

Report to Community Overview and Scrutiny Panel

Agenda
Item:
A.3

Meeting Date: 18th February 2016
Portfolio: Communities, Health and Wellbeing
Key Decision: No
Within Policy and
Budget Framework NO
Public / Private Public

Title: RESPONSE TO WELFARE REFORM
Report of: The Deputy Chief Executive
Report Number: SD02/16

Purpose / Summary:

The purpose of this report and presentation is to provide members of the Community Overview and Scrutiny Committee with an overview of the partnership work that has been developed in response to the Governments welfare reform agenda, Welfare Reform Act 2012 and the Welfare Reform and Work Bill 2015/16.

Recommendations:

1. That members of the Community Overview and Scrutiny Committee receive this report and presentation, review the contents, note the progress made with partners and comment on the draft Welfare Reform Board Terms of Reference at Appendix A.

Tracking

| | |
|------------------------|--------------------------------------|
| Executive: | |
| Overview and Scrutiny: | 18th February 2016 |
| Council: | |

1. BACKGROUND TO THE ACT AND WELFARE REFORM BOARD

- 1.1 In March 2012 Parliament agreed the Welfare Reform Act. This act covered a broad area of social justice, benefits, pensions, employment, housing and disability support.

During the following years a range of consultations, pilots, bills, programmes and guidelines have been delivered or rolled out across the country.

- 1.2 The key elements of the act are:

- Universal Credit – phased in to replace six of the main means tested benefits and tax credits
- Phasing out of the Disability Living Allowance, to be replaced with the Personal Independence Payment
- Reform of Housing Benefit (under-occupancy penalty)
- Reform of Employment and Support Allowance
- Changes to child support

The implementation of the act has (and continues to have) had a major impact on the work and practice of all those associated with directly delivering benefits (e.g. Department for Work and Pensions, Local Authorities, Job Centre); those who operate in the 'benefits chain' (e.g. housing associations, employers, private landlords); organisations supporting benefit claimants (e.g. CAB, Law Centre) and of course the claimants themselves.

- 1.3 In response to the implementation of the act many local authority areas decided to form partnerships to explore the impact of the changes and also assist each other as the new arrangements took shape.

At a County wide level the County Council formed a Welfare Reform Board and tasked the Cumbria Observatory with monitoring the impact by gathering and analysing data from our local areas.

At the District level a number of District Councils have also taken the decision to form Welfare Reform groups or boards. The Carlisle Welfare Reform Board took shape in late 2012 and has been in operation (on approximately a quarterly cycle) since this time.

- 1.4 The Carlisle Welfare Reform Board was originally convened to focus on the key immediate changes that would affect residents in our district.

The Board had and continues to have a focus on the following:

- Ensuring good communication between partners on the implemented welfare changes and the forthcoming revisions to benefits and support
- Sharing information, data and intelligence on the impact of these changes in the local population
- Sharing and coordinating the development of our local response to the welfare changes

- 1.5 The composition and governance of the board was intentionally fluid, this deliberate approach was considered appropriate given the breadth and depth of the reforms planned for the next 5 or more years.

The main attendees of the board during this period have been:

- City Council (Portfolio Holder, Deputy CE, Housing, Welfare, Policy, Customer Contact and Benefits)
- Housing Associations (Riverside, Impact and Two Castles)
- County Council (Ways to Welfare)
- Department for Work and Pensions (DWP)
- Citizen's Advice Bureau
- Law Centre
- Food Bank / Churches Together
- Clinical Commissioning Group

The board has been chaired by Cllr Jessica Riddle, Portfolio Holder Communities, Health and Wellbeing.

- 1.6 The work of the board since 2012 has been consistent with the focus outlined above. The sharing of non-personalised information (e.g. under occupancy numbers, discretionary housing payments, work programme numbers, food bank demand) has proved to be highly valuable as partners have sought to respond positively to the challenges at hand.

The board has also proved valuable in identifying 'customer journeys' and pressure points in the assessment and payments system across partners. This has led to a more joined up and consistent process.

Further to this work the third sector agencies engaged in the board have also provided a highly valued commentary on the on-going challenges and effects of the reform agenda. The board has been able to monitor and assist in the evaluation of residents seeking assistance from the Law Centre, CAB and welfare advice services.

