

AGENDA ITEM XX
REPORT TO CABINET
DATE 11 JULY 2013
REPORT OF
CORPORATE
MANAGEMENT TEAM

CABINET DECISION

Leader of the Council – Lead Cabinet Member – Councillor Cook

**WELFARE REFORM – UPDATE AND ASSESSMENT OF EARLY IMPACT ON
OUR BOROUGH**

1. Summary

To present an update on the early impact of welfare reform in our borough.

2. Recommendations

- i. The contents of the report be noted;
- ii. The development of performance indicators to measure impact be noted;
- iii. Issues concerning the development of the Local Services Support Framework be noted;
- iv. Members agree to support the developing SWAN partnership and delegate authority to the Head of Housing, as the Council's lead officer on welfare reform, to sign up to the partnership on behalf of SBC.

3. Reasons for the Recommendations/Decision(s)

This report provides an update on the introduction of the various reforms, highlighting early indications of impact and areas of concern. Performance indicators have been developed which will help to identify impacts of welfare reform changes within the borough and provide a basis for future actions and policy development.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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RECOMMENDATIONS

1. The contents of the report be noted;
2. The development of performance indicators to measure impact be noted;
3. Issues concerning the development of the Local Services Support Framework be noted;
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INTRODUCTION

1. Previous reports have detailed the introduction of the Welfare Reform Act 2012 which set out Government's intention to reform the benefits & tax credits system to provide greater incentives to work. This report provides an update on the introduction of the various reforms, highlighting early indications of impact and areas of concern.

Background

2. Welfare reform does not mean one change but several as detailed below:

- Universal Credit (due to be rolled out October 2013),
- Personal Independence Payment (introduced Stockton in April as part of a national pilot),
- Under Occupancy/ Restriction to Housing Benefit (April 2013)
- Transfer of responsibility for elements of The Social Fund to Local Authorities(April 2013),
- Local Council Tax Support Scheme (April 2013),
- The Benefit Cap (15th July 2013).

3. By July of this year all the reforms will have been introduced except universal credit, with many of the changes introduced very recently in April of this year. The projection is that when all the reforms are introduced Stockton may lose between £13 million & £20m (taken from the ILG Report).The biggest expected impact is on those with disabilities, due to changed criteria and stated government intension to reduce spend in this area, the estimated 2,420 people who are now under occupying and families with children.
4. Modelling of the impact from the Institute of Local Governance indicated that the most affected wards are those that have already felt the impact of the recession.

UPDATE

Local Council Tax Support

5. Welfare Reform is impacting on Council Tax payers on two fronts:
 - The introduction of Council Tax Support means that approximately 7,600 working age people on low incomes that previously did not pay Council Tax are paying for the first time and a further 8,300 are paying more than they did last year.
 - At the same time, the introduction of other changes such as the spare room subsidy and the benefit cap are reducing the available income for claimants to pay Council Tax.
6. March 2013 saw the highest number of calls coming into the contact centre in a single month, since it opened in January 2009. In total, Customer Services dealt with 22,000 calls, of which 10,700 related to Council Tax or Benefits. Call volumes over the same period in 2012 were 19,300 and 5,200 respectively. In the two week period following the issue of Council Tax bills and benefit notification letters calls to the Taxation and Benefit help lines were up 70% on their normal weekly volumes. It should also be noted that the above calls were complex and detailed and took longer than usual to deal with.
7. The number of face to face enquiries about Council Tax and Benefits have increased across both Customer Service Centres and at Kingsway House:

	March 2012	March 2013	April 2012	April 2013
<u>Stockton Customer Service Centre</u>				
Housing Benefit & Council Tax Benefit/Council Tax Support Interviews	2144	2553	1760	2559
Council Tax and Business Rate enquiries	323	389	253	542
Casual callers handing in Benefits information	954	1075	632	938
<u>Thornaby Customer Service Centre</u>				
Housing Benefit & Council Tax Benefit/Council Tax Support Interviews	684	800	658	802
Council Tax and Business Rate enquiries	147	221	155	203
<u>Kingsway House</u>				
Council Tax and Business Rate enquiries	58	133	99	109

