

HOUSING AND ANTI-POVERTY SCRUTINY PANEL		DATE: 12.09.2017
TITLE Local Welfare Support Provision		ITEM NO: 7
CHIEF OFFICER Director of Communities and Environment		CABINET MEMBER Housing & Anti-Poverty

I. Purpose of the Report

- 1.1 This report provides the Panel with an update on the impact of key changes to the benefits system introduced by the Government in 2013/14 and reviews the position at the end of 2016/17 or to the end of the first quarter of 2017/18 where this data is available.
- 1.2 The report also considers challenges for the Council in relation to the next phase of implementation of the Government's programme of welfare reforms, including further benefit changes due to be introduced in 2017 and 2018 and the on-going roll out of Universal Credit.

2 Benefit Changes

- 2.1 The Council's work in response to the Government's programme of welfare reforms has focussed on the following key changes to the benefits system:
- **Total Benefit Cap: From its introduction in 2013:** limiting the total amount of benefit that most workless households can claim to £500 per week for couples and lone parents or £350 for single people. Total Benefit Cap £26,000 per household.
 - **Total Benefit Cap as From 7 November 2016:** limiting the total amount of benefit that most workless households can claim to £442 per week for couples and lone parents or £296 for single people. Total Benefit Cap £23,000 per household.
 - **Social Sector Size Criteria for Housing Benefit:** reducing Housing Benefit payments for council and housing association tenants if the home is to be too large for the household's needs.
 - **Abolition of the national Council Tax Benefit Scheme:** responsibility has now transferred to local councils. The budget was cut by 10%;
 - **Localisation of elements of the DWP Social Fund:** The Government abolished the national system of Community Care Grants and Crisis Loans and devolved the funding to local authorities. Specific grant funding for local welfare assistance schemes ceased from 2015/16.

- **Introduction of Personal Independence Payment:** Disability Living Allowance (DLA) is being replaced by a new benefit called Personal Independence Payment (PIP). Eligibility criteria for PIP are more restrictive.
- **Introduction of Universal Credit:** Universal Credit is a new means-tested benefit for working age people. People are considered to be working age until they reach the current women's pension age, which is also the age at which men and women can claim Pension Credit. This age is currently 63, but it is gradually increasing.
- **Changes to the Pensions Act 2011:** women's State Pension age will increase more quickly to 65 between April 2016 and November 2018. From December 2018 the State Pension age for both men and women will start to increase to reach 66 by October 2020.

3 Impact of reforms introduced since 2013

3.1 Total Benefit Cap:

- As at the end of 2016/17, 331 Greenwich households were affected by the Total Benefit Cap. The number affected had continued to fall steadily to 152 since the introduction of the cap when 212 households had the cap applied. The rise in the current figure is due to the lowering of the Total Benefit Cap in November 2016 from £26000 to 23000 per year.
- The Department of Work and Pension DWP did a scan to assess the number of households likely to be affected by the further reduction in the Total Benefit Cap in November and predicted that 453 would be affected when this change happened. This was introduced in Greenwich on 12 December 2016 and at the end of 2016/17 there were 331 household affected.
- Over three quarters of the Total Benefit Cap households are lone parents. With just under a third of the households having a loss in benefits over £75 per week.
- As at the end of 2016/17 858 children lived in households that had the cap applied to their benefits.
- Households affected by the Total Benefit Cap continue to be predominantly larger families. With an average of 4 children per household.

A full breakdown is included in Appendix I

3.2 **Social Sector Size Criteria:**

- Just over 2000 Greenwich households were affected at the end of 2016/17. This is a reduction of just under 45% on the 3665 when the reforms were introduced.
- Just under 80% of households that are under occupying are doing so by just one bedroom
- 1157 (57%) of those affected are Council tenants. The number of affected council tenants has reduced by over 1,000 since the reform was introduced. The remaining 851 are tenants in Register Social Landlord properties.
- The Majority of Discretionary Housing Payments are to those households affected the Social Sector Size Criterion
- Since the reform was introduced 918 affected council households have registered for rehousing because they want to downsize.
- A total of 150 were successfully downsized to appropriate housing to meet their needs in 2016/17. Of these 96 have moved to smaller accommodation through allocation policy and 54 have been helped to move through mutual exchanges.