- 1.7 The board has continued to review its effectiveness and purpose during this whole period, conscious that the reform picture continues to expand and change as more of the agenda is delivered.
- 1.8 More recently the board have also been considering the potential impact of the Welfare Reform and Work Bill 2015-16. This builds upon and again expands the welfare reform agenda and is due its third reading in the House of Lords 9th February 2016.
- 1.9 This new set of reforms taken together with the previous expansive changes has led the board to reconsider its purpose, membership and terms of reference. A final draft of the terms of reference is contained within Appendix A of this report.

The board has developed these new terms following two review meetings in late 2015. The key changes to the work of the board are as follows:

- A move towards identifying key gaps in our local services that require joint work to ensure a better service delivery
- A targeted approach to delivering projects and actions that can assist residents to seek and obtain permanent work that is safe, fair and productive.
- Align the work of the board with other key Carlisle Partnership groups such as the Carlisle Economic Partnership and Healthy City Partnership

The board would welcome views from the Community Overview and Scrutiny Committee on the final draft Terms of Reference.

2. OVERVIEW OF THE DISTRICT DATA CONSIDERED BY THE BOARD

As outlined briefly above the Welfare Reform Board make use of a range of data to inform joint working and make sense of the impact of the changes at a local level.

The Cumbria Observatory produces a regular dataset of welfare reform related information. A copy of the latest version of this dataset can be found at Appendix B.

In addition to this, members of the board also supply information relating to the key aspects of welfare reform (Discretionary Housing Payments, Food bank presentations, homelessness applications, rent arrears). This dataset is maintained by the City Council Policy Team.

The verbal presentation accompanying this report will review this information and interpret the results for member's comments and questions.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The work of this Welfare Reform Board contributes to a range of our priorities but particularly relates to the focus on improving resident's quality of life.

Contact Officer: Darren Crossley

Ext: 7004

**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

APPENDIX 1

FINAL DRAFT Carlisle Welfare Reform Board Terms of Reference 2015

Purpose: To provide strategic direction and an effective coordinated partnership response to welfare reform across Carlisle and district

Governance: To report in to Carlisle Partnership Executive (LSP)

Objectives:

1. Identify gaps in local services; and drive actions required to close gaps
2. Monitor the cumulative impact of welfare reform and use this information to inform co-ordinated action planning
3. Ensure that a planned and co-ordinated welfare reform action plan is implemented reflecting local strategic priorities

Group members will commit to:

- a) Sign up to a local welfare reform commitment and achieving shared actions / priorities through the TOR
- b) Share individual organisations good practice strategic and operational approaches to support people affected by welfare reforms
- c) Work together to improve local service delivery to meet needs; professional practice and data sharing; sharing learning; training and shaping the future delivery of services
- d) Research best practice nationally and adopt good practice locally
- e) Improve data sharing through the provision of local stats / data; exploring and implementing mechanisms such as:
 - Shared platforms / collective source of software packages
 - Collective Information sharing protocol

Meetings:

- All meetings will be chaired by Cllr Jessica Riddle (Carlisle City Council)
- Decisions made by consensus
- Meeting agendas and minutes will be provided by Tammie Rhodes (Carlisle City Council), this includes:
 - Preparing agendas and supporting papers
 - Preparing meeting notes and information
 - Meetings will be held quarterly at the Civic Centre in Carlisle

APPENDIX 2: EXAMPLE REFERENCE DATA FOR THE WELFARE REFORM BOARD

Responding to Welfare Reform - Carlisle Summary

This summary provides data and headline analysis about the potential impact of welfare reform in Carlisle:

- There are 6,812 households in Carlisle with an annual income of less than £10,000; rates are above national levels
- 8,390 people of working age (16-64 years) in Carlisle are claiming some type of benefit and 78% of those are claiming an out-of-work benefit. 1 in 4 claimants are aged 45-54 years
- 700 people are claiming Jobseekers Allowance in; this number has fallen in the past year which can be attributed to both the fall in unemployment and the introduction of Universal Credit
- Youth unemployment rates are falling and are now below national levels (however, this may be attributed to the introduction of Universal Credit)
- Almost 1 in 4 of residents in Carlisle have a long-term health problem or disability, just above the national average
- 420 residents are claiming Universal Credit
- During the period October 2010 to March 2014, 2,720 claimants of employment & support allowance/incapacity benefit were re-assessed, of those 16% were deemed 'fit for work'
- 7,900 families are currently claiming child or working tax credits in Carlisle - a fall of 3,100 following the changes to tax credit thresholds in April 2012
- Levels of child poverty are high in some areas of Carlisle with a total of 3,280 children (aged 0-19 years) living in poverty
- Numbers of housing benefit claimants are falling; 7,351 are claiming housing benefit, while 929 claimants have received a reduction against the spare room subsidy

