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# *Welfare Reform Scrutiny Review*

DRAFT  
Report  
*October 2013*

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## 1.0 PURPOSE OF THE REPORT

The *Welfare Reform Act* received Royal Assent in March 2012. It introduces a number of new measures which the ELS and C PPB Scrutiny Topic Group is considering. The purpose of the report, as outlined in the initial topic brief (at *Annex 1*) is to give consideration to the following questions:

- What are we doing/have done to address these issues both as a Council and with partners for our residents?
- Is there any information/documentation that has been produced or which needs to be produced to advise our staff/customers/residents on the changes?
- How can we best collaborate with partners in order to mitigate any potential negative impact of the Welfare Reform Act in Halton?
- Are there any changes needed in how we deliver our services. Do we anticipate an increase/change in demand for the services provided?

The Topic Group has focused on the impact of Welfare Reform from an ELS perspective. However, as the report explains, there has been a cross-referencing with other themes given the complexity and interrelationship with other service areas.

To respond to these questions Members identified key lines of enquiry which might inform the review as follows:

1. Gathering a Partner View and Expert Opinion from Colleagues.
2. Mapping out what support can and will be provided.
3. A Literature Review which summarises what the legislation says.
4. Identify opportunities for service development
5. Identification of problems and potential solutions.
6. An assessment of which partners are doing what.
7. What information do we need to set a baseline and how do we measure/establish the impact?
8. Targeting of resources. How we do this.
9. Impact on debt and debt recovery.
10. Universal credit – budgeting and support and the identification of training needs.
11. An assessment on the Impact on the wider economy e.g. retail sector.
12. National Pilot schemes and whether any early experience could inform the Topic Group discussions.

## 2.0 STRUCTURE OF THE REPORT

This report is structured with an introduction, a brief summary of the methodology followed by evidence, analysis with findings/conclusions and recommendations. The annexes include the topic brief, methodology detail and an action plan to capture the recommendations from the scrutiny review.

## 3.0 INTRODUCTION

### 3.1 Reason the scrutiny review was commissioned

A presentation to the borough's Local Strategic Partnership Board in March 2013 explained that measures introduced in the *Welfare Reform Act 2012* represent the biggest changes to the welfare system since its conception 60 years ago. Given that a key pillar of the Government's reform is a focus on "making work pay", it was felt that there were a number of issues that required further exploration within and ELS and C. context.

The *Welfare Reform Act* introduces a number of new measures which the ELS and C PPB considered in more detail, in particular:-

- Identify what are the problems and impacts facing pilot areas?
- There is a need to assess the rules and changes brought in now and those that the Act will impose with a later timetable. .
- Act is quite broad; impact of how we cope from both Member and Officer perspective.
- Use of the Topic Group to set KPIs to evaluate impact.
- Consider impact on Registered Social Landlords.
- Assess and map out systems already in place.
- Map out Training facilities – what is available?
- The impact on access to services.
- Possible use of Schools.
- Need to factor in bedroom tax and partner input.
- Also Housing Strategy and whether this reflects changes in Welfare Reform

The Topic Group will be a useful forum for developing a coordinated response to how best to deal with the issues arising out of the changes to the Benefits System.

### 3.2 Policy and Performance Boards

This report was commissioned as a scrutiny working group for the Employment, Learning, Skills and Community Policy and Performance Board.

### 3.3 Membership of the Scrutiny Working Group

Membership of the Scrutiny Working Group included:

Members	Officers
Cllr Sue Edge – Chair Cllr Carol Plumpton Walsh Cllr Peter Lloyd Jones Cllr Lauren Cassidy Cllr Geoff Zygadlo Cllr Norman Plumpton Walsh	Wesley Rourke – Operational Director for Economy, Enterprise and Property Debbie Houghton – Principal Policy Officer Shelah Semoff – Partnership Officer

### 4.0 Methodology Summary

This scrutiny review was conducted through a number of means:

- Monthly meetings of the scrutiny review topic group;
- Presentations by various key members of staff and partners (detail of the presentations can be found in *Annex 2*);
- Provision of information.

### 5.0 Evidence (summary of evidence gathered) and Analysis with findings/conclusions

#### 5.1 Potential Impact of Welfare Reform and the impacts on the Employment, Learning & Skills Priority

Wesley Rourke presented to the group a table with the impact of the welfare changes in Halton. This included changes to working tax credits, housing benefit, child tax credits, income support and council tax benefit amongst others. This report was produced by Knowsley Council as part of their work on child and family poverty. Report attached in Annex 3.

Wesley Rourke also presented a discussion paper to the Topic Group (Report provided by Lisa Driscoll, Principal Policy Officer), which looks at how some of the effects of the 2012 Welfare Reform Act may potentially affect the aims and

objectives of the Employment, Learning and Skills Priority on a practical level. As many of the wider issues of Welfare Reform such as Personal Independence Payments and changes to Council Tax Benefit fall potentially within the remit of other priorities, it focused in more detail at some of the issues sitting directly under this priority such as those relating to the forthcoming introduction Universal Credit, and the overall financial impact of the Benefit Changes, regionally and locally.

The report identified potential impacts of the Welfare Reforms for each of the ELS and C objectives, as set out below.

- To develop a strong, diverse, competitive and sustainable local economy.
- To foster a culture of enterprise and entrepreneurship and make Halton an ideal place to start and grow a business.
- To develop a culture where learning is valued and skill levels throughout the adult population and across the local workforce can be raised.
- To promote and increase the employability of local people and remove barriers to employment to get more people into work.
- To maximise an individual's potential to increase and manage their income, including access to appropriate, supportive advice services.

