wider public sector but also in the voluntary and community sector, including housing associations. The purpose of the capacity building has been to make the welfare reform response a place based one as opposed to one just led by the local authority.

### **Case Study – Portsmouth City Council**

*Portsmouth City Council has been working in partnership with local housing associations to develop capacity around advice services. The capacity building activity has sought to increase support around financial capability; and benefits and employment support advice. The purpose of the capacity building is to reduce the potential of rent arrears caused by the housing benefit changes.*

Barnsley Metropolitan Borough Council is going beyond capacity building with partners around advice services; they have additionally deployed a number of volunteer advisors in local neighbourhoods and one stop shops.

### **Employment support**

Some authorities' approach to mitigating the impact of welfare reform has been to focus on employment support and job creation; this mirrors the Government's approach which is seeking to promote work as the best possible route to growth and out of poverty. Approaches deployed by authorities have been:

- partnership work with Jobcentre Plus and WP providers to support people into work;
- diversification of employment support advisers to alternative local authority locations, such as children's centres;
- matching employment support activities with other issues, such as health.

### **Case Study – London Borough of Greenwich**

*The London Borough of Greenwich has continued a range of previous activities designed to support people into work and instigated a host of new ones:*

- *they are placing Jobcentre Plus family advisers in local children's centres;*
- *they are re-launching the Council's apprenticeship programme, targeted specifically at 18 to 24 year olds;*
- *they are continuing the Greenwich Local Labour and Business project, which included the creation of 100 temporary jobs through an Intermediate Labour Market scheme;*
- *they are developing four local skills centres relating to key growth sectors in the Borough as a result of the Olympics around: catering and hospitality; horticulture and equestrian; construction; and digital media.*

### **Physical development**

Some local authorities are responding to the welfare reform changes, particularly those around housing benefit, by undertaking new build housing and bringing unoccupied housing back into use. The London Borough of Greenwich has been particularly proactive in reinvigorating its housing market. In particular they are:

- working with housing associations and private landlords to explore ways in which the supply of suitable, good quality, affordable housing in the Borough can be increased;
- expanding the supply of shared housing, such as houses in multiple occupation (HMO) for use by under 35's;
- working to source HMO accommodation in the private sector for individuals in housing need and offering them on a short term leasing basis;
- developing a Foyer scheme with Woolwich YMCA which would provide additional shared accommodation in the Borough linked to training;
- bringing empty properties in the Borough back into use through a leasing scheme funded by the HCA.

### **The role of Councillors**

The changes in welfare are happening now and will gain momentum up to 2015, with ever increasing numbers of people being affected. It is important that councillors are informed, and the onus for this sits both with elected members themselves and their local authorities and other partners such as housing associations.

A number of councils are currently delivering 'surgeries' for councillors to ensure that they have all of the information about how these changes will affect their localities, and how they can in turn provide information and advice to local residents. Councillors should also work with, and encourage, officers within local authorities to determine what responsive actions can be taken locally. There is a necessity to be as proactive as possible as shown by those local authorities in the case studies above, and sharing ideas and thoughts will be critical to this.

### **About North West Employers**

North West Employers exists to help organisations deliver public services with and for local people that reflect their priorities.

We believe that a highly motivated, productive workforce, together with skilled and supported councillors are key to making this happen.

The challenges faced by local authorities and public service providers are continually and rapidly evolving and so is the world of HR policy and people practice. Reshaping and rethinking the workforce to meet the current challenges of reduced funding requires brave, innovative leadership and well-informed creative approaches.

North West Employers provides a network of support, advice and consultancy on all people matters, from human resources policy and practice, through to leadership, management development and organisational design and performance.

We work with a host of regional and national partners to represent the interests of North West authorities as employers, including consultation on national pay and conditions of service. With the regional trade unions we operate a joint conciliation and dispute resolution process to support authorities.

*This briefing note was written by Adrian Nolan, Senior Policy Consultant at the Centre for Local Economic Strategies (CLES). It forms part of a community leadership programme being delivered by the CLES Chief Executive, Neil McInroy with North West Employers (NWE). For further details contact Neil McInroy on 0161 236 7036 or [neilmcinroy@cles.org.uk](mailto:neilmcinroy@cles.org.uk) or Kelli Pickford on 0161 214 7102 or [kellip@nwemployers.org.uk](mailto:kellip@nwemployers.org.uk)*

### **About the Centre for Local Economic Strategies**

Established in 1986, the Centre for Local Economic Strategies (CLES) is an independent think-doing organisation and network of subscribing organisations involved in regeneration activities, local economic development and local governance. CLES is involved in a number of activities, including:

- policy research
- information and briefing service
- events and training
- consultancy trading arm
- policy advice function

CLES is unique, in that its network of subscribing organisations, consultancy clients and practical experience means it is well placed to represent practitioners and develop ideas and policy that work on the ground. CLES is a national organisation, with our work supporting regeneration and local economic development in localities across the United Kingdom.

# Agenda Item 5

## Appendix 10

### Representations from members of the public



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**Sent:** 30 July 2013 11:46

**To:** Scrutiny

**Subject:** Council Tax and how it affects Disabled people.

After I nearly died three years ago with Pneumonia I decided to take out an "Over 50's" Plan because I realized I had no insurance to pay for my Funeral if I had died. I have no savings and I am estranged from my family so I considered I was responsible for those costs. I took out two policies which will realize £5,500 upon my death, which I considered would cover my costs. I pay £19.00 a month out of my benefits to pay for this.

In February I was informed by Torbay Council that I was going to have to pay £17.00 a month in Council Tax, which I am now paying. Unfortunately I cannot pay the two as this is £36.00 a month that I cannot afford, as I was starting to struggle with my Policy payments at the time in any case.