| Demography | | | |
|---|----------|---------|------------|
| | Carlisle | Cumbria | National |
| Males | 52,800 | 245,300 | 26,773,200 |
| Females | 55,300 | 252,600 | 27,543,400 |
| Total | 108,000 | 497,900 | 54,316,600 |
| 0-15 | 18,700 | 81,700 | 10,303,600 |
| 16-64 | 67,600 | 303,000 | 34,475,400 |
| 65+ | 21,700 | 113,200 | 9,537,700 |
| % Males | 48.9% | 49.3% | 49.3% |
| % Females | 51.2% | 50.7% | 50.7% |
| % 0-15 | 17.3% | 16.4% | 19.0% |
| % 16-64 | 62.6% | 60.9% | 63.5% |
| %65+ | 20.1% | 22.7% | 17.6% |
| Source: Mid-Year Population Estimates, 2014, Office for National Statistics (ONS) | | | |
| Incapacity Benefits Reassessments - Outcomes of Work Capability Assessments | | | |
| | Carlisle | Cumbria | National |
| Total caseload | 2,720 | 12,270 | 1,162,090 |
| Fit for work (number) | 430 | 1,960 | 213,730 |
| Fit for work (%) | 16% | 16% | 20% |
| Source: DWP, October 2010 to March 2014 | | | |

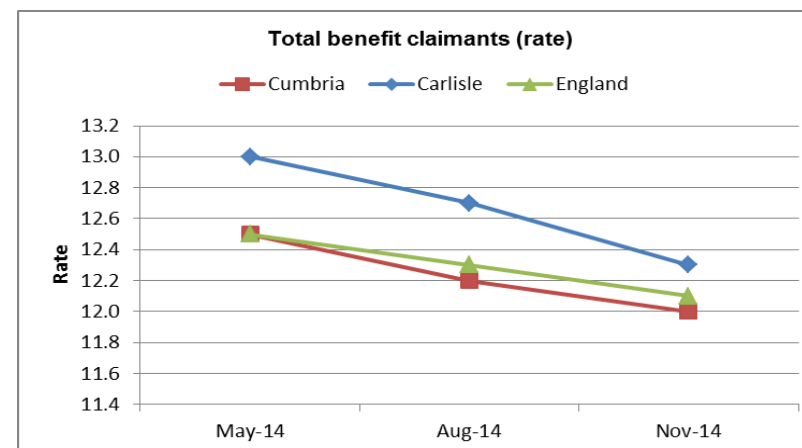
| Universal Credit claimants | | | |
|---|----------|---------|-----------|
| | Carlisle | Cumbria | National |
| Total number of claimants (working age population 16-64years) | 420 | 1,610 | n/a |
| Number of claimants 'not in employment' | 250 | 1,050 | n/a |
| 'Not in employment' claimant rate (% of working age population) | 0.6 | 0.5 | n/a |
| Source: DWP, May 2015 | | | |
| Unemployment (Job Seekers Allowance claimants) | | | |
| | Carlisle | Cumbria | National |
| Number of claimants (working age population 16-64years) | 700 | 3,720 | 761,962 |
| Claimant Rate (% of working age population) | 1.0 | 1.2 | 1.8 |
| Youth Number of Claimants (aged 16-24 years) | 115 | 745 | 160,285 |
| Youth Claimant Rate (% of population aged 16-24 years) | 0.9 | 1.5 | 2.2 |
| Source: Office for National Statistics, May 2015 | | | |
| Household Income | | | |
| | Carlisle | Cumbria | National |
| Mean Household Income | 31,516 | 31,792 | 36,447 |
| Median Household Income | 25,238 | 25,332 | 28,696 |
| Number of households with an annual median income of less than £10k | 6,812 | 30,810 | - |
| % of households with an annual median income of less than £10k | 13.9 | 13.8 | 12.2 |
| Source: Paycheck Data, CACI, 2015 | | | |
| House Price | | | |
| | Carlisle | Cumbria | National |
| Mean House Price | 143,639 | 167,071 | 250,473 |
| Median House Price | 122,183 | 139,877 | 175,143 |
| Source: Streetvalue Data, CACI, 2015 | | | |
| Benefit Claimants (working age client group (16-64years)) | | | |
| | Carlisle | Cumbria | National |
| Total Number | 8,390 | 36,780 | 4,155,37 |
| Total Rate | 12.3 | 12.0 | 12.1 |
| Out of work benefits Number | 6,460 | 27,590 | 3,214,730 |
| Out of work benefits Rate | 9.5 | 9.0 | 9.4 |
| Source: Department for Work & Pensions, November 2014 | | | |
| Benefit claimants - Disability Living Allowance | | | |
| | Carlisle | Cumbria | National |
| All entitled cases | 5,940 | 27,800 | 2,631,920 |
| 16-64 years | 3,700 | 15,690 | 1,523,760 |
| 65+ years | 1,800 | 9,830 | 775,130 |
| Source: Department for Work & Pensions, November 2014 | | | |