8. Council Tax payers that have indicated they will have difficulty budgeting to pay over the standard ten monthly instalments have been given the option to pay over twelve months or by weekly or fortnightly instalments. The numbers taking up this option are as follows:
 - Switching to 12 monthly instalments 1473
 - Switching to fortnightly payments 93
 - Switching to weekly payments 129
9. In addition to processing the above account amendments, the Taxation “back-office” team have been faced with an exceptionally high number of other account changes and investigative work dealing with reported changes of circumstances linked to the new empty property charges for example:
 - 30% increase in “complex” enquiries referred through from Customer Services or coming in direct;
 - 27% increase in discount applications;
10. Taxation are currently working 9 days outside of a target to process account amendments within 9 working days. Two vacant posts have now been filled temporarily and some part time staff are working additional hours and it is anticipated that these additional resources will soon start to make inroads into the backlog.
11. With more people paying Council Tax and the switches to more frequent payments, the Cashiers have seen an increase in workload:

<u>Council Tax payments made at the Cash Offices</u>	<u>2013</u>	<u>2012</u>	<u>% increase</u>
April	14361	10784	33%
May	13414	10218	31%

Collection Performance

12. In-year collection of Council Tax for 2012/2013 was 98.2%, the highest in-year collection performance achieved since the introduction of Council Tax. Long-term collection rates (after 5 years) are currently around 99.1%. It is anticipated that there will be higher levels of non-payment amongst those people on low income that are having to pay for the first time, or pay more as a result of the introduction of Council Tax Support. This was taken into account when we calculated the Council Tax Base for 2013/2014 Council Tax setting.
13. It is also expected to be harder to collect Council Tax from the owners of empty dwellings where higher charges are being made with effect from April 2013. We anticipated an element of avoidance and some difficulties collecting from “absent” owners and built a prudent 70% estimated collection rate on these charges into the MTFP.
14. Collection performance is monitored monthly and we are already seeing a reduction in 2013/2014 figures when compared to previous years:

<u>Council Tax Collection</u>	<u>2013/2014 actual</u>	<u>2012/2013 actual</u>	<u>2011/2012 actual</u>	<u>2010/2011 actual</u>
April	10.54%	10.78%	10.58%	10.87%
May	19.82%	20.25%	20.14%	20.11%

15. If this trend continues it is estimated that in-year collection performance will be around 96%, however as we continue to collect arrears beyond the end of the financial year the long-term collection rate will be higher.

16. Collection rates can be analysed further:

Percentage collected to end May from those paying for the first time = 10.24%

- Percentage collected from all Council Tax Support cases = 17.57%
- Percentage of new empty property charges collected = 15.27%
- Percentage collected from non-Council Tax Support/empty property cases = 20.10%

17. A prudent approach has been taken as to the potential impact on the Council's MTFP by reducing the expected collection rate and by not budgeting for any Collection Fund surplus in future years. We are assessing the impact of the drop in collection rates on the Collection Fund and MTFP and will report back when this assessment is complete, however early indications are that collections are broadly in line with expectations.

Enforcement Action

18. The higher level of non-payment has resulted in a sharp increase in the number of recovery documents issued, and the associated enquiries to Customer Services. The increase in reminders and summonses is disproportionate to the amount of non-payment, as we are dealing with non-payment of relatively small amounts of money across many accounts:

	<u>Reminders</u>		<u>Summonses</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
April	10864	5028		
May	4132	2484	5748	2260
June	3098	2142	1578	858

	<u>Taxation Telephone Enquiries Handled</u>		<u>Taxation Face-to-Face Enquiries</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
April	5277	4227	762	419
May	4651	4296	804	374

19. Most of the actions that can be taken to recover outstanding Council Tax are laid down in Government regulations – these tightly control collection procedures and there is little scope for discretion. Where discretion can be used the Council's Collection Policy provides a framework to inform decisions and ensure that action is taken in a timely, fair and consistent manner, but firm where necessary. Individual circumstances are taken into account where these are known. The Collection Policy was reviewed and revised in April to take account of the legislative changes such as the introduction of Council Tax Support and new

empty property charges. A new step is to be introduced in August that will initially involve sending a text message to Council Tax payers when a liability order has been granted against them, and a later phase will involve issuing a reminder when a payment is overdue. These are non-statutory steps and the timing of text messages will not delay statutory action and the timing of court hearings.