This only leaves me only drastic one option, and that is to stop my Policy payments and continue with my Council Tax payments. This means that when I die I will have no money to put towards my Funeral costs and I will have to rely on a "Paupers Funeral" which I am entitled to.

To me, this is sad, because I have been paying this Policy for the last three years only for circumstances, not of my making, to ruin my plans and for the Taxpayer to pick up the bill.

## **Livermead Sea Wall and the Future of Sea Defences in Torbay**



### **Scope of the review**

In terms of the collapse at Livermead in April 2013:

- To understand the decision making process up to the start of the contract to carry out works to the sea defences at Livermead.
- To review how the public were kept informed during the period of the collapse and subsequent discharge of sewage from Hope's Nose.

In relation to the sea defences generally:

- To consider the prioritisation of future works to Torbay's sea defences and the associated the budget position.

### **Current Position**

The Overview and Scrutiny Board have been considering a range of issues arising from the breach of Livermead Sea Wall during Easter 2013.

A briefing note setting out responses from Torbay Council and South West Water was circulated to members of the Board in August 2013. Following their consideration of the note, members will be considering this issue at its meeting on 18 September 2013.

### **Focus of the Meeting**

#### 1. Communications

Whilst the information provided by Torbay Council and South West Water states that both organisations are clear about their respective roles and responsibilities in relation to water quality in Torbay, councillors still have concerns about whether the public get the information they requires in the best possible way.

Is there a written protocol between the two organisations and, if so, can a copy be provided to the Overview and Scrutiny Board for review?

#### 2. Involvement of South West Water in tendering process

The information provided shows that South West Water were not involved in the tender process until a contractor had been appointed. There then appears to have been a delay whilst approval for the method of working was sought.

The Board would like to hear from South West Water about what is best practice in other parts of the South West for such projects. Would South West Water normally be involved in setting the terms of reference for the tender process to help avoid later problems?

### 3. Future sea defence issues

A number of schemes have been submitted to the Environment Agency for inclusion on their Medium Term Financial Plan. Two other schemes are included in the current Capital Investment Plan.

What is the current position with each of these schemes?

What are the funding implications for Torbay Council of the schemes submitted to the Environment Agency? Are these implications included in the Council's Medium Term Resources Plan?

#### **Invitees**

Torbay Council – Residents and Visitor Services, Finance, Communications  
South West Water



### Livermead Sea Wall and the Future of Sea Defences in Torbay



#### Background

A briefing report on the breach to the sea wall at Livermead was considered at the meeting of the Overview and Scrutiny Board in April 2013. The report answered five specific questions which had been raised by the Vice-chairman of the Board and gave a summary of the response to the incident. At that meeting, the Board agreed that it would carry out a review into the circumstances surrounding the collapse and the subsequent response to determine if lessons could be learnt.

A call for evidence was developed in consultation with members of the Board. The scope of the review is set out below.

#### Scope of the review

In terms of the collapse at Livermead in April 2013:

- To understand the decision making process up to the start of the contract to carry out works to the sea defences at Livermead.
- To review how the public were kept informed during the period of the collapse and subsequent discharge of sewage from Hope's Nose.

In relation to the sea defences generally:

- To consider the prioritisation of future works to Torbay's sea defences and the associated the budget position.

#### Findings

Torbay Council, South West Water, the Environment Agency and the National Oceanographic Centre (part of the Natural Environment Research Council) were asked to submit responses by 31 July 2013.

To date, a response has only been received from Torbay Council (collated by Patrick Carney) which is reproduced below.

#### A. Decision making process

1. **When was the previous inspection of the sea wall at Livermead? How does the inspection report from May 2012 compare with the previous report?**

A detailed inspection of all of the coastal assets in Torbay is carried out annually. In addition following severe storm conditions or as a result of reports of damage from members of the public or beaches team inspections are undertaken. Details of the inspections undertaken since 2010 for Livermead sea wall are detailed below:

**2010 Inspection** – Large voids identified in revetment. Short length of revetment completely destroyed. Stonework / pointing missing. Following

this inspection report limited works were carried out as permitted by budget constraints.

Late 2010. Large cavity in sea wall adjacent to access steps. Emergency repairs carried out using pumped and spray concrete.

**2011 Inspection** - The report identified pointing works required; parts of the revetment were missing as previous, evidence of voids within the remaining revetment. Following this inspection report further repair works were carried out as permitted by budget constraints. These works included some sprayed concrete works to the revetment south of the access steps.

March 2012 – Voids were identified in the base of the sea wall where revetment was previously destroyed. Emergency repairs carried out including filling voids with concrete, sand-bagging (concrete filled bags) to the wall at beach level.

**2012 Inspection** - Major work needed to revetment. Further large holes in base of sea wall where the revetment had previously been destroyed. Deep pointing required. As a result of this report major repair works were proposed.

**2013 Inspection** - No inspections carried out - major works in progress.

Prior to the major wall sea breach in April 2013, minor works continually being identified with only short-term solutions being implemented due to limited budgets.

2. **Funding for the works was agreed in July 2012 but with an instruction to apply for match funding. Why was remedial work not carried out at that stage? Did the delay, caused by applying for match funding, mean further damage was caused to the wall contributing to its collapse?**

Following approval of the Council funding being available for the repair works to Livermead Sea Wall from Scope in July 2012 detailed design works for the repair works was commenced. In addition, as the Council do not hold a select list of contractors for this type of repair works Procurement advertised the works and any contractor that expressed an interest was sent a pre qualification questionnaire (PQQ) to complete. Following receipt of the PQQ's, a detailed assessment was undertaken and the most suitable contractors were chosen.