The Full report is attached in Annex 3

### **5.1.1 Conclusion**

In terms of absolute loss attributable to Welfare Reform by total population, including factors such as the 1% cap in annual increases in most working age benefits, research indicates that the welfare reforms will mean a loss of revenue to Halton of £51 million per annum. Overall, the North West is the worst affected region with an average loss of £560 per head of working age population, a total loss of £2,560 million per annum.

The three regions of northern England (North East, North West, and Yorkshire) are all hit substantially harder, per working age adult, than the South and East of England. Beyond Blackpool and Westminster, more than two-thirds of the 50 local authority districts worst affected by the reforms could be described as 'older industrial areas.' In these older industrial areas the incapacity benefit reforms, in particular, hit very hard indeed. The reforms to Disability Living Allowance, which often affect the same people, also hit hard here. Incapacity claimant rates in older industrial Britain are far in excess of those in more prosperous parts of the country, not least because of the difficulty that men and women with health problems or disabilities face in finding work in these difficult local labour markets. More generally, the higher reliance on benefits and tax credits in older industrial Britain means that the failure to up-rate with inflation and the reductions to tax credits have a greater impact here. In total, the three northern English regions lose around £5.2bn a year. One way of looking at the regional differences is that if the five worst affected regions (the three northern English regions plus Wales and London)

experienced the same per capita loss as South East England, total incomes there would be £2.8bn a year higher.

The impacts of welfare reform are very substantial – an estimated loss of income of approaching £19bn a year once all the reforms have been fully implemented, or an average of £470 a year per adult of working age across the whole of Britain. For some of the individuals affected by the changes the loss of income is much, much greater. What is also clear, however, is that the financial losses arising from the reforms will hit some places much harder than others.

As a general rule, the most deprived local authorities across Britain are hit hardest. The loss of benefit income, which is often large, will have knock-on consequences for local spending and thus for local employment, which will in turn will add a further twist to the downward spiral. A key effect of welfare reform will therefore be to widen the gaps in prosperity between the best and worst local economies across the country.

### **5.1.2 Recommendations:**

**No direct recommendations from this report**

## **5.2 Overall Financial Impact Assessment - Sheffield Hallam University Research**

Wesley Rourke presented a summary of the findings from the Sheffield Hallam research into the overall impacts of the welfare reforms. (*Sheffield Hallam Report*

[http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/hitting-poorest-places-hardest\\_0.pdf](http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/hitting-poorest-places-hardest_0.pdf))

The research states that Halton is the 36<sup>th</sup> (from a total of 379) most affected local authority in terms of money lost to an area with a loss per working age adult per annum of £620. This compares to Blackpool at the top of the scale for losses (£910) and City of London at the bottom (£180). Overall, the North West is the worst affected region with an average loss of £560 per head of working age population, a total loss of £2,560 million per annum.

### **5.2.1 Conclusion**

- When the present welfare reforms have come into full effect they will take nearly £19bn a year out of the economy. This is equivalent to around £470 a year for every adult of working age in the country.
- The biggest financial losses arise from reforms to incapacity benefits (£4.3bn a year), changes to Tax Credits (£3.6bn a year) and the 1 per cent up-rating of most working-age benefits (£3.4bn a year).
- The Housing Benefit reforms result in more modest losses – an estimated £490m a year arising from the ‘bedroom tax’ for example – but for the households affected the sums are nevertheless still large.

- Some households and individuals, notably sickness and disability claimants, will be hit by several different elements of the reforms.
- The financial impact of the reforms, however, varies greatly across the country. At the extremes, the worst-hit local authority areas lose around four times as much, per adult of working age, as the authorities least affected by the reforms.
- Britain's older industrial areas, a number of seaside towns and some London boroughs are hit hardest. Much of the south and east of England outside London escapes comparatively lightly.
- Blackpool, in North West England, is hit worst of all – an estimated loss of more than £900 a year for every adult of working age in the town.
- The three regions of northern England alone can expect to lose around £5.2bn a year in benefit income.
- As a general rule, the more deprived the local authority, the greater the financial hit.
- A key effect of the welfare reforms will be to widen the gaps in prosperity between the best and worst local economies across Britain.

### **5.2.2 Recommendations:**

To include economic indicators which highlight footfall and visitor spend in our town centre into the borough's Local Economic Assessment

### **5.3 Welfare Reform Overview**

Dave Gray from Welfare Rights Team gave a presentation about Welfare Reform changes. Bedroom tax and localisation of council tax changes are already having an impact on residents and demand for help and support has risen. Universal credit (UC) and Personal Independence Payments (PIP) are still to happen and Disability Living Allowance (DLA) is underway but at various stages. Tameside is a very limited pilot, with only a very small group of people, however it may be useful to get their perspective on the changes and their experience to date.

David advised that agencies are working together and the Halton Information and advice Providers Group has facilitated this work. The Council has been focusing on benefit appeals and supporting people that have been taken off benefit that perhaps shouldn't have been. There has been an increased demand to help residents fill in forms. Housing Associations are also reporting



on the impacts of the Reforms. Riverside has reported that 6,190 people affected regionally by the Bedroom Tax and of those half have not paid anything and a quarter have paid in full. Arrears actions will be further down the line. HHT more upbeat so overall mixed views from housing providers.

Also 7,000 people got their first Council Tax bill this year, 3,900 summonses have already been issued for non- payment People must talk to Council Tax if they have problems paying due to arrears with benefit payments etc. However many people are worse off so it is difficult for them to pay.

