

Case Study 2: Impact of Welfare Reform

Knowing our Communities

In preparation to implement the changes brought about by Welfare Reform and to prepare those who would be affected by these changes we undertook a comprehensive impact analysis an impact summary table was created to analyse each proposed change in detail and to model its impact in York. All data for housing benefit claimants were mapped across York and summarised in wards for the following four criteria:

- LHA changes
- Non-dependant deduction
- Social housing under-occupation
- Under 35 yr olds (in private rented accommodation)

We were particularly concerned about children living in poverty and the well established link between that and poorer educational outcomes. Using intelligence on free school meal take up (a proxy measure of poverty) we identified those families that would be affected.

The impact summary formed the basis of the agenda, enabling the planning of customer communication, preparing for and implementing changes and establishing support needs and available resources. Where permitted, data was shared with registered housing provider partners enabling them to identify and support affected tenants. The primary focus was work around the impact of the Spare Room Subsidy (bedroom tax), local council tax support, reductions in LHA rates, restriction of Housing Benefit for under 35s and the overall benefit cap.



HB changes impact
table Sept 14 update



Annex E -
ousing Benefit Map

Leadership, Partnership and Organisational Commitment

When the scale of Welfare Reform became clear following the 2010 budget, we swiftly set up a joint benefit and Housing Welfare Reform Task Group. As the scope and depth of the reforms became clearer, membership was extended to other stakeholders and included, resettlement services, children's services, York learning and future prospects, Citizens Advice Bureau (CAB), Department for Work and

Pensions (DWP) and other social housing providers in York. The shared aim was to proactively develop measures to mitigate the impact of welfare reform by supporting tenants affected by them.

By developing a robust partnership approach we sought to minimise the effect of Welfare Reform in York and help develop community resilience. Our work to evidence the impact of Local Housing Allowance changes led to Housing Services being national finalists for the 2012 Guardian Public Service Excellence Awards.

Our Partners comprised of:

- Tenants and residents
- Social housing providers in York
- Private landlords in York
- Department of Work & Pensions
- Welfare Benefits & Housing Benefits
- Resettlement services, including the Salvation Army
- Children's Services
- York learning & Future Prospects
- York Advice Partnership
- Older Citizens Advocacy York & Age UK

The first task of the Welfare Reform Task Group was to undertake the impact analysis. From this an action plan was developed.

Following on from the work of the Welfare Reform Task Group in early 2012 the *Financial Inclusion Strategy Group* (FISG) was established to deliver the council's wider anti-poverty programme. Members include the Citizen's Advice Bureau, the South Yorkshire Credit Union and CYC representatives responsible for housing, revenue and benefits, children's services, human resources and public health.

Involving our Communities

We identified who would be affected by Welfare Reform .We assessed the impacts on them. A Communities Impact Assessment (CIA) was carried out for the abolition of CTB and its replacement by a local Council Tax Reduction (CTR) scheme and to model financial impact on the council. Findings indicated a greater impact on people under 25, single parents and carers. The CIA detailed actions to reduce the impact on those groups.



CIA

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A specialist 'Money Matters' newsletter for tenants was developed to focus on welfare reform, housing benefit changes, universal credit and debt and money management advice.

Nine local community-based advice hubs have been established to offer advice on housing, debt and employment. Multi-agency working in schools, libraries and children's centres puts advice within reach of local people.

Housing invested in the employment of two dedicated money and employment advisors who along with housing estate managers have visited over 800 tenants affected by bedroom tax, providing advice to secure their financial stability.

Regular articles were included in Housing's newsletter 'Street's Ahead' and information was included on our website.

http://www.york.gov.uk/homepage/68/welfare_benefit_changes

http://www.york.gov.uk/info/200642/welfare_benefit_changes/721/welfare_benefit_changes

Responsive Services

A wide range of work was undertaken to mitigate the impact of WR. Some initiatives provided direct support and help to individuals affected whilst other activities provided 'indirect' support through the Council's wider anti-poverty programme including some under the Financial Inclusion Steering Group designed to alleviate financial pressures.

Initiatives Implemented.