20. If an account remains unpaid after the issue of a reminder notice, the next step is to make an application to the Magistrates' Court for a liability order. The first liability order court for 2013/2014 took place on 4 June and the outcome was 5,267 liability orders granted. These can be broken down across different types of payers as follows:

Council Tax Support claimants paying for the first time	1706 (32%)
Other Council Tax Support claimants	905 (17%)
Owners of empty properties	237 (5%)
Other Council Tax payers	2419 (46%)

21. Once a liability order has been obtained, there is a range of enforcement action that can be taken against Council Tax payers that have failed to make a reasonable arrangement for payment or have made an arrangement but failed to keep to it. Attachment of earnings, deductions from DWP benefit or bailiff actions are the most common actions taken. Council Tax payers in receipt of Council Tax Support will only be referred for bailiff action if the other options are not possible and they have failed to respond to attempts to contact or meet with them.

Underoccupation in the Social Rented Sector

22. In April the size criteria rules for determining maximum housing benefit were introduced for tenants in social housing. Details of the numbers affected within wards are as follows:-

WARD	No of Tenants affected	Weekly HB reduction (all tenants)	Yearly HB reduction (all tenants)
Billingham Central	151	£2,341.03	£121,733.56
Billingham East	261	£3,772.27	£196,158.04
Billingham North	14	£169.80	£8,829.60
Billingham South	129	£1,757.75	£91,403.00
Billingham West	0	£0.00	£0.00
Bishopsgarth & Elm Tree	25	£415.87	£21,625.24
Eaglescliffe	16	£257.10	£13,369.20
Fairfield	19	£244.58	£12,718.16
Grangefield	27	£446.12	£23,198.24
Hardwick	225	£3,424.75	£178,087.00
Hartburn	0	£0.00	£0.00
Ingleby Barwick East	3	£37.43	£1,946.36
Ingleby Barwick West	3	£55.80	£2,901.60
Mandale & Victoria	249	£3,344.82	£173,930.64

Newtown	256	£3,461.84	£180,015.68
Northern Parishes	3	£53.89	£2,802.28
Norton North	132	£2,031.39	£105,632.28
Norton South	40	£549.36	£28,566.72
Norton West	1	£9.84	£511.68
Parkfield & Oxbridge	47	£645.29	£33,555.08
Roseworth	171	£2,671.59	£138,922.68
Stainsby Hill	116	£1,777.82	£92,446.64
Stockton Town Centre	326	£4,424.79	£230,089.08
Village	166	£2,328.63	£121,088.76
Western Parishes	15	£217.10	£11,289.20
Yarm	23	£351.00	£18,252.00
TOTAL	2,418	£34,789.86	£1,809,072.72

23. Numbers affected have reduced from initial estimates due to work carried out to identify exempt cases, and number of changes introduced by the government shortly before implementation:-
- Supported accommodation is exempt from the criteria
 - An additional bedroom can be allowed for certain disabled people who require overnight care
 - A room can be allowed for student non dependants who are temporarily absent during term time
 - Additional room for foster carers – one additional bedroom is awarded for foster carers
 - Children unable to share a bedroom because of disability- DWP guidance is that an additional bedroom could be awarded in these cases following their decision to withdraw an appeal against a court decision. Clarifying regulations are still awaited.
 - Armed forces on active duty – where a non dependant son or daughter normally lives in the property (and not in barracks) but is away on active service, they will still be counted as resident for purposes of the size criteria, but no non dependant deduction is taken. Once they return from active service, the non dependant deduction is reinstated.
24. Some Local Authority's with housing stock have decided to re categorise some of their properties for example a small two bed becomes one bed and a storeroom. The DWP has not defined a 'bedroom' for the purposes of the bedroom restrictions, saying it is up to landlords to 'accurately describe the property in line with the rent charged'. However Lord David Freud has recently written to all Council's in Britain to warn them about reclassifying properties without a 'justifiable reason' and without reducing the rent charged on the properties. He made it clear that where a council is found to have acted incorrectly the Department for Work and Pensions would consider restricting its housing benefit subsidy, leaving any such council forced to use other funds to cover housing benefit payments. It should be noted this wont be relevant in SBC's case as we no longer have Council housing stock

Discretionary Housing Payments

25. Cabinet approved the new Discretionary Housing Payment policy in April 2013, the changes being required in order to manage the increase in DHP applications

as a result of the introduction of the underoccupation changes in the social rented sector.