Reforms will affect some groups such as pensioners that have not been affected before. We know pensioners are now turning up at food banks.

Low paid employment – changes to Tax Credit have already taken effect. 6000 people on incapacity benefit and long term sick are now having to qualify for continuing employment support allowance. If they fail to qualify they are being transferred to job seekers allowance. Families with an employee working in public sector are more likely to be adversely affected than those in the private sector. More people in north west are employed in the public sector, therefore are hardest hit.  
<http://www.publicfinance.co.uk/features/2013/05/what-about-the-workers/>

Mental health issues are not always taken into account by ATOS and most believe they are under instruction to reject claims where possible. Onus is on individual to gather evidence to support their claim but doctors can charge for letters between £10 - £120. people with mental health issues including ?

### **5.3.1 Conclusion**

There has been an increased demand to help residents fill in forms arising from changes to the Welfare System Support appeals.

Welfare reforms will affect many groups, in particular older people and people with mental health issues will need additional support

Many are now being asked to pay Council Tax when they have never paid this before.

### **5.3.2 Recommendations:**

- ***Work with CAB/ other agencies to identify volunteers to support residents to complete the relevant forms.***
- ***Tameside be invited to the Topic Group to present the findings from the pilot.***
- ***Raise awareness of support provided by the Council's Adult Learning Service which assists residents with basic literacy and numeracy.***

#### **5.4 A Halton Strategic Partnership perspective – i) Mapping Partners’ support; ii) partner responses to the welfare reform agenda; iii) joint working opportunities**

Shelah Semoff gave an overview of the work of the Halton Strategic Partnership Board. The Chair of the Halton Strategic Partnership Board (HSPB) is Cllr Polhill and the Employment Learning and Skills Specialist Strategic Partnership sits under this Board. There have been 2 HSPB meetings so far dedicated to the welfare reform agenda, with different speakers invited, looking at the impact that the welfare reform changes will have on both service providers and our local communities and how the Partnership can work better together, avoiding duplication and filling the gaps. The HSPB has agreed that there is a need to differentiate between the levels of support provided to people. So for example will be IT literate, whilst others will not have these basic skills.

The Partnership has produced a leaflet for front line staff, which highlights the key welfare reform changes. This then sits alongside work which is ongoing to identify where support is available locally. This information is available electronically and easily updated.

Also presentations about the welfare reform changes have been given to different front line staff and voluntary groups.

Digitalisation was also a key consideration as Government expect services will be digital by default, which is difficult in an area like Halton. “Go ON” is a national model initiative which focuses on increasing digital skills and is the successor to Race Online. There is no current Go ON project operating in Halton, however the HSPB agreed to support the exploration for implementing one in Halton and this is currently being taken forward

David Gray stated that approximately 80% of claims for Universal Credit will be on line. Also Jobs match requires IT literacy skills. Small employers are having issues providing real time info, which should be used on daily basis to calculate the hours that people have worked. This will directly link to the benefits paid.

##### **5.4.1 Conclusion**

Two key messages were presented:

People will be hit by more than one of the changes and it is important that people need to seek that professional help early. Also help is available for people but there is a need to raise awareness. An action plan has been agreed with Job Centre Plus about what is required and how this will be undertaken.

It should also be noted that Wesley Rourke is the nominated strategic lead officer for the HSPB on this issue and another Partnership event has been arranged for the 27<sup>th</sup> November. This event is aimed at front line staff and will

try to establish a better understanding of exactly what impact the welfare reforms are having on the communities in Halton , as well as across partner organisations.

#### **5.4.2 Recommendations:**

- **To complete a Partnership directory. CAB are doing this through advice services transition fund**
- **Adult Learning to work with support to help ensure people they have the necessary access to IT and the right literacy skills and budgetary skills;**
- **To develop a Partnership bid for further advocacy support.**
- **To support the implementation of the “Go ON” project in Halton.**

### **5.5 Benefit reform and war veterans**

The Topic Group received a presentation from Billy Jones from the Runcorn Veterans Association (RVA). The RVA was set up in 2011 as a not for profit organisation, primarily to provide support for younger soldiers. The Group works with soldiers and their families and provides practical help and signposting including to welfare advice. Staff are trained to deliver this work.

#### **5.5.1 Conclusion**

The presentation provided three helpful case studies to outline how the RVA works with other agencies to provide a “One Stop” approach to soldiers. It was noted that soldiers tended to relate better to peers/former soldiers rather than colleagues from other agencies.

#### **5.5.2 Recommendations:**

Agencies should use the RVA as a broker to signpost soldiers and their families to additional support.

### **5.6 Policy and Research Low Pay/No pay**

It was noted by the Topic Group that the term “worklessness” is high on the political agenda. Since the election of the current coalition government in 2010, welfare spending on the working-age population has been strongly targeted in its public spending reductions. Some Political leaders have justified these reductions, at least in part, by depicting unemployment as a ‘lifestyle choice’. The Prime Minister has stated that some people who are ‘claiming welfare are just not entitled to it’.

Within this context, the Joseph Rowntree Foundation undertook research examining the relationship between what is often described as 'poor work' and the 'low pay, no pay' cycle. The report found that long-term worklessness is a relatively unusual experience. Stringent welfare rules have been in place for some time, which mean that, even if an individual were resolutely work-shy (and there is absolutely no evidence that many people are), avoiding work in the long term, or even permanently, would be no easy feat. Greater recognition needs to be given to low pay, no pay churning if governments are serious about establishing conditions for working life which allow acceptable levels of social and economic security. It is often assumed that lowpaid work or 'poor work' is the preserve of younger generations who are on pathways towards better jobs, but, as our research has shown, this is clearly not the case for some groups of workers. For some of the poorest and most disadvantaged workers, 'poor work' is where their working life ends as well as where it starts.