CYC's Housing Services implemented a wide range of measures to mitigate the impacts of the *bedroom tax* and other welfare reforms including:

- Creation of two new dedicated Money and Employment Advisor posts were created.

They helped over 800 affected tenants explore options including Discretionary Housing Payments, training and employment, utility switching and referral to specialist agencies.

- A downsizing incentive scheme with flexible criteria provided grants up to £2,500 to support tenants who wanted to move. Examples include installation of a shower to meet medical needs, cost of removals, cooker purchase.
- A revised direct exchange policy enables customers with arrears and in financial hardship to move provided they demonstrate commitment to reducing their debt. (Previously tenants with arrears were not allowed to exchange.)
- A Property Swap Shop held during 2013 Housing Week targeted tenants affected by welfare reform. Over 70 social housing tenants were able to explore exchanging homes and receive welfare reform advice. Similar events are planned again this year.
- A new Money Matters newsletter was created to keep tenants informed about Welfare Reform changes and offer debt and money management advice.
- Nine local community-based sessions were developed to offer advice on housing, debt and employment. Multi-agency working in schools, libraries and children's centres puts advice within reach of local people.
- A £27k DWP award funded the Salvation Army to target support to private renters affected by Welfare Reforms.
- The 2013 Housing Week took the theme of 'Housing and Poverty' which saw over 600 people attend 25 events including:
 - A joint CYC/DWP session on 'Universal Credit and Rent' at the private sector landlord fair.
 - Seven city-wide *Small changes, Big savings* drop-in events hosted by Resident Associations offering advice on banking, benefits, budgeting and energy saving tips.
 - Community open days at two sheltered housing schemes saw over 90 people enjoy entertainment, information and advice.
 - 'Smartmeter' trials in ten households showed how energy bills could reduce.

Using a two year lottery grant and council funding, the *Advice York Partnership* was established to improve advice services across the city. Led by CAB, all agencies adopt a '*no wrong door*' approach. Outcomes are monitored through the Financial Inclusion Strategy Group.

First year outcomes were approved by the Big Lottery following submission of a report. More information can be found at www.adviceyork.org.uk

In 2013/14, a £35k one-off DWP award funded a targeted Welfare Reform Scheme, enabling non-repayable grants to be made to 100 tenants in significant need and primarily affected by welfare reforms. In June 2014, *Advice York* provided analysis and a positive report on the impact of this initiative http://www.adviceyork.org.uk/our_reports.html. The report highlighted debt as the main reason people needed help, suggesting increasing levels of debt is a significant impact of Welfare Reform.

Analysis found:

- Disability or sickness had prevented 50% of respondents from working.
- 73% had an extremely low income of less than £600.
- 80% were positive about the help they had received.

To alleviate the impacts of people going into debt we worked in partnership with the England Illegal Money Lending Team, FISG developed an anti-loan shark campaign. This includes an Anti-Loan Shark Charter launched at one of 2013 Housing Week's community events. The charter was the first in Yorkshire and is only the sixth nationally. Over 100 council and local agency staff have been trained to help spot signs indicating people are being targeted by loan sharks. A joint council and Police door-knocking exercise promoted the dangers of borrowing to 200 homes in areas known to be targeted by loan sharks. From April 2013, York Financial Assistance Scheme (YFAS) replaced the previous DWP Community Care Grants and Crisis Loans with a support package solution. Targeted at those most in need, YFAS helps residents continue to live in their communities. Using IMD data and Lower Super Output Areas located in wards (Westfield, Guildhall, Heworth, Micklegate, Clifton and Holgate) we found that:

- 25% of applicants were from areas within the 20% most deprived areas in the country
- 88% of applicants were from the 50% most deprived areas in York.

Feedback from a survey of 25% of applicants was in the main very positive with 80% finding the application process easy. 85% said the grant provided met their needs.

Following a Community Impact Assessment in May 2014, we proposed amending the scheme to have a potentially positive impact on any citizen whose JSA or ESA claim was subject to a sanction. Such individuals can come from any of the communities of identity. A significant review of the scheme is taking place autumn 2014 in light of significantly increased demand in 2014/15 and the planned withdrawal of government funding from 2015/16.