26. To 31 May we have received 452 DHP applications, compared to around 350 per year previously. Decisions have been made on 286 claims with 166 remaining outstanding. Of the cases decided, payments have been made in 118 cases and 171 refused. We are in the process of recruiting 2 additional temporary staff to deal with the outstanding cases, and requests for review. Positive feedback has been received from registered providers about the policy, in particular the clarity around the types of cases which may receive help and that payments are targeted where they will make a difference. Details of the decisions made are detailed below:-

Reason for claim	Paid	Not paid	Notes
Adapted property	3	0	
Private sector at risk of homelessness	75	0	Mostly ongoing cases carried forward from 2012/13
disabled	7	20	Refused due to income exceeding expenditure
Emergency circumstances	5	2	Refused due to income exceeding expenditure
Exceptional circumstances	4	2	Refused due to income exceeding expenditure
Safeguarding children	3	0	
Short term- baby due	6	0	
Short term birthday	9	0	
Short term - pensioner	6	0	
Affordability	0	147	
Total	118	171	

Benefit Cap

27. The Benefit Cap - to ensure no one receives more in benefit than a family on average earnings - will be introduced in our borough from 15 July 2013. Initially the cap will be applied to payments of housing benefit and some affected families will lose all but 50p per week of their housing benefit payment. Latest figures show 116 families in Stockton who will potentially be affected by the cap, as detailed in the table below:-

Weekly benefit reduction	No of families affected
Over £100	22
£75-£100	19
£50-£75	22
£25-£50	22
Under £25	33

28. Home visits have been carried out to all families identified as potentially being affected, although it has not been possible to contact or engage with every

family. Further work is planned in partnership with SDAIS and with Jobcentreplus. It is inevitable that discretionary housing payments will be required in the short term to support a number of these families, whilst they make arrangements to deal with the reduction in income. It is proposed that DHP's will be conditional upon the family engaging with support provision and will be tapered away as alternative arrangements are made.

29. Food banks

An increasing number of residents are accessing food banks. A variety of food banks operate throughout the borough with different criteria for access. A worker has recently been employed via 'A Way Out' to bring together food bank co-ordinators and gather information on available services. We are hoping to capture activity in this area via the developing performance framework. Contact has been made with the food bank co-ordinator to discuss sharing information and develop referral procedures as appropriate.

30. Personal Independence Payments

Moving from existing disability benefits over to personal independence payments is a staged approach. Initially new claims will automatically go through the PIP process. When changes of circumstances occur with existing claims or the end of an award period is reached claimants will be moved and assessed under PIP. Finally those with lifetime awards will move to PIP in 2015. Targeted work is underway to support clients with disabilities and social care teams have been asked to support the take up work. At this stage it is too early to measure any impact on clients.

31. Universal Credit

This is the biggest change and is due to be rolled out locally from October 2013. The timetable originally outlined by DWP was to move all claimants to universal credit by April 2017 which will mean work for the housing benefit team will reduce over time until housing benefit ceases to exist. However further information about how this will be undertaken and which clients will be passed over and when is not known. Until we get clarity it is impossible to plan the migration of claims over to DWP. This situation poses significant risks to the Council. DWP have stated that TUPE will not apply to our benefit staff and we should reduce numbers over time via natural wastage. This could be difficult to achieve. We currently have 66.08 FTE staff and redeployment etc is likely to be increasingly difficult when we are reducing staffing levels throughout the council. There appears to be an expectation that severance costs will be met by the local authority. It is likely over time that staff will take up other opportunities and recruitment may prove difficult. We cannot downsize the Housing Benefit team until we are clear when the caseload will start to reduce as part of the roll out of universal credit. Reducing the team at this current time when workload continues to increase would impact on accuracy and speed of claim processing which in turn leads to significant penalties on subsidy. There is an added worry that our benefit administration grant will continue to be reduced before the workload diminishes.

