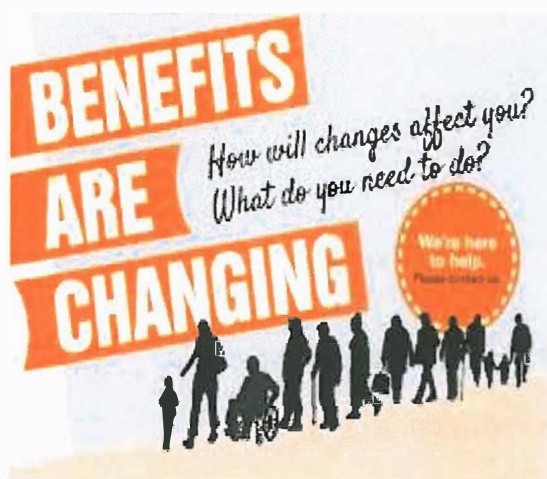


REPORT OF SCRUTINY PANEL A
WELFARE REFORMS INQUIRY

OCTOBER 2012 – MARCH 2013



Moneytree

Benefits are changing – make sure you're ready



PANEL MEMBERS

Councillor Kaur (Chair)
Councillor McEwing (Vice-Chair)
Councillor Daunt
Councillor Mintoff
Councillor Parnell
Councillor Vinson
Councillor Whitbread

IMPROVEMENT MANAGER

Dorota Goble 023 8083 3317 dorota.goble@southampton.gov.uk

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Chair's Foreword

I am proud to have chaired the Welfare Reforms Inquiry, which has given the Scrutiny Panel and I a real opportunity to influence council decisions on policy and budgets to support the most vulnerable people in the city during a time of unprecedented change to the benefits system.

While a highly politicised subject, over the past six months the cross party Panel has worked in unison to fulfil the objectives it was tasked with; to understand the changes, their impact on Southampton as well as exploring practical ways to implement them within the city through the principles of fairness and 'making work pay'.

It soon became apparent in the Inquiry that this was a part of something much bigger and so could not be reviewed in isolation, but within the context in which these changes were going to have to be implemented. Thus, the Panel found itself also assessing wider areas the reforms would influence within the city, for example: poverty, housing, health and economic growth alongside specific communities of interest.

With the timely nature of these reforms, even before the end of the Inquiry the Panel's work has been put to the test, having already submitted two interim reports to Council. The fact that these reports have assisted in the full Government grant funding being allocated for Local Welfare Provision, a discretionary fund and transition grant for the Local Council Tax Reduction Scheme and additional funding for the voluntary sector, is testament to the combined and industrious efforts of Panel members and officers.

The Panel commended the joint work by services to produce the 'Moneytree'. The Inquiry established many concerns resulting from the Welfare Reforms, one of these included the limited understanding of claimants on how they will be affected by the reforms. The booklet provides a comprehensive guide to the reforms, with other local authorities now wanting to follow suit using 'Moneytree' as their template. However, communications and awareness of the changes still remains a problem and the Panel have highlighted where further help and guidance is needed.

I would like to thank all the guests to the Inquiry for giving up their time, in particular to the voluntary sector; their insightful and invaluable input produced useful evidence for the Panel. Many individuals in the city are supported by the tireless commitment of our frontline staff and voluntary organisations who offer a crucial service to people at risk and/or in crisis. The Panel were touched by the sad reality of the hardship suffered by many Southampton residents; targeting help, support and information to the most vulnerable as well as working in partnership with the voluntary sector to 'make work pay' has been the crux of this Inquiry.

In addition, I would also like to thank council officers. The Panel (and personally as chair) have appreciated the diligence and extensive knowledge of officers supporting the Inquiry. They have worked relentlessly to ensure the Panel received the most up to date information and ensured we examined all the implications of the reforms thoroughly. I am honoured to have worked with such talented individuals, without which, the Panel would not have produced such a comprehensive and forward thinking report.