Working with Experian, the *Rental Exchange project* explored incorporating rent payment data with credit bureau data enabling it to contribute to determining a tenant's credit score. Rent-paying tenants will have a better credit score and thereby easier access to affordable credit and financial products. Having completed the research and development phase and consulted with tenant's implementation was approved by the Executive member September 2014. We plan the scheme to be operational for CYC tenants later this year. Other social landlords have expressed an interest.

To address the well-established link between children living in poverty and poorer educational outcomes we used data on the take up of free school meals, a proxy measure of poverty. FISG funded a cashless payment system in three schools to help remove the stigma of claiming free meals. As well as reducing financial pressure on hard-pressed families, schools are also able to take advantage of the Pupil Premium.

In September 2013, acting on resident feedback the council changed the way it made decisions to award Discretionary Housing Payments (DHP). Income from Attendance Allowance and Disability Living Allowance was disregarded from the DHP assessment.

This had a positive impact, enabling around 70 previously rejected DHP claims to be reviewed and appropriate decisions changed. Of 862 DHP claims in 2013/14, 200 were made by disabled people with 105 awards paid. Fostering income was also disregarded. Although affecting only a small number of residents, this change supported carers of fostered children and aligned DHP policy with the council's strategic aim to ensure an adequate supply of placements for children and young people.

In July 2014, again in response to feedback, we altered YFAS criteria to include those affected by inappropriate Job Centre Plus sanctions on Job Seeker's Allowance /Employment and Support Allowance (ESA) claims.

Outcomes

The actions taken to mitigate the impact of welfare reform have supported people to stay in their homes and avoid falling into debt.

Outcomes include:

- A 309% increase in DHP applications January 2013 - January 2014, compared to same period in 2012/13 and an increase in overall spend to £232k in 13/14.
- Year end current and former rent arrears reduced and rent collection increased, an achievement in such a difficult economic climate.
- Rent arrears evictions are on par with 2012/13. The number of households living in temporary accommodation is below the national average.

Where people have preferred to move to avoid hardship, we have supported them to do so:

- Downsizing incentives helped 17 tenants to move to smaller homes
- The flexible exchange policy and property swap initiatives resulted in a 25% increase from 2011/12 levels; a 14% increase in 2013/14 (247) compared with the previous year (216).

We have reached out to communities, to put advice and information at hand:

- In its first year of operation the Tang Hall advice hub helped customers claim £43k of new benefits and manage debts of nearly £250k.
- Nine community-based service delivery sessions offer multi-agency advice on housing, debt and employment. In Lindsay Avenue an empty shop has been refurbished to offer advice, information and meeting facilities in the local area. Other community facilities are planned for the future.
- Sheltered housing open days held during Housing Week 2013 enabled partner agencies to offer advice to residents and the local community. Partners included York Deaf Society, York Blind and Partially Sighted Society, Older Citizens Advocacy York, Yorkshire Housing, Age UK, Healthwatch and the local police and fire services. Age UK were able to share Winter Warmer information without incurring the costs of hiring a venue. We are exploring the future use of sheltered schemes as venues to promote services.

- Active promotion of the 'Big Community Switch' saw interest from 751 residents signing up. 242 made the switch saving an estimated £41,000 per annum. By analyzing available fuel poverty data we targeted behavioral change activities on four identified areas of the city. CYC has agreed to continue to fund this work through until March 2015 through FISG.

Some initiatives that began in response to welfare reform are now embedded in day to day business, including the work of the Money & Employment Advisers and our approach to mutual exchange. Some like *Advice York*, are part of a fixed-term project that will help determine future strategy. Others were one-offs from direct external funding including the DWP £27k funding private sector work via the Salvation Army and £35k towards targeted tenant support. Through FISG we will continue to deliver best use of existing resources, targeting those in greatest need.

Local Council Tax Support now allows payments to be made for over 12 months. To avoid court action and costs staff now intervene earlier. A hardship fund was set up to help council tax payers in difficulties. In 2013/14, £28k was awarded from this fund to 241 council tax payers. In 2014/15 to date, £25k has been paid to 136 people. Year end projections suggest an outlay double that of last year.

Evidence from activities thus far will influence and shape future anti-poverty work as well as helping inform local provision to support Universal Credit.