A full breakdown is included in Appendix 2

3.3 **Abolition of the national Council Tax Benefit Scheme:**

- The Government required local Council Tax schemes to protect pensioners; in Greenwich therefore, in order to stay within budget, the Council agreed that all working age claimants would be required to pay at least 15% of their Council Tax charge. Currently there are over 23,000 LCTS claimants in the borough. Nearly 6000 of these are pensioners and are receiving the whole support allowance to cover the cost of their Council Tax. Only 2783 of claimants are receiving less than 50% towards the cost of their Council Tax.

3.4 **Localisation of elements of the DWP Social Fund:**

Emergency Support Scheme

- In 2016/17 a total 4555 applications were made to the Emergency Support Scheme. Approximately £527k was paid out under the scheme of which over £190k was in respect of emergency cash payments and over £335k for community support grants (new white goods, furniture, beds and bedding).

- Most applications refused have not met the eligibility criteria with many referred to the local Jobcentre, particularly where they have been sanctioned, for short term advances or hardship payments.

Discretionary Housing Payments

- Approximately £1.2m was paid out in Discretionary Housing Payments (DHPs) in 2016/17
- The majority (just over 73%) of payments made since April 2016 have been to households affected by the social sector size criteria. Of these, just under 50% were to households where a resident is a disabled person.

Housing and Homelessness

- Greenwich has a much higher proportion of social housing than England as a whole. Because Greenwich has a relatively large social housing sector so the impact on the Under Occupier has been considerable.
- Homelessness is increasing nationally and London boroughs are experiencing the most significant rises. The number of homeless households to whom London boroughs have accepted a duty rose by over 120% between 2010/11 and 2016/17. The levels of homelessness are set to continue rising as the lower benefit cap is now effect and Local Housing Allowance (LHA) rates still remain frozen for another three years.
- Consequently, the Council is experiencing an unprecedented demand, which means that it is placing a massively increased number of homeless households in temporary accommodation.
- On 27 April 2017, the Homelessness Reduction Bill received Royal Assent and becomes the Homelessness Reduction Act 2017. Secondary legislation will bring the Act into force in due course, with transitional provisions which will explain how the new duties will apply to applications already being processed when the reforms come into force. The Act also provides for a new Code of Practice, although DCLG have not released details of these as yet.
- The Act has the potential to change the way homelessness services are delivered by Local Authorities. The government will be providing £61m to Councils to meet the costs incurred.
- At the end of 2016/17 520 households were living in temporary accommodation. At the end of 2015/16 there were approximately 400.
- In 2016/17, RBG prevented 1765 households from becoming homeless through preventative casework compared with 1691 in 2015/16.

A total of 414 tenants approached the council for assistance due to threat of eviction or eviction in 2016/17. Of these 379 were private sector tenants and 35 were approaches from RSL tenants.

- Royal Greenwich accepted 545 households as statutorily homeless compared with 450 in 2015/16. This is over twice the number that the service accepted in 2011/12.

A full breakdown of arrears and homelessness applications and since 2012 is included in appendix 2

4. Council Response

4.1 In early 2013 the Council agreed one-off investment of £8.2m to help support a range of initiatives working with local people affected by the welfare reforms, including £6m for the GLLP supported work placement scheme.

The key objectives of this work over the past three years have been to:

- Support affected residents to gain employment
- Prevent homelessness
- Protect revenue streams to the Council
- Encourage/incentivise those affected to seek a permanent solution to their loss of income

4.2 Recognising the potential impact on the Council from increases in homelessness and rent arrears, our work has focussed on families affected by the benefit cap – who are predominantly larger families living in the private rented sector and therefore particularly at risk of losing their homes if they are unable to keep up rent payments – and Council tenants affected by the under-occupancy rules (social sector size criteria).

4.3 Rather than seek to address the problem by moving people to cheaper homes out of London, as some other Boroughs have done, our approach has been to work with those affected to help them find a sustainable solution to their benefit reduction, with a strong emphasis on supporting them into work as the best option for most. Key features of this approach have been:

- Making proactive contact with affected households to offer holistic assessments and tailored interventions;
- Multi-disciplinary/multi-agency working, adding value over and above support offered by JCP or through the Work Programme alone;
- Partnership working with JCP.