On completion of the detailed design works and the production of the contract documents the successful contractors were invited to submit their tenders for this work. Following receipt of the tenders, a detailed tender review was undertaken including an assessment of the costs and the construction methods proposed. As a result of this detailed assessment the most economically advantageous contractor was chosen to undertake these works.

There was no delay in the project as a result of the application for match funding as this ran concurrently with the design and procurement process. With regards to the application to the Environment Agency for match funding, works commenced on preparing a detailed project appraisal report following approval of the Council's funding being in place. Prior to this the proposed repair works to the sea wall had been included within the Council's application for schemes to be identified on the EA's medium term financial plan.

The project appraisal report that is required to be submitted to the EA's project appraisal board to secure grant in aid funding is a very detailed document that requires specific information relating to the reasons why the scheme is required, the history of problems being encountered, all options that have been considered, a comparison of the options and justification why the proposed option has been chosen, the estimated cost of all the options, an assessment of the damages that will occur if no works are undertaken and the benefits that all options will provide. This report was due to be submitted to the EA in late spring however as a result of the breach occurring to the sea wall on Easter Monday it was agreed that an report could be submitted to the project appraisal board in May 2013 using a reduced project appraisal report. The scheme was considered at the project appraisal board on 21<sup>st</sup> May 2013 and following detailed questioning of Torbay Councils representative the scheme was approved for grant in aid funding.

**3. How did South West Water engage with contractors and at what stage? Could this have been carried out earlier (i.e. before the contract was awarded)?**

South West Water were reluctant to make decisions regarding approval for the proposed method of working the Contractor wished to use at Livermead passing this process to their consultants. This took several weeks to reach an agreement. We are not aware that any of the six tenderers sought approval of their method from South West Water in advance of contract award..

Within the contract documentation the contractor was required to speak to all statutory undertakers with regards to the scheme. Due to the location of the rising main under the pavement behind Livermead sea wall, prior to the breach and the contract commencing, the Contractor was made fully aware of their obligations to contact SWW and agree their proposed temporary works.

**4. The Board received the summary of the incident response at its meeting in April 2013. Was this in accordance with the Council's emergency procedures? Have those procedures been reviewed to take account of any lessons learnt?**

The response to the incident was in accordance with the Council's emergency procedures. However, a Lessons Learnt exercise has been carried out and identified two issues:-

- 1) The Council had the South West Water contact numbers for their customer contact centre rather than their emergency control centre.
- 2) Whilst the incident mainly involved officers from Resident and Visitor Services an emergency management team could have been formed to manage the incident.

**5. How much have the emergency works cost compared to the costs anticipated for the managed works? How will these additional costs be met?**

The emergency works have cost in the region of £130k. The entire contract including the emergency works cost £523K. The original contract value was for approximately £350K. These costs are only for the physical works

undertaken on site and do not include for the detailed design and supervision of the works, site investigations, surveys or the cost of the repairs to the rising mains.

It should be noted that the original contract was for the repair of only 40m of revetment at the base of the sea wall. Due to the breach and the additional damage to the revetment the entire length of revetment has been strengthened. This equates to a length of over 4 times the original length of repairs for an additional cost of only £43K.

The additional cost of the works has been included within the application to the Environment Agency which received approval for grant in aid funding at the meeting in May 2013.

## **B. Communication**

### **6. Do you believe the community could have been better advised about the spill? Why was there no general release of information as to whether swimming was safe?**

Torbay Council and South West Water went to great lengths to provide public information relating to the road and sea wall problems and the associated release of sewage. This was done via news releases, website updates, social media and the display of warnings on Torbay beaches. Warning measures were put in place on Tuesday morning, following the decision taken by South West Water to activate the screened overflow system at Hope's Nose. The decision was taken for signs to be deployed at all the designated bathing waters around the Bay as a precautionary measure. This action began mid-morning. The sewer line failed at Livermead just before midday on Tuesday 2 April when signs were already being put in place.

A news message describing the incident and its effect was placed on the Torbay Council website on Tuesday 2 April. This appeared on the main Beaches page and also under the separate page for Bathing Water Quality, and was periodically updated on 2, 3, 5, 8 and 10 April.

News releases, member briefings and media enquiry responses were issued over a period of several days. The Communications Teams in Torbay Council and South West Water also co-ordinated various radio and television filming and interview requests from the BBC and ITV Westcountry to ensure that all the relevant public information was presented via the media.

### **7. Who took responsibility for informing the public about the sewage in the water? Where both South West Water and the Council clear about those responsibilities?**

South West Water and Torbay Council both took responsibility for informing the public about the sewage in the water. On the morning of Tuesday 2 April 2013, Torbay Council's Communications Team was advised of the collapse of part of Torbay Road and the hole in the sea wall, and was given information for the preparation of a news release.

This information included the fact that the council was working with colleagues in South West Water as some utility apparatus had been exposed,

In line with standard practice when a partner agency is involved, a Torbay Council Communications Officer contacted South West Water's Communications Team to discuss the best way forward with the management of publicity.

It was agreed that the council would handle the public information relating to the road closure and a description of what had occurred, whilst South West Water would deal separately with public information relating to its infrastructure, the problems for Torquay's sewage system and the use of the overflow system at Hope's Nose.

There was a clear understanding between Torbay Council and South West Water on their respective responsibilities.

**8. Why did the Council not inform the public of the consequences of the decision to turn off the sewage pumps in the press release issued on the Tuesday following the collapse (2 April 2013)?**

The response to Item 7 explains the reason why this information was not included in Torbay Council's news release.