Debbie Houghton gave a brief presentation

(link:<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/events-presentations/885.pdf>) on the low pay no pay cycle and the myths surrounding people on benefit. The presentation was from research in the north east but applies equally to Halton. The presentation used real life case studies to challenge the myths of:-

**'Work *always* provides the best route out of poverty'**

**'The unemployed don't want to work'**

**'Unemployment is a 'lifestyle choice'**

**'There are families with three and even four generations of worklessness'**

Link to summary of the study which explores experiences of poverty and the low-pay, no pay cycle amongst people living in deprived neighbourhoods in Teesside, North East England.

<http://www.jrf.org.uk/sites/files/jrf/unemployment-pay-poverty-summary.pdf> and <http://www.cpaq.org.uk/sites/default/files/CPAG-Poverty142-low-pay-no-pay.pdf>

Despite moving in and out of unemployment and low-paid jobs over years, people in the study expressed great and enduring commitment to work. Repeated engagement in jobs failed to provide routes away from poverty, largely because of few opportunities being available in the local job market. The insecurity of low-paid and low-quality work was the main reason why shuttling between benefits and jobs had been interviewees' predominant experience of working life.

This cycling in and out of low-paid work extended to middle-aged and not just younger workers. Thus, these jobs are not necessarily stepping stones to better employment. Caring for children and other family members limited

labour market participation, as did health problems. Ill-health was sometimes the result of 'poor work' and unemployment. Wider aspects of disadvantage beyond the labour market led interviewees to lose and leave jobs. Financial necessity, their desire to work and the lack of better opportunities led people to take poor quality jobs that trapped them in long-term insecurity and poverty.

Gaining further qualifications did help some people in the search for jobs. A significant finding, however, is that overall, levels of educational attainment did not straightforwardly predict improved labour market fortunes. Even the best qualified – those with university degrees – participated at times in the low-pay, no-pay jobs cycle. Interviewees reported that the support offered by statutory and voluntary sector agencies to help people into jobs can be limited, patchy and sometimes unhelpful. Most agencies were more geared to helping the longer term unemployed, and catered less for people who moved in and out of work with shorter periods of unemployment. Commonly, informants felt the stigma of being unemployed and having to attend the Job Centre. Most deplored claiming welfare benefits and some avoided it for as long as they could, using savings or loans to tide them over between jobs

### **5.6.1 Conclusion**

- Many people in work remain poor or close to poverty
- Welfare is never generous, often leaving people in everyday hardship – and sometimes severe poverty
- For virtually all, unemployment is not 'a life-style choice'
- Unemployed people want to work, actively seek jobs & repeatedly engage with jobs - that are low paid, low skilled and insecure (but socially & economically necessary)
- Even the best qualified – those with university degrees – participated at times in the low-pay, no-pay jobs cycle. The study reported that the support offered by statutory and voluntary sector agencies to help people into jobs can be limited, patchy and sometimes unhelpful. Most agencies were more geared to helping the longer term unemployed, and catered less for people who moved in and out of work with shorter periods of unemployment.

### **5.6.2 Recommendations:**

- **Encourage other employers to set up paid Internships, similar to those run by Halton Borough Council**
- **Service providers could do more to maximise the skills that voluntary staff can bring to an organisation. They have now increased the number of hours that you can do on a voluntary basis**
- **Greater need to provide opportunities for residents to develop budgeting and IT skills, particularly important as new benefits system will rely on online systems. (Sue Riley (JCP) to take up**

with each LA in the sub region. Will take time so don't want payday lenders to benefit from this. Sue must set up a plan that reflects problems in Halton. )

- **Consider organising a credit union join up day for council staff and also work with other employers in the borough to encourage their employees to join the Credit Union.**

## **5.7 Halton and national data on low paid and temporary work**

Report circulated from Neil McSweeney in the Research Team (copy attached in Annex 3). National data highlights elementary occupations as having the largest percentage of low paid jobs nationally. A high percentage of Halton residents are employed in elementary professions. The two occupational areas with the lowest pay in the North West, are the most sought occupations in Halton, which are elementary and sales and customer service occupations. This has a knock on impact on the local economy.

Possible reflecting the current economic climate the number of longer term Job Seekers Allowance claimants is increasing. However it is people who have been out of work for shorter time periods who are more likely to get back into work. In Halton around 25% of jobs are part – time but this is no different to regional and national positions.

### **5.7.1 Conclusion**

In summary this shows that the jobs which pay less than a living wage are elementary or low skilled jobs and it is these very jobs that are highly sought after in Halton, helping to keep people in a cycle of poverty instead of lifting them out of poverty.

### **5.7.2 Recommendations:**

- **to develop appropriate indicators to measure the impact of the benefit reforms in Halton**

## **5.8 Disability and employment/ unemployment - A Halton Perspective**

Debbie Houghton presented an overview of the statistics (attached in Annex 3) and there was a discussion around the usefulness of this data in setting a baseline to monitor the impact of the welfare reforms over time. Disability Living Allowance claimants (Nov-12) are higher in Halton than in both the NW and England. Highest numbers of claimants live in Halton Lea, Windmill Hill and Halton Castle.