As a Panel we have consistently focussed on the impacts of the reforms on individuals as we searched for practical solutions to concerns raised, despite opposing views. One of these concerns was how we move people off benefits and into work during the current harsh economic environment. The Panel were keen to recommend solutions that will empower individuals and encourage support to people in crisis so that they can be more self-reliant.

As a result, we have learnt a great deal about the services led by the council and the partnerships that exist to support people on the long road to build their confidence to get into work. The Jobcentre Plus in particular has been an invaluable resource of evidence for this. However, the Panel have concerns that the rate of economic growth will undermine individual progression, especially if projects underway to support local jobs and local growth (for example, the City Deal) do not maintain momentum.

Partnership working is vital to success to limit the wider long term implications of the Welfare Reforms in Southampton. Council and city leaders will need to come together on how they respond to these challenges. It is also crucial that we act as one council working against poverty and worklessness.

The Panel have seen the Welfare Reforms change several times during the Inquiry and moving forward the city will see even more changes take place within the reforms, both in content and implementation. As such, it is essential that we continue to monitor demand for Local Welfare Provision that works to build a more sustainable voluntary sector and self-resilient individuals. I hope to continue to help develop this Local Welfare Provision that adapts to the changing needs through a monitoring group which will aim to maximise local welfare funding to the front line support, targeted at vulnerable people most impacted.

On a personal note, I have relished the opportunity to chair the Welfare Reforms Inquiry. The reforms have received huge interest from various council departments, outside organisations and bodies, businesses, universities, the local press and the general public alike. It has been an absolute pleasure to work with such talented, able and thought provoking individuals and members from all political parties and officers. This has been a real team effort and I look forward to championing our work moving forward.

Ellr Kaur

Chair of Scrutiny Panel A

EXECUTIVE SUMMARY

1. The Welfare Reforms represent the biggest change to benefits in 60 years – many benefits and working credits will change and come together as Universal Credit, with an overall aim of reducing the total benefit bill and increase incentives to ‘make work pay’.
2. All working age people on benefits will see some form of reduced income, with the only way to change this being to move off benefits and into work. Pensioners’ benefits have been largely protected by the reforms. Working age people are most affected, with many living in the most deprived areas of the city and already experiencing poverty due to increased living costs within a difficult economic climate. This reduced income is likely to increase financial hardship for many and may not only lead to increased debt for some but also affect other aspects of their lives, including their relationships and health.
3. The Panel has submitted two interim reports to the Overview and Scrutiny Management Committee (OSMC) and Cabinet. The first of these reports secured the establishment of a discretionary fund for the Local Council Tax Reduction Scheme and achieved a staged approach to Council Tax benefit reduction through applying for the Government’s Council Tax Transition Fund. The second report protected the full unringfenced grant for Local Welfare Provision for the next two years, in order to support people in crisis following the abolition of the Social Fund. It also established key principles for sustainable Local Welfare Provision that develops voluntary sector capacity alongside individual self-reliance.
4. The voluntary sector play a vital role in supporting the city’s most vulnerable people – additional funding has also been agreed to build their capacity to manage increases demand once the Welfare Reforms are rolled out. The Panel identified the need for the Executive and council services to consider the impact of Welfare Reforms within each portfolio and prioritise voluntary organisations providing advice, money management and employment support for at least the next two years.
5. Moving into work is the only way for most people to reduce the impact of the Welfare Reforms; however, many claimants have a limited awareness of the reforms and their impact and the Panel stressed the need to communicate these messages and signpost people to self-help. In addition, there needs to be wider engagement with partners, especially businesses, to enhance their role in making work pay.
6. There are many council services that support vulnerable people in crisis e.g. homelessness; others help people move out of poverty and into work through targeted community learning, skills development and securing local jobs. Services need to develop opportunities to be more joined up in their approach to Welfare Reforms and review policies that may conflict with reducing crisis and behaviour change.
7. The Welfare Reforms will affect all our partners and have wider implications for the city – it is crucial that the council works with city leaders to develop a sustainable response that minimises high cost intervention across the public sector and encourages a positive change to future life chances.