**C. Future works**

**9. Whose responsibility is it to maintain the sea defences in Torbay?**

Policy responsibility for all flood and coastal defences lies with the Environment Agency (EA). However, this responsibility is often cascaded down to maritime authorities as land owners, as is the case with Torbay.

**10. What is the current condition of the sea defences in Torbay? How are these monitored?**

The sea defences in Torbay are under continuous attack from the prevailing easterlies and are subject to erosion. They are visually inspected annually by the cliff inspectors.

Additional inspections of the known vulnerable locations are carried out following storms. Sites will also be inspected following reports of concerns / failures from other sources.

**11. What impact will the (apparently) changing weather patterns have on the condition of the sea defences?**

Unprecedented stormy / rain conditions, rising sea levels and wind strengths are predicted. This will increase the risk of severe damage and collapse to many of our vital sea defence walls, many of which were built by the Victorians well over 100 years ago.

A significant percentage of the coastal geology of the bay is soft sandstone / breccias / mudstone sandwiched within layers of limestone. The softer material will erode faster and absorb more moisture causing it to slide and or topple. With predicted climate change, these materials will erode faster and absorb more moisture causing them to slide or topple.

Scouring, caused by future aggressive sea conditions will erode the foundations of sea walls and the bases of cliffs, potentially causing loss of stability and eventual collapse. Rising sea levels will also cause a phenomena referred to as 'coastal squeeze'. This will lead to less and less beach area being exposed by the sea, even at low tide.

**12. Will the monitoring arrangements change as a result of the collapse at Livermead and/or the changing weather patterns?**

Unlikely due to constraints on current resources resulting from funding pressures on this discretionary budget.

**13. What arrangements are in place for the repair and maintenance of the sea defences?**

Sea defences inspected annually through the maintenance contract with TOR2. The inspectors provide reports to the Engineering Division indicating any works they consider necessary. Areas will be assessed by the Engineer. Depending on the scope of works required, orders will be placed with TOR 2 to carry out the necessary remedial works.

If substantial remedial works, or emergency works have been identified, estimates are prepared. Cases are then put forward to secure funding. Depending on values and if TOR2 decline, tenders will be sent to competent contractors, which are evaluated. Award of contract made to the successful contractor.

**14. How are repairs and maintenance to the sea defences funded? What is the current budget provision set aside for this issue?**

There are various different funding streams that are used to try and secure funding for the repairs and maintenance of the sea defences. These include internal funding through the Council capital budgets, EA grant in aid funding, local levy funding, occasional private / community funding and developer funding through Section 106 or the community infrastructure levy ( when commenced).

Where grant in aid funding is applied for from the EA the scheme must first be included in their medium term financial plan. Applications for schemes to be included on the medium term financial plan are submitted annually. Once a scheme has been include on then medium term financial plan the detailed business case (project appraisal report) has to be submitted to the EA's project appraisal board. As part of this process a detailed cost benefit analysis is required to be completed identifying the assets that will benefit from the scheme and the estimate of these benefits compared to the do nothing scenario.

It should be noted that as a result of changes to the grant in aid funding mechanism all scheme will in the future require an element of partnership funding. Before the grant in aid funding is released this partnership funding must be secured.

The current revenue budgets in place for maintenance of sea walls and coastal areas are as follows:-

General Coastal works (sites)	£12,100 (to serve in excess of 60 sites)
Livermead & Meadfoot Sea Wall(s)	£19,800 (Highways Budget)

Currently Torbay have submitted the following schemes to the Environment Agency for inclusion on their Medium Term Financial Plan for coastal defences.

• Broadsands Sea Wall repairs	£ 150,000
• Torbay Coastal defences	£1,085,000 (over 5 years)
• Haldon and Princess Piers	£5,989,000
• Meadfoot Sea Wall	£ 155,000
• Victoria Breakwater	£ 197,000

**15. How are repairs and maintenance to the sea defences prioritised alongside other demands?**

Dictated by both severity and location and within the budgets set by Full Council as part of the annual budget review.

**16. What external funding opportunities are being pursued? What discussions are taking place with other authorities and central government about this issue?**

Refer to 14 above.

Whilst a response from the National Oceanographic Centre has not yet been received, the following article provides some background to how changing weather patterns are impacting on sea defences.

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## NEWS FROM THE NATURAL WORLD

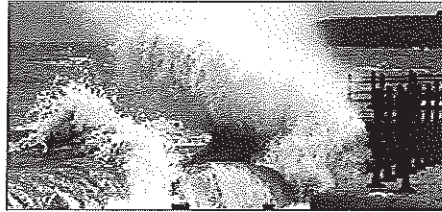
# Planet Earth Online

### FEATURES

## Modelling water from clouds to coast

9 September 2009

**New research could help scientists provide better warnings ahead of natural disasters like coastal flooding. Qingping Zou and Dominic Reeve explain.**

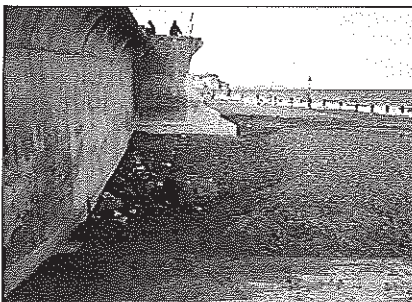


Flooding and erosion threaten four million people and properties in England and Wales. Within the UK, assets worth an estimated £132.2 billion are at risk from flooding by the sea and £7.8 billion more from coastal erosion. In contrast, assets at risk on river flood plains are valued at £81.7 billion.

These values are likely to grow significantly as the climate changes. Sea levels are rising and storms will become more frequent and more intense. Protecting coastal communities and cost-effective government spending on flood defences depend on being able to predict the impact of worst storms on sea defences and to quantify and manage flood risks.

