

# 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.

## 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.

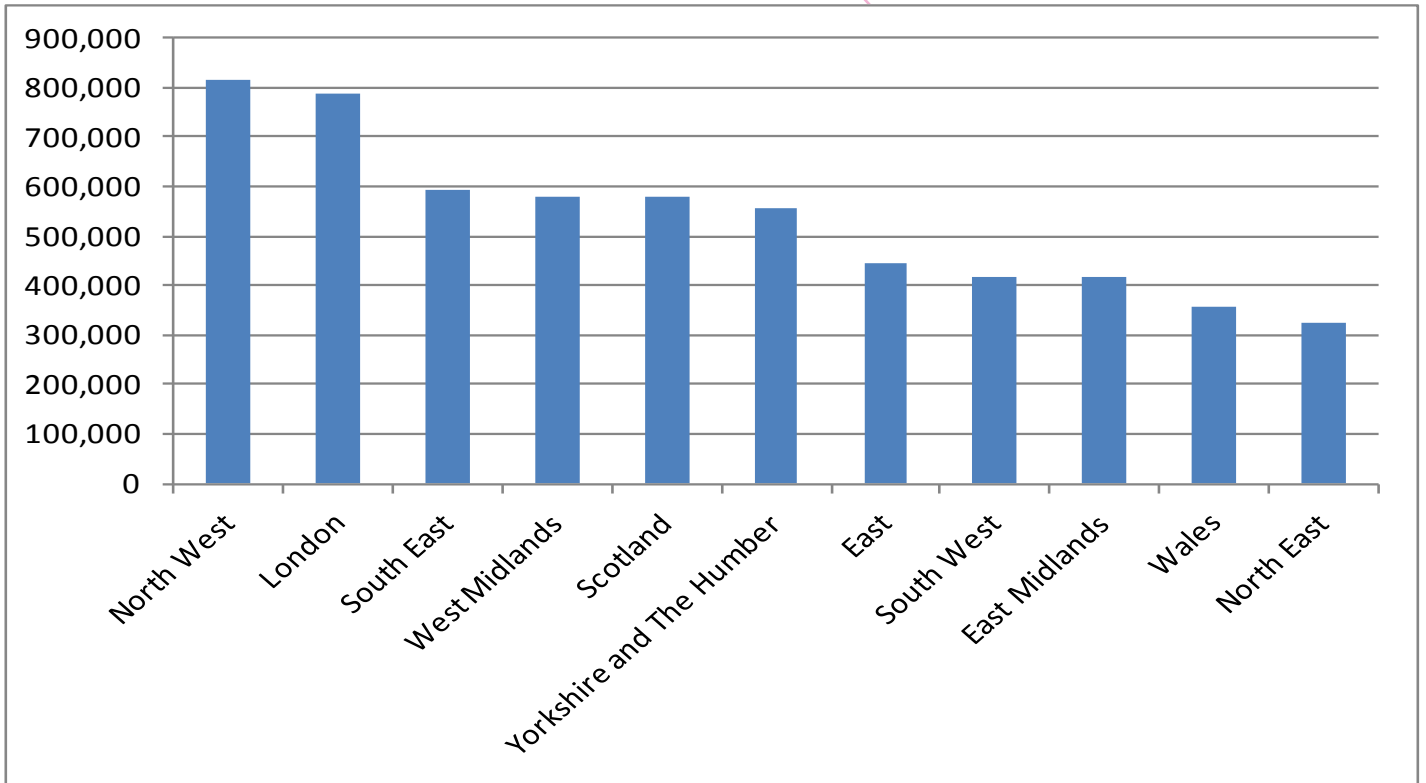
### **The scale of the welfare challenge in the North West**

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.

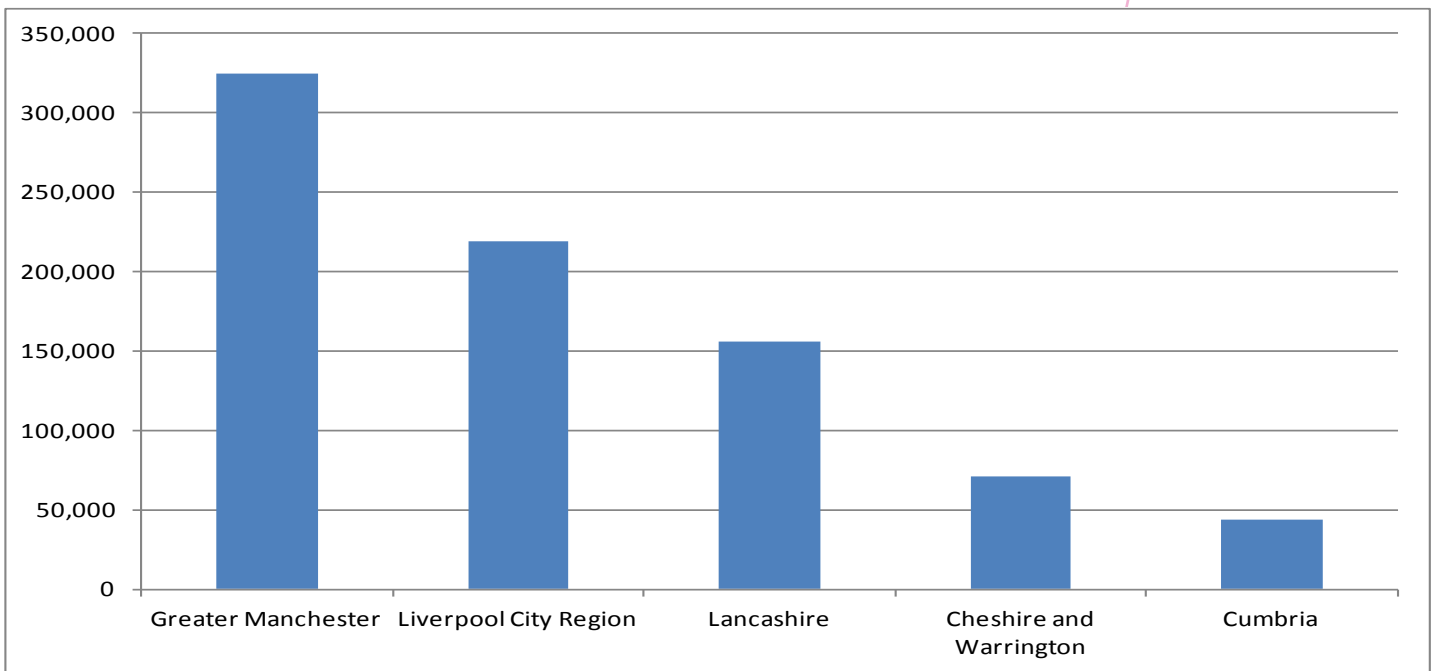
The impacts in the region will therefore be severe however this changes markedly by sub-region. Figure 2 below shows the proportion of total claimants across each of the sub-regions of the North West. It shows the much higher concentration of claimants in Greater Manchester, Liverpool City Region, and 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.

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### **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.