| Benefit claimants – Personal Independence Payment | | | |
|--|----------|---------|-----------|
| | Carlisle | Cumbria | National |
| PIP claims in Payment (by month) | 1,118 | 4,112 | 460,000 |
| Source: Department for Work & Pensions, April 2015 | | | |
| Benefit claimants – Employment Support Allowance/Incapacity Benefit | | | |
| | Carlisle | Cumbria | National |
| Total claimants Number | 4,680 | 19,440 | 2,077,430 |
| Total claimants Rate | 6.9 | 6.4 | 6.0 |
| Source: Department for Work & Pensions, November 2014 | | | |
| Families receiving Child or Working Tax Credit | | | |
| | Carlisle | Cumbria | National |
| Families receiving Child or Working Tax Credit | 7,900 | 32,600 | 3,791,800 |
| Families receiving Child Tax Credit element only | 1,700 | 6,900 | 688,000 |
| Source: Department for Work & Pensions, April 2015 | | | |
| Children, aged 0-15 years, in out-of-work benefit households | | | |
| | Carlisle | Cumbria | National |
| Number of children | 3,030 | 12,250 | 1,838,970 |
| Proportion % | 16.4% | 14.7% | - |
| Source: Department for Work & Pensions, May 2013 | | | |
| Child Poverty (Children in low income families local measure) | | | |
| | Carlisle | Cumbria | National |
| % children in poverty – All Children (0-19 years) | 15.3% | 14.1% | 18.6% |
| Number of children in poverty – All Children (0-19 years) | 3,280 | 13,585 | 2,156,280 |
| Source: HMRC, August 2012 | | | |
| Housing Benefit | | | |
| | Carlisle | Cumbria | National |
| Number of housing benefit claimants | 7,351 | 31,244 | - |
| Number of claimants receiving a reduction in HB against the 'spare room subsidy' indicator | 929 | 4,582 | - |
| Source: Department for Work & Pensions, February 2015 | | | |
| Benefit cap (cumulative total of households from 15 April 2013 to February 2015) | | | |
| | Carlisle | Cumbria | National |
| Number of households | 28 | 126 | - |
| Source: Department for Work & Pensions, February 2015 | | | |
| Benefit sanctions – JSA (by month) | | | |
| | Carlisle | Cumbria | National |
| JSA sanctions – decision to apply a sanction | 65 | 220 | - |
| Number of individuals | 58 | 199 | - |
| Source: Department for Work & Pensions, December 2014 | | | |