In 2006 the Natural Environmental Research Council (NERC) launched a £8 million research programme called Flood Risk from Extreme Events (FREE). By an 'extreme event', we mean one with a return period of more than 50 years. The most devastating of storm surges, such as the 1953 event that killed 307 people along the east coast, had a return period of 250 years (return period is the expected time between events of the same severity. It is often used to define extreme events.) The idea is to improve the predictability and reliability of modelling systems from clouds to rivers to coasts.

The UK government spends around £325 million a year maintaining sea defences and shore protection along its 4300km coastline. Coastal flood defences are usually designed to withstand storms or floods with a return period of 50 to 200 years. It is too expensive for engineers to build defences that protect against all eventualities, so they design for all events that are likely to occur more than once every 50 years, or 200 years, depending on the policy.



Scour is the removal of sand at the base of the wall, leading to structural undermining and collapse.

the 'benefit-cost ratio'. The return period for coastal defences is currently chosen within the range 50-200 years for all but the most exceptional cases - the Thames Barrier was designed to resist a 1-in-1000-year event.

### Weighing the risks

The appropriate return periods are set through mutual agreement between the client and the consultant. Where the client is the government then protection levels for flood defence are usually specified in policy guidance documents. These are based on assessments of the level of risk that we communally call 'acceptable', given the perceived balance between the cost of constructing the defences and the possible consequences of not doing so.

So design periods are not immutable, but change over time according to public perceptions of risk. (This will often be higher after a major flooding incident, when public awareness of the risks is raised as a combination of direct experience and media coverage).

The return period for a particular scheme will depend on what is being defended and the cost of construction, or what is being defended and the cost of construction, or the 'benefit-cost ratio'.

Currently, we don't have a robust and integrated 'clouds-to-coast' framework for coastal flood risk. The interactions between the atmosphere, oceans and coasts are poorly understood. There are large uncertainties in the performance of sea defences and predictions of coastal flood risk in extreme conditions.

Within the FREE programme, NERC has funded the Ensemble Prediction of Inundation Risk and Uncertainty arising from Scour (EPICUS) project to bring together a team of hydrometeorologists, oceanographers and coastal engineers. Dr Qingping Zou is the principal investigator and co-investigators are Professor Dominic Reeve and Dr Shunqi Pan at the Coastal Engineering Research Group of University of Plymouth.

### Predictions by ensemble

We are collaborating with a team from the University of Bristol led by Professor Ian Cluckie (now at Swansea University) and Proudman Oceanographic Laboratory as well as industrial and public-sector partners including the Halcrow Group and the New Forest District Council.

By bringing together models of atmospheric weather conditions, waves, surge and tide propagation, and physical changes near the shore, we hope to create a new way of predicting coastal flooding. The system will let us better quantify the risk that defences will fail during extreme storms. In particular, this project will focus on processes leading to flooding due to failure of defences; that is, toe scour and wave overtopping.

We use an 'ensemble' approach to improve predictions. The Monte Carlo simulation is one well-known example of an ensemble prediction system. These systems are now common in weather forecasting, but are not widely used in coastal engineering.

Weather forecasting systems are chaotic. A small error in the initial conditions, say wind speed or direction, or entering a slightly lower land-surface temperature in some areas, can



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amplify rapidly with time. At present, we can forecast major weather patterns reasonably well up to about three days ahead. Beyond that



Overtopping is when water passes over the top of the sea defence crest line.

uncertainties In the forecasts can become so large that the forecast is no longer meaningful.

With ensemble forecasting, Instead of running just a single forecast, we run the model many times from slightly different starting conditions. The complete set of forecasts is referred to as the ensemble and individual forecasts within it as ensemble members.

This type of ensemble prediction approach allows us to estimate the relative probabilities of different outcomes and so improve our understanding of the reliability of results. This approach also provides a measure of the uncertainty associated with predictions. Extreme events are rare, and ensemble predictions are more likely to capture them than conventional forecasts.

This three-year project started in early 2007 and consists of three strands: meteorological modelling; regional scale wave and surge modelling; and surf zone hydrodynamic and morphological modelling.

One of the Issues is to make global climate predictions for this century meaningful to the UK. We are developing a linked set of numerical models to apply global atmospheric predictions to a UK scale. From this we want to predict the associated sea surges, tide and waves, simulate wave propagation into shallow water and show what happens when these waves hit sea walls and the beach. These models will be used to create a set of physically possible outcomes (the ensemble) from which uncertainties in flood predictions can be quantified.

Predictions of beach and sea defence response to each ensemble of storms will establish a statistical description of the ensemble coastal flood risk arising from overtopping and scour.

This ensemble system will then let us assess the uncertainty in predicting overtopping and scour as well as the associated coastal flooding, which is particularly large during extreme events. The modelling results will help evaluate how suitable the way we currently design coastal defences is for future extreme events. We will gain an improved understanding of the combined risks of scour and overtopping, together with a measure of the uncertainty in predicting them

Dr. Qingping Zou is Principal Investigator for the EPIRUS project and Senior Lecturer in Coastal Engineering at the University of Plymouth.  
Dominic Reeve is Professor of Coastal Dynamics at the University of Plymouth.  
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## **Next steps**

Following your consideration of the attached information, members are asked to confirm if they wish to pursue this review further.

- Is there any specific further information that you require?
- Do you want to consider this matter at a meeting of the Board? If so, who do you wish to attend and what specific areas would you examine?