**Disability Living Allowance** is made up of two components around care and mobility and differing levels depending on need. Under the welfare reforms,

this benefit will be removed and replaced only for people of working age. However these changes are incremental over time, rather than due to take place on a set date like the 'Bedroom Tax.' Due to the timescales for the change, the impact will not have been felt yet, although many affected by other benefit changes will also be affected by this but at a later date.

Disability Living Allowance (DLA) claimants - new claimants will get Personal Independence Payment (PIP) not DLA, however existing claimants of working age are not being re-assessed until 2015 at the earliest. Current claimants can however refer themselves as self-selectors, to be re-assessed before this time and anyone currently on DLA whose claim is up for renewal will also be re-assessed starting October this year. Those on indefinite awards will not be assessed until Oct 2015. Approximately 75% of people on DLA in the north west are on indefinite awards.

Some people are essentially not employable/very difficult to employ due to poor health, but will be taken off disability benefits as they no longer meet the thresholds for the new PIP and so will be expected to look for work. May be many people in this category and this is likely to impact on services.

Mental health problems were raised as a particular concern as their health could be made worse by the benefits reform, as people will struggle on the lower income without disability benefit and will potentially be unable to find work. There aren't many jobs around now anyway and people with mental health and other disabilities, will be competing against people without disabilities and often for zero hour contracts or low paid part time hours.

Appeals – People with a progressive condition, may be knocked back as depends on how they presented on the day. Also re: giving evidence on their conditions, people's memories can be quite bad and they may not be able to express themselves fully at the tribunal. Need to get hold of medical notes etc to prove your case. GP reports often don't provide a sound evidence base. They do not say what the consequences are of the health conditions. Often consultants and Community Psychiatric Nurses know more about a person's treatment than a GP

### **5.8.1 Conclusion**

It was suggested that it will be people on the lower rate of DLA that will be most impacted upon by the welfare changes, as they are unlikely to meet the new criteria for PIP . The welfare reforms essentially mean people will have to manage on reducing benefits, whilst at the same time deal with increasing costs. People who are working are often on a limited working week etc and so there is likely to be a big impact on health.

### **5.8.2 Recommendations:**

- **to consider how we could better support people through the appeals process, by working together with health services to get people access to the information and support they need.**

- **to establish the right measures to enable us to monitor the impact of welfare reforms in Halton, for example breakdown of health issues by ward for DLA and other benefits**

**(not a recommendation)**

## **5.9 Welfare Reform and the impact on disabled people – Dave Gray**

Currently the benefits system doesn't cope well with change? People on zero hours contracts are entitled to pay when not working, but there is little faith that the system will be able to cope with managing real time change in line with changes in people's circumstances.

Benefits changes have resulted in contribution based Employment Support Allowance (ESA) limited to 12 months under most circumstances. , Many people are not aware as yet of these changes, but they are having a significant impact.

Non means tested Attendance Allowance, DLA (new claims only up till age 16) mobility and personal care, PIP (came in from April) points based system not cope will people with low levels of care. PIP can only be newly claimed by people of working age. Those disabled under 16 will still be claiming DLA.

People with lower levels of disability will lose out and the focus of the reforms has been to support most in need. Incapacity benefit abolished in 2008 but many are still on it. ESA is much harder to get. Over 3 year period all being reassessed (we are in last year of this). Those on IB assessed for new benefit (roughly 40% being assessed as fit for work) but with support for appeals nearly 90% are successful. People who are likely to be unsuitable for work and may never have worked or not worked for many years; some over 60, are now being asked to seek work.

Dave Gray gave two case studies from people whom he has been involved. He expects that there will be more marginal cases coming forward, many with mental health problems who are older. We will help everyone that comes to the council for support, but we have to prioritise the level of support we can give.

Advice Services transition Fund that CAB have in partnership with 3 other voluntary organisations will help to better support people through welfare changes. This funding will be used to redesign services and ensure better partnership working across the sector within the borough and will improve the support given to those most vulnerable to the changes brought in by the Welfare Reform Act.

### **5.9.1 Conclusion**

Indefinite awards DLA will not be re-assessed until 2015 and afterwards but effects will be noticeable, Halton will be second most affected borough out of 325 LAs. Change will be incremental over time so will get noticed less.

People with lower levels of disability will lose out and the focus of the reforms has been to support most in need.



Incapacity benefit abolished in 2008 but many are still on it. ESA is much harder to get. Over 3 year period all being reassessed (we are in last year of this). Those on IB assessed for new benefit (roughly 40% being assessed as fit for work) but with support for appeals nearly 90% are successful. People who are likely to be unsuitable for work and may never have worked or not worked for many years; some over 60, are now being asked to seek work.

The council is only one of many agencies helping people. However demand for help is likely to outstrip supply but will recruit more volunteers to give support at a lower level, rather than the complex cases. Issue can be the quality of the advice that people get? Complicated how the different benefits work together and it can be difficult to advise people on which benefits to or not to apply for. Advice is really critical. Also carers allowance is very complicated, so people are likely to need advice and support.

### **5.9.2 Recommendations:**

**Consider how we could better support people with lower levels of disability who are more likely to lose out with the benefits reforms.**

#### **5.10 Welfare Reform - The perspective from a voluntary sector group that supports disabled people in Halton – David Atkinson Link:- <http://www.haltondisability.org.uk/>**

Halton Disability Group employs 3 part time staff. They have noticed a steady increase in people seeking advice on disability benefits. Training people to give good advice is critical. Need to share knowledge of who is best placed to give what advice.

