

# Health and Wellbeing Report (For information)

**MEETING:** Health and Well Being Board

**DATE:**

**SUBJECT:** Impact of Welfare Reform

**REPORT FROM:** Claire Jenkins

**CONTACT OFFICER:** As above

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## 1.0 Purpose of the Report

1.1 This report outlines the effect of the changes and actions taken by Bury Council and partners in response to the changes to Welfare provision.

## 2.0 Background

2.1 April 2013 saw the introduction of the largest changes to the system of Welfare provision since the inception of the Welfare State. These changes have had a significant impact on residents of Bury. There is evidently a direct link between reduction in financial assistance and the impact this has on health and well-being.

2.2 The Welfare Reform Board has been in existence since October 2012. This meets monthly and provides a co-ordinated approach in dealing with Welfare Reform. The Board includes representatives from Bury Council, Six Town Housing, DWP, CAB and others including social landlords. It works in partnership to ensure a co-ordinated and holistic approach to dealing with the changes.

## 3.0 Changes and Actions taken

### 3.1 Under-occupancy charge (known as bedroom tax)

This introduced a reduction in Housing Benefit to claimants living in social housing who `under-occupy` their property. Over 1000 tenants in Bury were affected. The Welfare Reform Board worked together to publicise the changes in advance of April 13 and to provide support to affected tenants.

The Council and Six Town Housing have worked very closely together to mitigate both the impact on tenants and also on rental income. The Housing Solutions team was established consisting of staff from the Local Authority Benefits Service, Housing Options and Six Town Housing staff. This team has contacted all tenants affected and

worked with them to consider their options: these could include downsizing, applying for a Discretionary Housing Payment (DHP) or signposting to CAB for specific debt and or budgeting advice.

This approach has been very successful and the impact on rent arrears has been very much contained. Of those customers affected, latest figures show that 60.05% are paying the charge in full, 36.20% are paying in part and only 3.2% not paying. This compares very well with other social landlords. Over £373,000 of financial risk has been averted and £122,262 of Discretionary Housing Payments received as a result of the interventions that were put in place.

A summary of the other key outcomes from the Housing Solutions Team are summarised in the table below:

| <b>No. of tenants contacted</b> | <b>No. of cases successfully resolved</b> | <b>No. of tenants who have successfully secured DHP</b> | <b>No. of tenants that have been helped to move</b> | <b>No. of pending housing moves scheduled</b> |
|---------------------------------|---|---|---|---|
| 802                             | 656                                       | 330   | 50  | 18  |

### 3.2 Council Tax Support

From April 13, provision of support for Council Tax Benefit was devolved to local authorities. This was in the form of a cash limited grant paid on an annual basis and based on the previous years spend for each individual Local Authority. It also included a cut of 10% to that spend. Local Authorities had to design their own scheme which had to incorporate the cut. The scheme we designed minimised the impact on the most vulnerable as much as possible: certain groups were protected from any cut and we introduced extra empty property charges to Council Tax to offset in part the reduction. The main cut was in restricting payments to Band B rates of benefit for those customers in higher bands. Although it is inevitable that customers have suffered hardship due to the changes, the impact has been less than anticipated and collection of Council Tax for 13/14 has exceeded target.

### 3.3 Local Welfare Provision

The nationally administered Social Fund was devolved to Local Authorities from April 14. Again, this was in the form of a grant and each local authority developed their own scheme to administer and award this grant.

Bury Support Fund was set up to ensure awards were made within certain criteria and also incorporated provision to signpost customers to debt advice with CAB where appropriate: a CAB member of staff has been seconded to work as part of the Bury Support Team.

A summary of provision is below:

**£304,194.55** paid in total to **1253** successful claims

#### **Monetary:**

|                          |   |
|--------------------------|---|
| Original Fund Allocation | £570,871.00                                 |
| <b>less</b> CTS Support  | £30,000.00                                  |
|                          | £15,000.00 <b>(532 food parcels 13/14)</b>  |
| <b>less</b> Porch Box    |   |
| <b>less</b> Crisis       | £32,188.35 <b>(410 crisis payme 13/14)</b>  |
| <b>less</b> resettlement | £227,006.20 <b>(311 payments for 13/14)</b> |

**Spend 13/14** **£304,194.55**

#### **Food parcels: % attributable to sanctions**

**Q1 6%**  
**Q2 17%**  
**Q3 24%**  
**Q4 21%**

#### 3.4 Sanctions

This has had a major impact on residents. The new regime administered by DWP has resulted in many claimants losing entitlement to benefits and the changes to underlying financial support offered by DWP to sanctioned claimants has left many with no income. The Bury Support Fund has aimed where possible to provide support to affected customers but the reduction in the overall grant has had an impact on what help can be provided. Further, this is likely to become even more of an issue if the grant ceases from April 15 which is likely.

#### **4.0 Conclusion**

4.1 The Welfare reform Board will continue to meet on a monthly basis to co-ordinate a partnership approach to the changes.

4.2 Further changes are anticipated: the possible end of local Welfare Provision (ie the old Social Fund) from April 15 and the possible ending of increased discretionary Housing Payment which were temporarily increased to mitigate the effects of the Single Occupancy Charge (Bedroom Tax).

4.2 The views of the Board are welcomed.

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