**If you wish for this item to be included on the next agenda for the Overview and Scrutiny Board, please let me know by Wednesday 14 August 2013.**

**Kate Spencer**  
**Overview and Scrutiny Lead**

5 August 2013

Livermead Sea Wall and the Future of Sea  
Defences in Torbay

Information provided by South West Water



**3. How did South West Water engage with contractors and at what stage? Could this have been carried out earlier (i.e. before the contract was awarded)?**

There was no consultation with SWW during the tender process. The first time that SWW knew about the proposed work was following a phone call to our Streetworks Manager by a Highway Inspector asking if we had been informed on the 21<sup>st</sup> February.

Following this telephone call SWW were advised by email on 21<sup>st</sup> February 2013 by South West Highways (SWH) that work was due to start on 25<sup>th</sup> February. At this time SWW confirmed that it was not agreeable to the proposed loads being placed on the pipe until a complete assessment had been made.

SWH sent some temporary works structural calculations to SWW on 22<sup>nd</sup> February 2013 but on review it was confirmed to SWH that SWW was not satisfied that the integrity of the wall had been correctly assessed and asked that SWH review their proposed working method.

On 27<sup>th</sup> February 2013 SWW asked whether the Council's structural engineers had checked the integrity of the seawall to cope with the load that the crane would impose. It was also noted that the structural engineers drawing provided to SWW confirmed that "further investigation of the seawall design is necessary to ensure surcharge forces from position of crane does not cause damage".

Due to the lack of confidence on SWW's part that the necessary structural checks had been undertaken SWW emailed SWH on 27<sup>th</sup> February 2013 to confirm that it was not prepared to allow the works to proceed as it posed a significant risk to the rising main

Over the course of the next couple of weeks there was a significant amount of liaison between SWW's consultants and SWH to agree the method statements for undertaking the work over the public rising main before agreement was given on 21<sup>st</sup> March 2013.

**6. Do you believe the community could have been better advised about the spill? Why was there no general release of information as to whether swimming was safe?**

It is important to point out that the decision to operate the screened overflow discharge from Hopes Nose outfall (which was the original discharge and level of treatment for Torquay prior to Clean Sweep) was not taken lightly. In the absence of any other practical alternative and with a real and imminent threat to the pumping main SWW had no alternative, given that it was supporting part of the road. The diversion to the Hopes Nose outfall significantly alleviated the risk to water quality in the bay by limiting it to the discharge of sewage that was retained in the pumping main when that finally failed.

This action was undertaken in agreement with the EA and Torbay in light of the conditions on site and in full knowledge that this discharge location provided the best protection for bathing water quality within the bay (based on the evidence from historic

water quality and the oceanographic modelling of the bay) despite the event occurring one month before the start of the bathing season (1<sup>st</sup> May – 30<sup>th</sup> September). Given this and in the absence of any data at this time to the contrary, precautionary signage about possible risks to water quality were posted by Torbay on those beaches not directly affected by the collapse itself. This form of response/advice is what is advocated in the Revised Bathing Waters Directive for such events.

Whilst there is no routine 'out of season' sampling of the bathing waters samples were taken on 4<sup>th</sup> and 8<sup>th</sup> April 2013, once the Hopes Nose discharge was operational. These samples confirmed that water quality was well inside the mandatory standards for water quality although Torbay felt, quite rightly, that it was appropriate to maintain signage at some beaches during this period given the Hopes Nose discharge.

SWWL's responsibility in respect of this event, and as qualified under the Revised Bathing Waters Directive, is to provide asset performance information to Torbay and the EA on which they can then make reasoned and informed decisions about advising the public of potential risks. Whilst it remains Torbay's responsibility to advise the public of the risks this communication process was co-ordinated where appropriate to ensure consistent messaging by all parties.

In respect of the division of communications I would support the report's findings that this was well co-ordinated between Torbay, EA and South West Water. This included updating SWWLs public Beach Live system on 3<sup>rd</sup> April 2013, in agreement with Torbay, with beach specific messages on the reasons for Torbay's precautionary signage at those beaches potentially affected as well as SWW's own media communications on the situation and repair updates.

**7. Who took responsibility for informing the public about the sewage in the water? Were both South West Water and the Council clear about those responsibilities?**

Yes the division of responsibilities was clear and well understood. Torbay took the lead on informing the public and this action follows the beach management principles adopted under the Revised Bathing Waters Directive. Each organisation's responsibilities and the distribution of shared messages where necessary was well co-ordinated between the relevant parties. SWW communicated the sewerage related repair aspects of the events as well as why the Hopes Nose outfall had to be utilised through several written articles in the press and through live interviews on Radio Devon, Spotlight and ITV Westcountry.

**8. Why did the Council not inform the public of the consequences of the decision to turn off the sewage pumps in the press release issued on the Tuesday following the collapse (2 April 2013)?**

See 6 and 7 above. It is important to appreciate that the very limited risks to water quality in the bay from the action taken to divert to the Hopes Nose outfall was discussed and well understood by Torbay, the EA and SWW prior to this action being taken, despite there being no practical alternative.

## Torre Valley North Playing Fields

### Background

At its meeting on 10 July 2013, the Overview and Scrutiny Board considered a Councillor Call for Action from Councillor Pountney on the transfer of part of Torre Valley North Playing Fields to Cockington Primary School.

The Board agreed that further information about the matter should be sought and shared with members of the Board.

### Scope of the review

To understand the origins of the transfer of land to Cockington Primary School, the processes which should have been followed and the implications of the current position.