The group has one information and advice support officer and have been successful in obtaining a 5 year grant from the lottery.

They are seeing 3 or 4 people are coming through the door once a week, but they recognise that people are also using other agencies, such as CAB etc. Currently there is limited training for advisors and some are accredited and some are not. CAB want to work with a more pooled resource. Link up with transition funding as a starting point. Also there is a steering group looking at having a strategic managers' forum rather than front line service provision. Warrington Disability services co-located, could we look at?

#### **5.10.1 Conclusion**

A one stop shop approach to benefits advice and support would be great, we currently have disaggregated service provision. Also we could have more services co-located. If people fall out of benefits and can't work, this will have very expensive consequences for people and services.

#### **5.10.2 Recommendations:**

**Consider the feasibility of a one stop shop approach to benefit advice and support, either through co-location of services and/or a one front door approach with referrals to the most appropriate support service.**

### **5.11 Welfare Reform a perspective from the Council's Employment Learning and Skills Division - Siobhan Saunders, Divisional Manager, Employment, Learning and Skills**

Siobhan gave an overview of the impact of the welfare reforms on the long term unemployed that are on the work programme. The advisors are now seeing examples of people being evicted and getting into rent arrears. In terms of council tax, many never had to pay before and are in denial about having to pay. There is a shortage of one bed flats so they are unable to downsize to avoid the bedroom tax. More people are now in arrears which has a knock on effect on other appointments etc. Also if they move properties they may need to leave the area that they grew up in, which impacts on their mental health. Some people are being taken off disability benefits that are not well enough to work. Siobhan circulated info on the impact of welfare reform on HPIJ customers, attached in Annex 3.

Universal jobs match, new job seekers claimant etc now all done on line. JCP have a target to get more services on line. This is really difficult for people with limited skills or who can't read. Therefore mistakes are being made. Libraries and some businesses have offered to make computer facilities available.

There are some initiatives that we do that support customers as set out in the information attached. All advisors need good knowledge of other services eg. drug and alcohol. Staff have access to food bank vouchers to help people in the short term.

#### **5.11.1 Conclusion**

The work programme advisors are starting to see people being evicted from their homes, increasing numbers with arrears etc. These instances represent the beginning of the fallout from the welfare reforms, but these are ramping up all the time. Some people are paying but are going into debt so only a matter of time before they can no longer pay. Increasingly access to benefits and jobs is on line, so we need to ensure people have the right skills and access to IT in order to apply. There is a lack of one bedroom properties to enable those hit by a bedroom tax (they cannot afford) to move.

#### **5.11.2 Recommendations:**

**Improve public internet access and support** - Establish internet centres that we can open up to public access to help people use on line services and

access applications for benefits etc. Also possibly hold an open day event at libraries with support staff available to help access on line services.

**Housing** - To further promote the principle of house swaps and liaise with HHT to determine the most appropriate way of achieving this

## **6.0 Overall Conclusion**

This scrutiny review has been both a successful and a worthwhile exercise in terms of covering all the outputs and outcomes from the initial topic brief and gaining a sound knowledge and understanding of the issues affecting and resulting from the benefit reforms in Halton.

It is recognised that there is much good practice happening in Halton and excellent working relationships between the council and our partners and the public.

There are recommendations for further improvement that have been identified from this scrutiny review and these have been arranged into an Action Plan at Annex ? for ease of reference and monitoring.

## TOPIC BRIEF

<b>Topic Title:</b>	Welfare Reform Topic Group
<b>Officer Lead:</b>	Operational Director (Employment, Enterprise and Property)
<b>Planned start date:</b>	June 2013
<b>Target PPB Meeting:</b>	January 2014

### Topic Description and scope:

A review of the current issues associated with the Government welfare reforms in Halton, focusing on understanding how the reforms will impact on the objectives and work of the Employment, Learning, Skills and Community PPB.

### Why this topic was chosen:

### Key outputs and outcomes sought:

- What, if anything, are we doing/have done to address these issues both as a Council and as a partnership for our residents?
- Is there any information/documentation that has been produced or which needs to be produced to advise our staff/customers/residents on the changes?
- How can we best collaborate with partners in order to mitigate the impact of the Welfare Reform Act in Halton?
- Are there any changes needed in how we deliver our services. Do we anticipate an increase/change in demand for the services provided?
- What are the problems and impacts facing pilot areas?
- Rules and changes and more being introduced and we need to assess this.
- Bill/Act is quite broad; impact of how we cope from both Member and Officer perspective.
- Use of the Topic Group to set KPIs to evaluate impact.
- Consider impact on housing associations.
- Assess and map out systems already in place.

- Impact of and on Welfare Rights Service.
- Map out Training facilities – what is available?
- The impact on access to services.
- Possible use of Schools.
- Need to factor in bedroom tax and partner input.
- Also Housing Strategy and whether this reflects changes in Welfare Reform

**Which of Halton’s 5 strategic priorities this topic addresses and the key objectives and improvement targets it will help to achieve:**

**Employment, Learning and Skills:**

- To develop a strong, diverse, competitive and sustainable local economy.
- To foster a culture of enterprise and entrepreneurship and make Halton an ideal place to start and grow economic activity.
- To develop a culture where learning is valued and skill levels throughout the adult population and across the local workforce can be raised.
- To promote and increase the employability of local people and tackle barriers to employment to get more people into work.
- To maximise an individual’s potential to manage and increase their income.
- Including access to appropriate, supportive advice services.

**Nature of expected/desired PPB input:**

Member led scrutiny review of the impact of the welfare reforms on the Employment, Learning and Skills priority.