32. We have been promised more information on the roll out of universal credit for over a year now but have as yet not received anything. Nationally the universal credit pilots have been scaled back and there is speculation about whether the new national IT system will be ready.

Local Support Services Framework

33. We replied to the Local Support Services Framework consultation document in March 2013. This document was issued by Lord Freud and Local Authorities were asked to develop a partnership approach to provide local support for those who needed assistance following the introduction of universal credit. The framework itself was vague and a revised more detailed version is awaited. In our response to the consultation document we asked for further clarity on what was expected of LA's and also what resources would follow but to date none of these issues have been responded to. We have now met on two separate occasions with Job Centre Plus who are unable to shed any further light as they themselves are awaiting guidance. The framework is expected to operate initially from October to the end of March. The concept is to support people who are vulnerable to claim universal credit, maintain their claim, get advice on debt and money management and assistance back into work. It is unclear how many people may need support as we don't know how universal credit is to be rolled out locally. Until we get further clarification on this and also expectations re delivery it is difficult to develop the local framework. Timescales for implementation also cause difficulties and there is real doubt whether this will go ahead in October. Depending on additional clarification as to what services we will deliver will depend what the framework looks like.
34. At this time all we can do is consider what a local framework might look like and we have approached the third sector via Catalyst to seek out initial expressions of interest in the delivery of the local support services framework and to ask what skills and experience interested organisations could bring to the table. This will be followed up when more detail is known, via a procurement exercise.
35. Universal credit claims and updates will be carried out almost solely by electronic means and access to IT could be an issue. We have agreed with the Local Job Centre Plus that we will attempt to map the public IT facilities available in our borough and are currently gathering information from libraries, third sector organisations, registered providers etc about what is available, any support to assist users, spare capacity with existing IT facilities, any threats to funding streams for IT etc. The intention is to share this with DWP and a range of partner organisations to identify unmet need.

Advice and Information

36. Advice and information provision is increasingly important as people face changes in income as a result of welfare reform. A recent bid was submitted to the Big Lottery Fund by Stockton Advice and Information Service on behalf of a partnership which included MIND, THRIVE, Catalyst, Age Concern, SBC libraries etc. The overall aim of the project was to enable residents to easily and quickly access the right advice at the right time. This will be achieved by:
- Establishing a Stockton Welfare Advice Network (SWAN), a group of advice agencies coming together through meetings and electronic communication to share information and resources. This funding will be the catalyst to bring these agencies together.
 - Establishing an agreed system of recording data across different advice agencies together (including services, enquiries, outputs and outcomes) that will enable advice needs to be consistently assessed, unmet need evidenced, maximise the most effective use of resources and target resources at prevention and early intervention stage.

- Creating a portal website that will give people a single access point to get the information they need to resolve their problem at the earliest opportunity.
 - Providing training to staff from front line agencies (advice, Local Authority and Health) at venues throughout the district to ensure staff can support residents to access the SWAN information website.
 - Investigating the establishment of a formal consortium, company or C.I.C. (Community Interest Company) for welfare advice agencies in Stockton to enable them to jointly bid for services/contracts that run across multiple agencies and avoid duplication.
 - Providing training and support to welfare advice agencies on improving their ability to identify a bid for funds to diversify their income streams and secure alternative funding sources, especially in contracts.
37. The bid was successful and the SWAN (Stockton Welfare Advice Network) partnership was awarded £196,229 over the two year period. The project funding covers the period September 2013 to end August 2015. SBC have been asked to be part of a steering group to oversee the development of the partnership. SBC are also asked as part of the condition of the Big Lottery funding to formally sign up to supporting the partnership. There are no resource implications for SBC and Cabinet are asked to delegate the signing to the Head of Housing as the lead officer for Welfare Reform for the Council.
38. Capturing initial impact of welfare reform Stockton Advice and Information Service report that welfare benefit enquiries were up in April 2013; 1428 new enquiries compared to 1134 in April 2012 an increase of 25%.