Welfare Reform Team

- 4.4 In early 2013 the Council established a dedicated, multi-disciplinary team to contact and offer support to households affected by the Total Benefit Cap and social sector size criteria. The Welfare Reform Team (WRT), which includes GLLaB and JCP employment advisers alongside Housing staff, has a strong focus on helping individuals on a path to sustainable employment. This ethos has remained very strong over the years and regular meetings are held to discuss the most effected clients that require intensive support and engagement allowing them to be prioritised by the team

Total Benefit Cap (TBC):

- Prior to the introduction of the original cap, the WRT attempted contact with all those households anticipated to be affected, to offer tailored, holistic advice and support including a whole-family needs assessment. Similarly in Autumn 2016, the WRT again attempted contact with all those currently affected, to advise them of the further reduction to the cap amount, as well as those likely to be affected for the first time. The team carries out a high percentage of outreach work, and proactively goes out to try and engage the clients, rather than waiting for them to come to us for assistance. This proactive and intensive approach of early intervention, has had considerable success.
- As at the end of March 2017, the WRT had assessed 583 of the 951 households who have had the TBC applied since September 2013, and out of the assessed households, approx. 252 individuals were supported into employment. 140 Individuals affected by the TBC have participated on the Greenwich Local Labour Project (GLLP).

4.6 Social sector size criteria for Housing Benefit:

- 4.7 There has been some success in facilitating households to downsize in order to avoid the impact of the social sector size criteria. In 2016/17 98 households have moved. Although this is a relatively small proportion of those affected (2008 at as March 2017), it represents a significant increase on the number downsizing each year prior to the reform being introduced

Greenwich Local Labour Programme (GLLP)

- 4.8 In April 2013 the Council launched a new local employment scheme to help move local families worst affected by the benefit changes into work. The scheme provides highly supportive, paid, six month work placements, most of which are in the Council's Community Safety and Environmental Services Directorate. Over 40% of those participating on the programme have been out of work for five or more years and many have never worked before.

- 4.9 GLLP has delivered a number of significant outcomes since it was launched:
- 394 residents have joined to undertake paid work-experience placements through the scheme;
 - 136 young disadvantaged residents have joined to undertake apprenticeships through the scheme;
 - Nearly 1,500 residents have been positively affected by the scheme (participants, their dependent children and partners);
 - 239 (73%) of the 329 participants who have completed or left the work-experience scheme to date have been successful in securing onward employment so far.

Local Council Tax Support

- 4.10 The Council consulted on options for how it should address the reductions in funding from central government. Respondents favoured the option of passing a 15% reduction on to Council Tax claimants.
- Officers wrote in advance to all residents affected by the reduction to advise them of the change and offer support in the form of referrals to other services.
 - Whilst the Council has pursued its normal recovery procedures for individuals who fall into arrears with their Council tax, additional support has been provided to avoid enforcement action where possible. Those who are also affected by the Total Benefit Cap, social sector size criteria or issues relating to Universal Credit are referred to the Welfare Reform Team for dedicated support.

Emergency Support Scheme:

- 4.11 Following the abolition of the national system of Community Care Grants and Crisis Loans, the Council agreed to set up a local welfare assistance scheme (the Emergency Support Scheme) to provide emergency payments for residents experiencing hardship e.g. money for emergency food, fuel etc.; and household items, including furniture and White goods to help vulnerable individuals and families establish or maintain themselves in the community. The Greenwich scheme also seeks to identify the wider needs of people seeking assistance through a short “triage” assessment, with applicants being sign-posted/referred to other services and sources of support as appropriate, including to the Council’s Welfare Rights Service and Welfare Reform Team.
- 4.12 The Emergency Support Scheme (ESS) has been operating effectively since its launch in April 2013. It is expected that there will be an increase in the demand for Emergency Support following the introduction of the full Universal Credit service go live in June 2018.

Discretionary Housing Payment (DHP):

- 4.13 Unlike most other London Boroughs, Royal Greenwich is providing DHP to affected council tenants who are in receipt of disability benefit in addition to those living in adapted properties and has also made a significant number of payments, on a case by case basis, to households under the threat of recovery action due to the Housing Benefit shortfall who also have other multiple debts.