**Preferred mode of operation:**

- Invite speakers from partner agencies who have been directly involved with the welfare reforms to provide an overview of the process and implications for residents and partners.
- Presentations from relevant officers within the Council to examine current practice regarding managing the welfare reforms and

implications for the council and in particular the Employment, Learning Skills and Community Policy and Performance Board

- Invite partners including Department of Work and Pensions and the voluntary sector to give their perspective of the welfare reforms in Halton

**Agreed and signed by:**

**PPB chair** .....

**Officer** .....

**Date** .....

**Date** .....

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## METHODOLOGY DETAIL

### a) Presentations

The following officers gave presentations as part of this scrutiny review:

Name of officer	Title of Presentation
Wesley Rourke	<p>Potential Impact of Welfare Reform and the impacts on the Employment, Learning &amp; Skills Priority</p> <p>Overall Financial Impact Assessment - Sheffield Hallam University Research</p> <p>Setting a baseline position and measuring impacts (identifying KPIs)</p>
David Gray	<p>Welfare Reform Overview</p> <p>Welfare Reform and the impact on disabled people</p>
Shelah Semoff	<p>A Halton Strategic Partnership perspective – i) Mapping Partners’ support; ii) partner responses to the welfare reform agenda; iii) joint working opportunities.</p>
Debbie Houghton	<p>Policy and Research Low Pay No Pay</p> <p>Halton and national data on low paid and temporary work</p> <p>Disability and employment/unemployment - A Halton Perspective</p>
Billy Jones – Runcorn Veterans association	<p>Welfare Reform and the Armed Forces</p>
Ste Lloyd (DWP)	<p>Welfare Reform Key Issues</p>

	<p>and Challenges for Disabled people</p> <p>Welfare Reform Key Issues and Challenges for those on the low pay no pay cycle</p>
David Atkinson	Welfare Reform - The perspective from a voluntary sector group that supports disabled people in Halton
Siobhan Saunders	Welfare Reform a perspective from the Council's Employment Learning and Skills Division

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**Children and Enterprise  
Directorate**

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## Documents Considered within the review

### Corporate Plan – 2011 – 2016

<http://moderngov.halton.gov.uk/documents/s14868/ExecB%2022Sept11%20DftCorpPlanAppend.doc.pdf>

### Sustainable Community Strategy – 2011 – 2026

<http://hbc/services/policystrategy/Policy%20Documents/Policy%20and%20Strategy/Sustainable%20Community%20Strategy%202011%20Final.pdf>

### Welfare Reform Literature Review



Welfare Reform  
Literature Review.doc

### Welfare Reform Local Services



Welfare Reform  
Local Services - versio

### Welfare Reform Booklet



Welfare Reform  
booklet v7 - final.pdf

### Welfare Reforms Impact on HPIJ Customers



Welfare reform  
impact on HPIJ custo

### Potential impacts of the Welfare Reforms for ELS & C



Potential Impact of  
Welfare Reform on th

### Low paid jobs data for Halton



low pay jobs  
data.docx

### Disability Data for Halton



disability data.docx

### Halton's Welfare Changes impact



HALTON's Welfare  
Changes impact.docx

**ELS & C PPB Welfare Reform Scrutiny Review**  
**ACTION PLAN**

Action No.	Action	Who	Timescale	Progress Update
1	Produce a resource pack of information relating to welfare reform	Steve Doore	Completed	Completed and attached in Annex 3
2	Adult education support to help ensure people have the necessary IT, literacy and numeracy skills and budgetary skills	Siobhan Saunders	Ongoing	<p>IT, literacy and numeracy classes are offered by ELS Adult Learning at Acorn and Kingsway Learning Centres and at other venues across the borough. Managing Money classes are delivered by Adult Learning in Children's Centres. Employability Programmes, including the HEP Award, are also delivered in ELS venues.</p> <p>Work Programme and National Careers Service clients are regularly referred to this provision to assist them in improving their skills and employment prospects and to</p>

				move them nearer to the job market.
3	Need more advocacy support. Ideal is for duty advisors to be at court picking up those without representation. We don't have the capacity to represent everyone in need.	David Gray	This action is not viable at this time	This is an ideal although very expensive and time consuming service that isn't practical and can't be resourced at this time
4	Development and roll out of "Halton Go-ON" project	Partnership Steering Group with support from Shelah Semoff	Ongoing	Report currently drafted and once agreed by the steering group will go through relevant partner approval before project launched
5	Consider a data analysis for Halton in relation to the Sheffield Hallam measures	Debbie Houghton	Ongoing	Performance measures will be agreed as part of the development of the Child and Family Poverty Strategy
6	Encourage other employers to set up paid Internships, similar to that run by Halton Borough Council. Also encourage businesses to offer work experience placements and opportunities for voluntary work.	Wesley Rourke	Ongoing	Halton Borough Council does not offer paid internships. The HEP team have arranged a couple of unpaid voluntary internships for clients earlier this year which have now come to an end. As part of its employer