SBC Welfare Rights

39. Initial contact has been made with Tenants/Residents groups in the 11 most affected wards. Staff have attended 2 residents meetings so far with others to follow and agreed to do a newsletter, some advice surgeries and to go back with an update of changes etc.
40. During April/May there was an influx of queries regarding Bedroom Tax/Council Tax Support Scheme. Advice was given on DHPs , benefit maximisation & budgeting.
41. Personal Independent Payments (PIP) - take up work has commenced, working alongside partners in the voluntary sector and health. There are concerns that people are reluctant to claim (when possible entitlement identified) due to the previous negative experience of claiming Employment Support Allowance. Meetings are to be held with NHS Mental Health Teams to encourage claims.
42. Welfare Rights have been working with Client Financial Services, targeting service users that were receiving a social service but not claiming PIP.
43. There are a lot of queries and confusion regarding Universal Credit and we are working alongside partner agencies to get a clear message/information to residents. For example, numerous ministers stated that no claimants would be worse off under Universal Credit, yet DWP's own impact assessment estimates 38% of claimants will be worse off.

44. Welfare Rights are working alongside partner agencies to offer advice/support and representation with appeal tribunals and take direct referrals from CAB.

General Support

45. What is clear is that SBC need to make use of all of the resources available to them (including Discretionary Housing Payments, Back on Track Funds, Council Tax Hardship Fund) to help those who are struggling financially. This work is underway.

Welfare Reform and Impact Monitoring - a Framework

Principles of Data Collection

Framework for monitoring the impact of Welfare Reform

46. Implications from the Welfare Reform Act have started to impact from 1st April 2013. There are many aspects to the reforms which will impact in very different ways. Some will have a direct more easily calculated impact others such as behavioural change, cumulative impact, will be more complicated to monitor and track. Monitoring needs to be manageable and informative, without creating an industry, for the council and its partners. This impact framework sets out Stockton principles for monitoring short and long term impact and identifies what methods will be used to monitor and capture both organisational and individual impact.

Over-arching principles

47. There are numerous data sources that could be monitored to understand both activity and impact of the welfare reform changes. These data sources cut across many departments within the Council and across numerous partner organisations. In gathering this intelligence we need to be mindful of data quality and data sharing protocols and limit, where possible, the risk of double counting to avoid information becoming distorted and therefore less meaningful as a tool and to be clear about the reasons why we are capturing the data. To streamline collection and use of data the following principles are suggested with respect to proposed data collections:

- To inform Policy Shaping
- To provide information to the leadership and executive of the Council
- To benchmark regionally / nationally
- Data to be collected at a manageable geography/ community of interest where possible and appropriate.
- To identify any emerging trends.
- Measures to monitor short, medium and long term impact
- Information will only be collected from data we hold as a council or from partner organisations.

Methodology

48. To allow qualitative and quantitative data collection a variety of methods to monitor impact are suggested as below:
- Monitoring of performance indicators and activity data.
 - Case Studies – To capture multiple impacts not always collectable through data sets.

- Use of Survey Data to capture, impact on lifestyles, mood, feeling happy/ healthy / positivity measures.

49. **Performance Indicator Data**

- All suggested measures for collection will be allocated a lead officer responsible for collection.
- Service areas will be allocated responsibility for each measure
- Data will be collected quarterly through the current performance management arrangements, using the Business Support and Improvement Teams within service areas to collect the data relevant their service areas, from nominated officers. Measures and data collection will be part of the shared service data base.
- A proforma detailing the Indicator definition, data collection system, frequency of monitoring, responsible officer etc will be completed in line with usual performance management arrangements.

50. **Case Studies**

- A Template is to be developed for organisations to use to capture information for case studies.
- Discussion suggested at the WR Board to determine families/ topics for case studies.

51. **Survey Data**

The council viewpoint panel are to be used to monitor impact on lifestyles, mood, feelings of wellbeing etc. One survey a year will be used to capture this information. Data group to determine suggested survey questions.