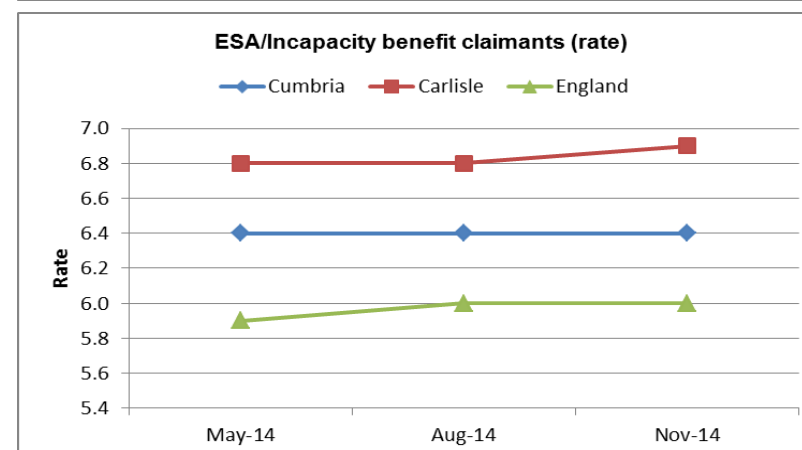
| Benefit sanctions – ESA (by month) | | | |
|---|----------|---------|----------|
| | Carlisle | Cumbria | National |
| ESA related sanction decisions | 7 | 68 | - |
| Number of individuals | 6 | 24 | - |
| Source: Department for Work & Pensions, December 2014 | | | |

Total benefit claimants (rate per working age population 16-64 years)

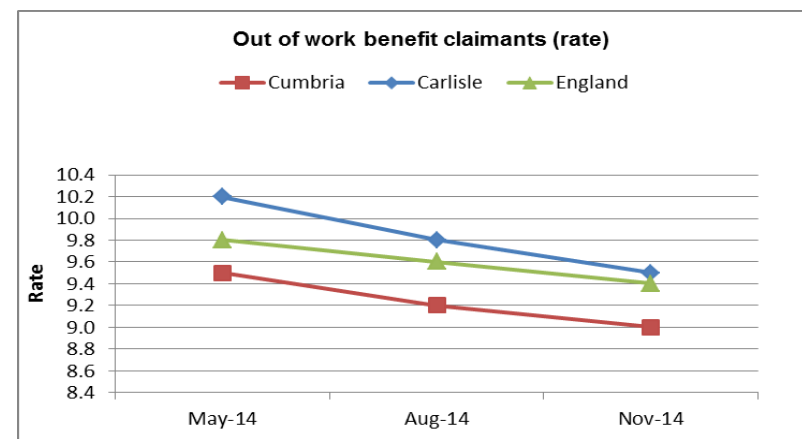
| | May-14 | Aug-14 | Nov-14 |
|----------------|--------|--------|--------|
| Cumbria | 12.5 | 12.2 | 12 |
| Allerdale | 13.4 | 13.2 | 12.9 |
| Barrow | 18.4 | 18.1 | 18 |
| Carlisle | 13.0 | 12.7 | 12.3 |
| Copeland | 15.0 | 14.7 | 14.4 |
| Eden | 7.6 | 7.4 | 7.4 |
| South Lakeland | 7.6 | 7.5 | 7.5 |
| England | 12.5 | 12.3 | 12.1 |

**ESA/Incapacity benefit claimants (rate per working age pop 16-64 years)**

| | May-14 | Aug-14 | Nov-14 |
|----------------|--------|--------|--------|
| Cumbria | 6.4 | 6.4 | 6.4 |
| Allerdale | 6.7 | 6.6 | 6.6 |
| Barrow | 9.1 | 9.1 | 9.0 |
| Carlisle | 6.8 | 6.8 | 6.9 |
| Copeland | 7.7 | 7.6 | 7.5 |
| Eden | 4.0 | 4.0 | 4.0 |
| South Lakeland | 4.0 | 4.1 | 4.1 |
| England | 5.9 | 6.0 | 6.0 |

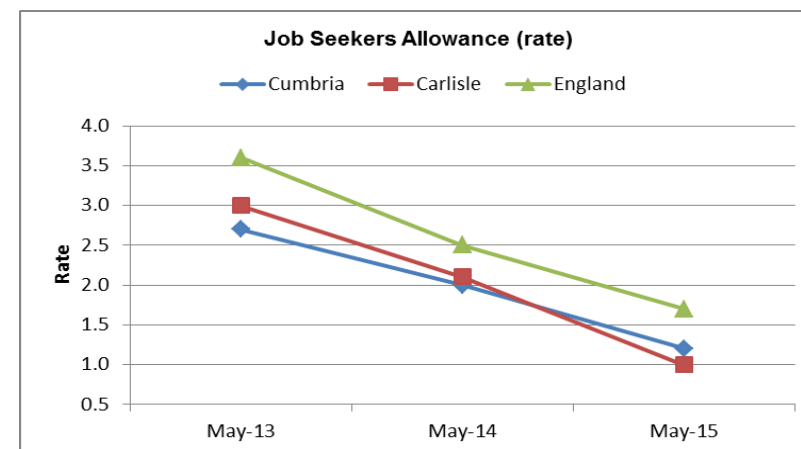
**Out of work benefit claimants (rate per working age pop 16-64 years)**