				<p>engagement activity, the HEP team do work with local employers to source work experience placements and graduate internships for unemployed residents. These are normally unpaid and are undertaken on a voluntary basis and priority for the placements is given to Work Programme clients (required as part of WP contracts).</p> <p>As part of the People Plan and the Talent Strategy, there are plans to work with council departments to recruit volunteers, graduates and apprentices.</p>
7	<p>Service providers could do more to maximise the skills that voluntary staff can bring to an organisation. They have now increased the number of hours that you can do on a voluntary basis</p>	<p>Wesley Rourke/John Gallagher</p>	<p>Ongoing</p>	<p>The HEP Manager has recently been able to gain support from HBC Senior Management to help increase the number of work experience placements across the Council.</p> <p>As part of the People Plan and the Talent Strategy, there are plans to work with council departments to recruit</p>

				volunteers, graduates and apprentices.
<b>8</b>	Greater need to provide opportunities for residents to develop budgeting and IT skills, particularly important as new benefits system will rely on online systems. (Sue Riley (JCP) to take up with each LA in the sub region. Will take time so don't want payday lenders to benefit from this. Sue must set up a plan that reflects problems in Halton. )	Gill Bennett/ Steve Nyakatawa – Lead for schools working with Trading Standards	Ongoing	Curriculum support packs developed and currently being promoted to schools through Trading Standards
<b>9</b>	Consider organising a credit union join up day for council staff and also work with other employers in the borough to encourage their employees to join the Credit Union.	Wesley Rourke/ Debbie Houghton	TBA	This work can be considered as part of the development of the Child and Family Poverty Strategy
<b>10</b>	Need to develop appropriate indicators to measure the impact of the benefit reforms in Halton	Wesley Rourke/ Neil McSweeney	TBA	This work will be completed as part of the development of the Child and Family Poverty Strategy
<b>11</b>	Need to consider how we could better support people through the appeals process, by working together with health services to get people access to the information and support they need.	Julia Rosser (health)/ /David Gray	TBA as part of development of the Child and Family Poverty Strategy	Currently there is an inconsistent service from GPs. Some will provide the information at the request of the individual at no cost, others charge up to £100+, others will only provide info at the request of DWP and not to the

				individual.
<b>12</b>	Consider how we could better support people with lower levels of disability who are more likely to lose out with the benefits reforms. (If we have access to data on the people in Halton on low level DLA, we could target early support.)	Wesley Rourke/ David Gray	TBA as part of the development of the Child and Family Poverty Strategy	Under the new benefits regime some people will lose their benefits as the rules have changed substantially. However welfare rights will assist people with Mandatory reconsiderations and appeals. Actions might include awareness raising ( such as that ongoing with Halton disability forum), and promoting the services that can help more.
<b>13</b>	Consider the feasibility of a one stop shop type approach to benefit advice and support, either through co-location of services and/or a one front door approach with referrals to the most appropriate support service. Also explore the possibility of piloting a welfare reform information stall in Halton's market(s)	Peter McCann	Ongoing	Co-location of services would be very expensive and there is no commitment to do so at this time. A front door type approach where people phone one provider but are then referred to other providers as appropriate is more feasible. CAB are producing a directory which will help with the referral process but already have good informal referral processes in place.
<b>14</b>	Establish public internet access centres			IT drop in sessions are

	<p>where the public have support to help them access on line services and access application forms for benefits, jobs etc</p>	<p>Siobhan Saunders / Library staff</p>	<p>Ongoing</p>	<p>delivered by ELS Adult Learning at Acorn and Kingsway Learning Centres. The contents of these sessions are determined by the needs of the learners. CV workshops and two-week employability courses are also delivered at both Learning Centres. HPIJ Advisers also deliver workshops in job searching, job applications and interview skills to Work Programme clients at several venues across the borough. (HPIJ deliver 2 Work Programme contracts for Halton for Ingeus and A4E)</p> <p>Public PCs are provided at HPIJ's offices in Rutland House and Moor Lane to enable clients to job search and make online job applications.</p> <p>Public PCs area also available in Halton's Libraries where staff can give support. There are also a number of work Clubs across the Borough offering similar facilities and support.</p>
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15	Open day HHT, so people can turn up and look to swap houses. Could we get all HAs together and hold a bigger event.	The Strategic Housing Partnership	Ongoing	<p>All HAs are required to offer free membership for their tenants to one of a small number of national online exchange schemes (Abitas, Locata, Homeswapper, House Exchange.). HHT held a first event in September but attendance was poor. A second event is planned for 30<sup>th</sup> October, involving HHT, Riverside, LHT, Plus Dane and Guinness so the HAs are already working together on this.</p> <p>This is core business for the HAs</p>
16	Consider one day event(s) at library with support staff to assist people access internet services	Library staff/ Peter McCann	Keep under review	<p>Library staff already support people in accessing IT. Currently the only benefit accessed on line is relatively straight forward to complete. Hence demand is not currently there for putting welfare rights staff in libraries.</p> <p>Keep under review however it would need to be resourced if a decision was made to put such a service in place in the future</p>

17	Consider how to better engage with private landlords re making available one bed properties. Links between private sector HA and public sector HA.	Strategic Housing partnership	Ongoing	<p>The homeless service already makes as much use as it can of the private sector to accommodate homeless households, but it also is experiencing a shortage of smaller properties.</p> <p>Not sure how much demand there would be for private sector tenancies from HA sector given the unfavourable comparison in terms of rent levels, security of tenure, maintenance and management etc.</p>
18	Consider review of planning policy to build one bed homes etc. However we recognise that should Government policy change around bedroom tax, these properties would no longer be as desirable.	Strategic Housing Partnership/ Tim Gibbs	Keep under review.	Keep under review. However one bedroom properties would no longer be as desirable if the bedroom tax policy changed
19	Consider expanding Property Pool Plus to include private sector	Strategic Housing Partnership	Ongoing	There is already a facility for private landlords to advertise on PPP and we have started to use this in Halton, <u>but only for 'accredited' landlords.</u>