### Areas of questioning

1. What is the background to the decision to transfer part of Torre Valley North Playing Fields to Cockington Primary School? What is the reasoning behind the transfer? Who requested the transfer?
2. How much land was in question originally? How much land is currently in question? Why the increase? Do the implications of the decision change depending on how much land is transferred?
3. What process(es) should have been undertaken in transferring part of the Playing Fields to Cockington Primary School? (Disposal of Public Open Space, Planning etc)
4. What process was actually carried out?
5. If there was a discrepancy between what should have happened and what did happen, why was there a discrepancy?
6. Who made the decision to transfer the land?
7. Why were no other interested parties consulted?
8. It appears that none of the ramifications were thought through. What are the consequences of this decision on the future use of Torre Valley North Playing Fields? Why weren't these identified during the decision-making process?
9. It appears that misinformation was given to Sport England and their objections withdrawn. Is this the case? If so, why?

10. What are the implications for the designation of the Playing Fields as a Jubilee Field? What was the decision making process around that designation?

11. Is any part of the decision making process reversible?

#### Sources of Information

Torbay Development Agency – Estates

Torbay Council – Spatial Planning, Residents and Visitor Services, Children's Services

Cockington Primary School

#### Methodology

Briefing note requested followed by single-issue meeting if required.

## Torre Valley North Playing Field

### Background to the proposal

1. The Council as Local Authority (LA) has a statutory responsibility to provide school places. The Education Act 1996 states;

*14. Functions in respect of provision of primary and secondary schools*

*(1)A local education authority shall secure that sufficient schools for providing—*

*(a)primary education, and*

*(b)education that is secondary education by virtue of section 2(2)(a),  
are available for their area.*

*2)The schools available for an area shall not be regarded as sufficient for the purposes of subsection (1) unless they are sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education.*

2. There is no duty placed on individual schools to expand and as the school system has become more diverse, particularly with the introduction of academies, the role of the Council as LA in providing enough school places has become more challenging. The LA cannot simply order a school to get larger, the process has to be one of agreement and consensus.
3. The birth rate in Torquay is rising.

### Live Birth Rates (Source: Office of National Statistics)

School Year	Intake Year	Live Births By Town		
		Brixham	Paignton	Torquay
2001-02	2006-07	139	370	570
2002-03	2007-08	141	452	678
2003-04	2008-09	148	451	666
2004-05	2009-10	141	468	729
2005-06	2010-11	110	436	729
2006-07	2011-12	147	461	789
2007-08	2012-13	118	476	819
2008-09	2013-14	172	481	771
2009-10	2014-15	129	462	812
2010-11	2015-16	157	499	840

4. Many school sites are very restricted in Torquay. Children's Services engaged architects in November 2011 to review the sites of eight primary schools across Torquay and a schools-wide consultation was undertaken to discuss various options put forward from this exercise. From this consultation projects at Cockington, Torre, Ellacombe and Warberry emerged as the best options to provide sufficient primary school places across Torquay.
5. Cockington is the project that will provide additional places for the central Torquay/Chelston area. To enable the school to take additional pupils and the Council to fulfil its statutory duty there is a £3.5m capital project planned which will provide seven additional classrooms, new hall and staff room. This will enable the school to take an additional 210 pupils and address some of the main issues of the current school in an inadequate hall space for current numbers on roll which hampers activities such as assemblies and curriculum delivery of PE, poor dining facilities and inadequate staffroom facilities.
6. The allocation of the additional area from Torre Valley North is integral to the project as a very substantial amount of the school's current hard play area will be taken by the new school extension.
7. The 2007/8 Torquay birth year (September 2012/13 school year) was a large year at 819 births. These pupils started school in Reception year in September 2012. The Council added an additional 75 places to that year group, 15 at Torre, 15 at Warberry, 15 at Ellacombe and 30 at Cockington. This Reception year group is currently full in every school across Torquay with the exception of Ellacombe which has 18 places and Barton which has 3 spaces. Some of these spaces may be taken after the summer break when families traditionally time their home and school moves. This year group has another 6 years in primary education to continue to provide sufficient places for families moving into the area. Any child that moves into Torquay who is under 8 or on Free School Meals and lives over two miles walking distance from the nearest available school such as Barton or Ellacombe will be entitled to free home to school transport- a taxi due to their age.
8. The September 2014 intake is projected to be another large year (812 births). Given the experience of September 2012 if Cockington does not admit 90 pupils (the additional 30) then it is very likely that there will not be enough places for Reception age pupils starting school in Torquay.

### **Chronology**

January 2011 – Primary Pupil Number projections undertaken by Officers in Children's Services indicated a significant increase in primary pupil numbers expected from Sept 2012.

April 2011 – LA Children's Services appointed consultants to consider options for future school expansions in Torquay & Paignton.



January 2012 – LA consulted with all schools regarding options for providing the additional primary places needed, including proposals for expanding Cockington Primary School.

15 February 2012 and 3 March 2012 – Children’s Services presented reports to SCOPE regarding need for places and funding for expansions at several primary schools including Cockington.

11 May 2012 – Follow up report to SCOPE regarding primary expansion projects including Cockington – including the need to acquire additional play space from adjacent land at Torre Valley North.

April 2011-May 2012 – Officers from Children’s Services and Residents and Visitors services discussed the possible transfer of part of Torre Valley North to Cockington Primary School on several occasions and also raised it at Corporate Asset Management Team on 10 September 2012.

Children’s Services consulted fully with all schools in Torbay regarding the proposed expansion of Cockington Primary School.

Residents and Visitor Services informed sports clubs regarding the transfer of the playing field.

A public notice to dispose of Public Open Space was not done before the land was transferred to Children’s Services.