| | May-14 | Aug-14 | Nov-14 |
|----------------|--------|--------|--------|
| Cumbria | 9.5 | 9.2 | 9.0 |
| Allerdale | 10.2 | 10.0 | 9.7 |
| Barrow | 14.1 | 13.8 | 13.8 |
| Carlisle | 10.2 | 9.8 | 9.5 |
| Copeland | 11.5 | 11.2 | 10.9 |
| Eden | 5.4 | 5.3 | 5.2 |
| South Lakeland | 5.4 | 5.3 | 5.3 |
| England | 9.8 | 9.6 | 9.4 |

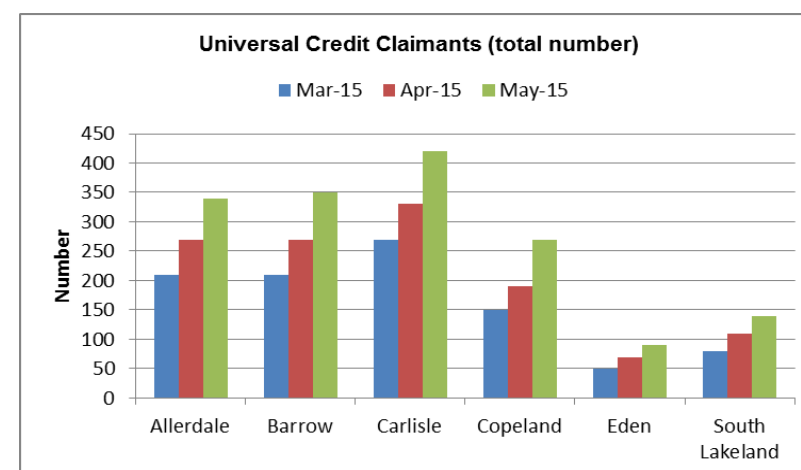


Job Seekers Allowance claimants (rate per working age pop 16-64 years)

| | May-13 | May-14 | May-15 |
|----------------|--------|--------|--------|
| Cumbria | 2.7 | 2.0 | 1.2 |
| Allerdale | 3.3 | 2.4 | 1.5 |
| Barrow | 3.9 | 3.3 | 2.4 |
| Carlisle | 3.0 | 2.1 | 1.0 |
| Copeland | 3.3 | 2.5 | 1.6 |
| Eden | 1.2 | 0.9 | 0.4 |
| South Lakeland | 1.2 | 0.8 | 0.4 |
| England | 3.6 | 2.5 | 1.7 |

**Universal Credit Claimants (number)**

| | Mar-15 | Apr-15 | May-15 |
|----------------|--------|--------|--------|
| Cumbria | 970 | 1,240 | 1,610 |
| Allerdale | 210 | 270 | 340 |
| Barrow | 210 | 270 | 350 |
| Carlisle | 270 | 330 | 420 |
| Copeland | 150 | 190 | 270 |
| Eden | 50 | 70 | 90 |
| South Lakeland | 80 | 110 | 140 |
| England | - | - | - |

**Child and Working Tax Credits**

| | Apr-13 | Apr-14 | Apr-15 |
|----------------|-----------|-----------|-----------|
| Cumbria | 35,500 | 34,300 | 32,600 |
| Allerdale | 7,100 | 7,000 | 6,700 |
| Barrow | 5,700 | 5,500 | 5,300 |
| Carlisle | 8,600 | 8,400 | 7,900 |
| Copeland | 4,600 | 4,500 | 4,200 |
| Eden | 3,300 | 3,200 | 3,100 |
| South Lakeland | 6,000 | 5,700 | 5,300 |
| England | 3,982,900 | 3,899,400 | 3,791,800 |