52. **Suggested areas for data capture**

The following topic areas are suggested:

- Crime – including acquisitive crime, domestic violence
- Employment – Overall and youth employment, job density
- Economy - impact on business
- Health – incl. mental health, general wellbeing
- Housing indicators, including homelessness
- Advice/ information – activity and type of enquiry
- Children’s Services - Activity Data
- Adults Social Care – Activity data
- Social fund / crisis loans – Measures included in the Five Lamps contract
- Satisfaction / feeling positive aspects through the resident’s survey.
- Organisational impact - Council Tax arrears, contact with the council, arrears
- Communities of interest e.g. those with a disability. These might be more appropriate to feed into case studies.

53. **Next Steps**

Information will be collected on a quarterly basis with regular updates to the Welfare Reform Board, CMT and members. Consideration can be given to any policy implications, resource issues, etc. arising from the impact.

54. Member input into Welfare Reform

Members have been provided with a number of policy briefings both on the wider impact of welfare reform and previously on specific aspects of reform such as the introduction of the Local Council Tax Support Scheme. Welfare reform has been selected as an area for Scrutiny and the Council's Housing and Community Safety Select Committee have held the first Tripartite to discuss the proposed scope of the review. This review will look at welfare reform and financial inclusion, will commence in July and run until the following March (2014) with a final report to Cabinet. The review will consider the early impact of welfare reform on local agencies, whether any amendments to policy and operational services are required as a result and what plans are in place to project the future impact on the Borough. Consideration will be given to the overall approach to improving financial inclusion in the Borough, whether a coordinated approach is in place and whether SBC resources are effectively targeted to ensure the most benefit. This will include consideration of the performance of services provided or funded by both SBC and partners.

Back on Track Pilot (Stockton Borough's Localised Social Fund Scheme)

55. The Borough's Back on Track Support pilot scheme for 2013/14 went operational from 2nd April, 2013 replacing at a Borough level some discretionary elements of the Department Of Work and Pensions (DWP) administered Social Fund that were abolished under the Welfare Reform Act 2012.

Background

56. The Government in abolishing the nationally administered elements of the Social Fund, set out below, allocated funding for 2013/14 and 2014/15 to Local Authorities to provide replacement provision for:-

- Crisis Loans for Items and Daily Living Expenses
- Community Support Grants.

57. Any further Government funding for local schemes post 2014/15 would be subject to the Government's Comprehensive Spending Review.

58. This was reported to Cabinet (6th September, 2012) who approved the commissioning of a local welfare assistance pilot scheme for the Borough which kept eligibility criteria largely the same as the DWP scheme for the pilot year 2013/14.

59. Back on Track is the Borough's discretionary scheme, intended as a fund of last resort and delivered by Five Lamps, on behalf of the Council to provide two types of support:-

- a) Crisis Support for people in immediate need (food, fuel clothing, baby consumables) and
- b) Settlement Support to help people remain in the community or move back into the community after a period in supported or unsettled accommodation (ie. furniture, carpets, white goods, removal costs).

60. A member's briefing paper issued in March outlined the background and pathways into the scheme and a series of workshops were held for frontline providers.

Back on Track Scheme- April and May

61. Take up and spend has been slower than anticipated in the first two months which is reflected across the Tees Valley and in Durham and Northumberland. However the number of calls is steadily increasing each week which is a trend that is likely to continue as the welfare reforms start to take effect over the next few months.

62. Back on Track is a fund of last resort however the majority of telephone calls received over the first month were inappropriate referrals from JobCentre Plus for people who were awaiting their first benefit payment who would have been eligible for a Short Term Advance from the DWP. When the DWP abolished the Social Fund they retained responsibility and the funding for Alignment Payments (now known as Short Term advances) and Budgeting loans (now known as Budgeting advances). This situation has now largely been resolved in Stockton Borough.

63. The table below sets out the case load for April - May 2013

	Crisis Support	Settlement Support
Back on Track Calls	316	128
Applications	84	29
Awards	40	6
Average award	£45	£492

64. The majority of awards were for food and fuel. The postcode level data indicates the applications have come from mostly from central Stockton, Thornaby and Billingham.