Welfare Benefits Advice:

- 4.14 Welfare Rights advice
- Welfare Reform is continuing to lead to huge demand for welfare benefits advice. The cumulative effect of the range of welfare reforms has contributed to advice services dealing with more contacts from residents in crisis.
 - Benefit queries are becoming more complex, as residents are often affected by more than one reform. This is contributing to cases requiring a higher amount of advocacy and assistance to resolve, which means the provision for specialist advice is not able to reach as many residents. Specialist advice services in the borough are struggling to be able to cope with the demands on their services.
 - The key issues which are currently affecting residents: DLA transfers to PIP, ESA problems, problems with tax credits, reductions in entitlement to Housing Benefit due to under-occupancy and the reduced Benefit Cap.
 - Universal Credit was rolled out in January 2016, which is likely to lead to additional pressures and demand on advice services in the future. Currently this benefit is only affecting a small number of claimants, however where they are experiencing difficulties the cases are requiring a significant amount of advocacy and support to resolve.
- 4.16 The Council provides a number of options to leaseholders who find it difficult to pay service charge bills for major works. These include: paying by instalments, deferred payments, loans, and voluntary charge on the property (to be paid when sold). Annual leaseholder service charges can be spread out over time if the individual agrees to set up a direct debit.
- 4.17 The Council's Private Sector Team within the Housing Options and Support Service in the Directorate of Housing supports private sector tenants at risk of homelessness. In 2016/17, the team has prevented homelessness for 1765 families through casework support.

- 4.18 This is in spite of a reduction in the number of private landlords accepting tenants claiming Housing Benefit and a general reluctance of landlords to enter into repayment arrangements. The Council's rental guarantee scheme enables the service to negotiate affordable rental increases.
- 4.19 Protocols have been produced, with associated training for staff dealing with and supporting distressed and vulnerable people

5. Future Challenges and next steps

Further changes to the benefits system:

- 5.1 The Government has confirmed its intention to introduce the following further changes to the benefits system as part of a longer-term commitment to reduce the welfare budget:
- A freeze on the majority of working age benefits, tax credits and Child Benefit for another three year
 - The current private sector Local Housing Allowance rate will apply from April 2018 to social housing tenancies signed or renewed after 1 April 2016.
 - From April 2017, new claimants of Employment and Support Allowance who are placed in the Work-Related Activity Group receive the same rate as people claiming Jobseeker's Allowance. Existing ESA claimants currently unaffected.
 - The removal of automatic entitlement to housing support for 18-21 year olds; and a new Youth Allowance for 18-21 year olds with stronger work related conditionality from Day 1 (after 6 months they will be required to go on an apprenticeship, training or community work placement). It means that from 1 April, new single claimants aged 18 to 21 are not entitled to the housing element of universal credit unless they fall into certain categories.
The exceptions include people with children, or those where to continue living with their parents would bring a "serious risk to the renter's physical or mental health" or would otherwise cause "significant harm"
 - Universal Credit (UC) is being phased in gradually across the country and was introduced in Greenwich at the start of 2016 for new claims from single JSA claimants. Full service will be introduced in Greenwich in June 2018. The Council has now signed a Local Delivery Plan agreement with the DWP setting out the arrangements under which it will provide support for vulnerable claimants, including help with online claiming and budgeting and debt advice. The Welfare Reform Team will have a key role in this context.

As Greenwich is one of the last local authorities to implement Universal Credit Full Service we have had the opportunity to learn from the experiences of other Councils

The main issues for those claiming UC in “full service” areas so far have been:

- Digital by default – On line claims, on line accounts and on line communication only. This will be a major change and challenge for some claimants. The Advice & Benefits Service will shortly be implementing E Claims for Housing Benefit to help prepare claimants for Universal Credit (UC) Full Service go live in Greenwich planned for June 2018. There will be an on-going review of facilities and support available to help claimants get on line.
- Payment Delays = Claims for UC should be paid within 6 weeks. In many of the recent Full Service sites it is taking on average 10 weeks to pay claims, particularly in respect of Housing costs leading to increased rent arrears and potential evictions/ homelessness. The.
- Personal Budgeting & Support– One single payment paid monthly in arrears covering claimant, children and Housing costs. Many claimants, particular social housing tenants, have not received Housing costs as a payment to them before.