12 July 2012 – Planning application submitted for new playground

25 April 2013 – Planning application approved in full

28 May 2013 – Work began on new playground

27 June 2013 – The contractor instructed to cease all work until further notice.

### **Planning Application**

9. The Planning Application outlined a 16m wide strip from the base of the bank at the school boundary, 1,200 m<sup>2</sup>, in May 2012. There has been no increase in area since then.
10. To expand the school to 630 to enable the Council to fulfil its responsibility to provide school places the school needs a large hard play area to be provided. If the area becomes too small the expansion of the school, and the provision of sufficient school places could be jeopardised.
11. The DfE guidelines outlined in Building Bulletin 99(BB99) give guidance on the amount of hard play area different sizes of schools should have. For a school of 630 it is 3,205 square meters. This is not statutory guidance as the large majority of primary schools nationally do not comply with the space outlined in the guidelines. With the area of hard play outlined in the planning

application Cockington will have 2,080sq m – 1,125sq m short of the BB99 recommendation.

12. The application for 'Adjustment of school site boundary to create additional play area' adjacent to Cockington School (Torre Valley North) covers a site area of some 0.1hectares. There was an error in the narrative of the application submitted by the architect as it stated 0.01 hectares but the supporting plans showed the correct area of 0.1 hectares. That falls below the definition for major development, which in this case would be a site area of over 1 ha (0.5 ha in relation to the creation of dwellings).
13. The application was advertised through site notice and this was posted on 19 July 2012. In addition, the 12 nearest neighbours were written to in the vicinity of the application site, in line with planning protocol.
14. The application was not published in the local newspaper, since it is not a major planning application, nor is it within a Conservation Area.
15. No representations were received either for or against the application. As such, in referring to the scheme of delegation, there remains delegated authority to issue consent. The scheme of delegation states that applications should go to committee where they "relate to land owned, controlled or occupied by the Council (unless there are no objections and / or it is a minor variation to an existing planning permission)".
16. In this event, the application was not for major development and there were no objections, hence it continued to be dealt with, and in the end approved, under delegated powers.

### **Consultation with Sport England**

17. Sport England was consulted at several stages during this process and did object initially. The LA then had to agree to provide funding for establishing two new pitches at Steps Cross and King George V plus new changing pavilion at Steps Cross in compensation for this change of use at TVN. Sport England then agreed to this.
18. The original information given to Sport England was ambiguous. A distance to the boundary for the cricket was quoted as 50 m and the proposal to move the rugby pitch further down the playing field was mentioned. The fact that the 50 m was conditional upon moving the cricket square and rugby pitch southwards within TVN was not made clear.

### **Council Transfer process**

19. There is no formal process involving members for transferring land within departments of the Council (appropriation). Historically any land transfers between departments have been agreed at officer level within the Council. This agreement was following past procedures.

20. Transfer of part of Torre Valley North to Cockington Primary School discussed between Children's Services and Residents and Visitor services on several occasions and also discussed at Corporate Asset Management Team on 10 September 2012

### **Disposal of Public Open Space**

21. A public notice to dispose of Public Open Space was not done before the land was transferred to Children's Services because this was not thought necessary. However, because the Council has appropriated public open space land for education land there should have been a notice advertised for two consecutive weeks in a local newspaper asking for objections to the appropriation. The duty of the Council would have been to consider those objections. No notice has been published.

### **Summary**

22. The ramifications upon the future use of Torre Valley North were considered.
23. The future provision of Athletics, Association Football, Cricket and Rugby on TVN were considered and this informed the area of land that was considered for transfer.
24. The 16m strip of land outlined in the planning application for transfer still gave enough land for all the sports to continue on TVN albeit with some realignment of facilities. This proposal also gave enough space for the continuation of football but Sport England stipulated new dimensions for new junior football pitches which then led to the need to provide football facilities at Steps Cross and King George V playing fields.
25. This part of TVN was purposely excluded from the Jubilee bid submitted in 2012 so that this land could be included in the school site to enable the Council to provide sufficient school places. Therefore, there are no implications for this designation.
26. Officers sought to ensure that the transfer followed the correct procedures with liaison between departments and followed established procedures. The transfer was raised with SCOPE and Corporate Asset Management Team. Planning permission was applied for. With the benefit of hindsight a more structured and wider consultation/information process would have been beneficial and may have prevented some of the problems experienced over this proposal.
27. Members and officers of the Council are in discussion with representatives of the sports clubs to reach an agreement that will enable the Council to provide additional hard play area for Cockington to expand and the Council to provide sufficient school places and the sports clubs to continue to use TVN.

**Matthew Redwood**  
**Head of Schools Commissioning**

**September 2013**

# Agenda Item 8

## Overview & Scrutiny *Confidence in your Council*



### Capital Investment Plan Update – Quarter 1 2013/2014

#### Report of the Overview and Scrutiny Board

At its meeting on 21 August 2013, the Priorities and Resources Review Panel considered the first Capital Investment Plan monitoring report for the 2013/2014 financial year. It provided high level information on capital expenditure and funding for the year compared with the previous budget position which had been reported in Council in February and July 2013.

In considering the report the Panel noted that the Council was no longer considering loans to housing associations, which had previously been reported as an option within its approved Treasury Management Strategy. There were also underspends reported on a range of affordable housing schemes within the Capital Investment Plan.

Members of the Panel highlighted that the Treasury Management Outturn report (considered at the meeting of the Council held in July 2013) had indicated that the Council had £21.4 million of “borrowing in excess of the Capital Financing Requirement”.

Given the other discussions by the Priorities and Resources Review Panel in relation to Children’s Services and the need to give children the best start in life, views were raised that decent, affordable housing would have a positive impact on children and families in Torbay.

Therefore the Panel recommended that:

**The Council should ensure that the allocated spend for affordable housing is effectively utilised to achieve short and longer term outcomes for Torbay and that the Council develop a Plan B as soon as possible to put to good use the money that the Council has borrowed but is in excess of its current requirements.**

This recommendation will be considered by the Overview and Scrutiny Board at its meeting on 18 September.