65. The main reason for ineligibility and declined applications in the first couple of months were related to people having no exceptional event or health needs or opting out themselves following the initial phone call (Back on Track awards goods and services rather than cash unlike the DWP Social Fund it replaced). A triage approach is taken with both successful and unsuccessful applicants being signposted to other services and support as appropriate. This has included signposting to Job Centre Plus/DWP, Tees Credit Union, Stockton District and Advice Service and other advice agencies, local food banks and furniture recycling schemes.

66. As outlined earlier the numbers have been slower than anticipated and this may well reflect the fact that it is a new scheme offering goods and services unlike the DWP scheme that provided cash. In addition the welfare reform measures may take a few months to have a significant impact on the scheme as people start to adjust to various benefit and council tax changes and draw upon other support such as DWP Short Term Advances before accessing the Back on Track scheme.

67. As reported at Cabinet previously the scheme, in common with the rest of the Tees Valley, operates during office hours Monday to Friday so does not have an

out of hours service. Consequently monitoring has been established to assess any out of hour impact on the Council's Emergency Duty Team (EDT-a joint Tees Valley wide service). At a recent liaison meeting with the EDT to talk through the scheme they confirmed that to date the Back on Track Scheme has not increased their out of hours workload.

Update on early impact of welfare reform on our biggest registered provider

Tristar Homes

68. Since the commencement of the bedroom tax in April 2013, the first time performance could be analysed was week ending 5/5/2013 following the first Housing Benefit payment schedule and again on 4/6/2013. Housing Benefit awarded to customers is paid direct to Tristar Homes every 4 weeks and this is therefore the best time to measure performance.

69. Stockton's Benefit service has indicated that the number of properties subject to the bedroom tax has continued to reduce and now stands at 1,847.

One Bedroom under occupying	1468
Two or more bedrooms under occupying	379
Loss of annual Benefit for customers	Reduced from £1.356M to £1.329M

70. Caution should however be shown with arrears figures as arrears reduce in April and May mainly as a result of the non-charge weeks and payment schedules i.e. Direct Debits.

Date	Total Arrears	
Mid-March 2012	£1063K	
Mid-March 2013	£968K	
1 st April 2013	£912K	
May 2013 (5/5/2013)	£862,881	Reduced by £49,171 in line with previous trends and better than May 2012 performance of £926,606.
June 2013 (4/6/2013)	£986,065	Increase is in line with previous trends and still slightly better than June 2012 performance but higher than year end and double monthly increase than this time last year.

71. In order to ascertain the financial impact of the bedroom restriction a control sample group of the original customers who would be impacted by the reforms was taken by Tristar (i.e. 1,959 customers). Of these customers rent accounts were reviewed in February and then two months later in May once the bedroom restriction were in force.

	Number of Cases	% Change
Arrears increasing	637 cases	33%
Arrears decreasing	514 cases	26%
Static arrears	18 cases	1%
Clear rent account	790 cases	40%

72. Analysing the arrears owed on accounts in this control group showed that overall debt of £238,575.20 as of February 2013 increased to £249,001.40, an increase of £10,426K which in a 3 week payment period shows the first signs of the impact of the bedroom restrictions in financial terms. The latest performance shows these figures increasing by a further £19K to £267,791.

73. Tristar's Home Choice and Welfare Support Officer who is supporting customers wishing to downsize is currently helping 248 customers with 87 customers now rehoused. Tristar's employability service is supporting 122 customers with many referrals coming through the discretionary housing payment application process.

FINANCIAL IMPLICATIONS

Impact on Council Tax Collection as detailed in the report.

LEGAL IMPLICATIONS

None.

RISK ASSESSMENT

Risks to collection rates, potential increase in homelessness.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

Concerns about inheriting family property, Community Cohesion and Financial Inclusion.

EQUALITY IMPACT ASSESSMENT

Performance indicators devised (appendix 1 of this report) which should give a better indication of impact.

CONSULTATION INCLUDING WARD COUNCILLORS

Previous Member seminars on Welfare Reform.

Name of Contact Officer: Julie Nixon
Post Title: Head of Housing
Telephone No: 527072
Email Address: julie.nixon@stockton.gov.uk

Education related? N/A

Background Papers: None.

Ward(s) and Ward Councillors: See above.

Property: N/A