Corporately we have set up a Universal Credit implementation group from all relevant departments to consider these issues and lessons to be learnt from those London authorities who have gone moved to UC Full Service.

The Royal Greenwich Fairness Commission

5.2 In October 2015, the Council passed a motion to set-up the Greenwich Fairness Commission. The Commission’s purpose was to investigate inequality in the borough, scrutinise the Council’s anti-poverty work and present a series of recommendations to improve outcomes for the most disadvantaged Greenwich residents.

5.3 Four key themes were identified by RBG as particular areas of concern. These were education, employment, housing, and health. Commissioners were chosen to reflect expertise in each of these areas and meetings were organised thematically to identify the key issues within each theme. Additionally, during the process of the Commission a fifth theme was identified as particularly crucial to residents’ lives and opportunities: financial inclusion.

The Commission was active over a six-month period (end of September 2016 to March 2017). During that time, four months were dedicated to consultation and different measures were taken to receive evidence from different stakeholders:

- Call-for-evidence - September 2016 to January 2017
- Themed roundtables (with the exception of the young people roundtable, all roundtables included Council representation)
 - Education – November 2016
 - Employment – November 2016
 - Young people – November 2016
 - Health – November 2016
 - Financial Inclusion – December 2016
 - Housing - December 2016
 - Business – January 2017
- Public workshop – February 2017

The Commission also attended a consultation organised by the Greenwich Association of Disabled, to focus on the experiences of people living with disabilities.

In April, the Greenwich Fairness Commission published its report, which includes sixty-one recommendations (Appendix 3) in April 2017.

The commission's report will help to inform the Council's approach to tackling poverty over the coming period, including our future work with people affected by the welfare reforms.

Royal Borough of Greenwich agreed that a Fairness Commission working group will be established to monitor the implementation of the recommendations. This group will be co-chaired by the Cabinet holder for Housing and Anti-poverty and Stephen Howlett (outgoing Chief Executive of Peabody, voluntary Chair of the Court and Pro Chancellor of the University of Greenwich). The working group will monitor the outcomes through the followings groups/measures:

- Cabinet performance reports
- Anti-poverty Steering Group
- Anti-poverty Officer Group
- Housing and Anti-poverty Scrutiny Panel

The Working Group's Terms of Reference will be drafted following Cabinet's decision.

Supply of Suitable Affordable Housing:

- 5.4 The Council has had considerable success to date in preventing homelessness through casework, advice and support. There is mounting evidence however of a growing shortfall in the supply of affordable homes to rent, particularly in the private sector as landlords become increasingly reluctant to take on tenants on Housing Benefit. The shortfall is already putting renewed pressure on the Council's own housing resources. Two consequences of this have been an increase in the number of households living in temporary accommodation and a reduction in the Council's capacity to rehouse existing Council tenants living in homes that are unsuitable for their needs, including households affected by the Social Sector Size Criteria who are looking to downsize.

Public sector spending cuts

- 5.5 Projected cuts in Government funding for local public services will make it increasingly difficult for the Council to mitigate the impact of further welfare reforms.

Further projected cuts in public spending, including the reductions announced recently in the level of funding for DHP and local welfare assistance, will make it increasingly hard for the Council to provide for the immediate needs of people facing hardship as a result of the reforms. At the same time, the evidence of a growing shortfall in the supply of suitable, affordable homes for rent – particularly in the private sector – suggests that there will be increasing pressure on the Council's own housing supply.

- 5.6 The various work streams and initiatives put in place by the council, including our joint working with JCP, have had some success to date in helping residents affected by the reforms to find a solution to their loss of income, including by getting into work or moving to more affordable accommodation. Cabinet on 27 June 2016 agreed to provide a three year funding package worth £11.5 million to enable these work streams and initiatives to continue:
- £6.75m to deliver 300 full time equivalent work placements over the next three years under a phase 2 of GLLP;
 - £2.25m to enable the Emergency Support Scheme (ESS) to continue over the same period. The level of funding proposed is based on the average amount paid out under the scheme in each of its first two years of operation, including administration costs and the cost of continuing to provide a dedicated benefits advice and support service for residents referred from the ESS.

- £2.25m for an antipoverty contingency fund that could be used to enhance welfare rights and debt and budgeting support services as well as to top up the Government grant for Discretionary Housing Payments if required.

Background Papers:

None

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