MAIN ISSUES FROM THE INQUIRY

8. Overall, the Panel identified the following main issues from the Inquiry:

Cumulative Impacts

- The cumulative effect of the Welfare Reforms will hit vulnerable residents living in the most deprived areas and communities in the city.
- The extent and scale of the changes will add a number of pressures on all claimants.
- Combined with an overall increased cost of living, many claimants will be worse off and may be at risk of increased debt or financial hardship.
- Whilst people continue to struggle financially the need for crisis support will continue.
- Claimants affected by the reforms will have to make changes to how they manage their money.

Crisis Support

- The need for crisis support for residents is likely to continue whilst the benefit changes are implemented and for some time after.
- Crisis support through the Social Fund was not sustainable and led to dependency on the system
- The impact of reforms should continue to be monitored with support services remaining flexible enough to adapt according to changing need.
- A strong voluntary sector is already overstretched to help the most vulnerable.

Communication

- There is limited awareness and engagement in the changes amongst people affected by the reforms.
- A Welfare Reforms Communication Plan has been delivered through the Gateway to a Better Future Southampton Connect Priority Project
- Key activity has included city wide awareness sessions for organisations and ad hoc training and a public awareness campaign through posters and web information.
- Much of the joint work to date has been through good will.

Work

- Jobs growth is essential so that people can get work and increase income.
- Excellent partnership working exists to support unemployed residents into local skills, training and jobs
- Building confidence and skills in the long-term unemployed takes time but is essential to ensure people are job ready.
- If the current economic climate continues it may lead to fewer job opportunities and greater competition for jobs.
- Work underway to encourage growth in the local economy is crucial to achieve a change in life chances and job opportunities for people.

Wider implications

- The impact of the reforms reaches wider than traditional advice and support services.
- The Welfare Reforms are not only about money in people's pockets – there is a significant risk that they will lead to negative impacts on health, relationships, stress, coping, family networks, and increasing links to the 'grey'/ informal economy. All these issues will have implications for families with complex needs.
- The reforms may lead to longer term city-wide issues including health, child poverty, economic recovery, community safety, reducing inequalities and raising the aspirations for all citizens.
- Lack of preventative crisis support could lead to future high cost intervention needs in the public sector.
- Future adult life chances may be affected by child poverty of today.

SUMMARY OF RECOMMENDATIONS

9. The eleven strategic recommendations from the Inquiry are outlined below. Recommendations 1-4 and 9i have already been submitted in reports to Council in January and February 2013. Recommendations 5, 8, 10 and 11 also include further recommended actions from the Panel for consideration that are detailed after the introduction (Page 12 onwards).

RECOMMENDATION 1: Local Council Tax Reduction Scheme - Discretionary Fund

That Cabinet, as part of its decision on the Local Council Tax Reduction Scheme, considers:

- a. A Discretionary Fund for Local Council Tax Scheme that is aligned to Discretionary Housing Payments.
- b. That the Council Tax Discretionary Fund is directed for the most vulnerable.
- c. The Council Tax Discretionary Fund applies the principles of fairness. This should include:
 - i. Development of a transparent approach for determining applications for the fund.
 - ii. An appropriate complaints process.
 - iii. A fund that is operated in line with the Public Sector Equality Duty.

RECOMMENDATION 2: Local Council Tax Reduction Scheme - Transitional Grant

That Cabinet, in making its decision on the Local Council Tax Scheme, gives further consideration to applying for funding from the Government's Transitional Grant scheme, in the context of the Final Grant Settlement for Southampton. This should take into account the benefits and concerns highlighted by Scrutiny Panel A's report on the scheme. In their considerations, the Panel recommends that the decision should be made in accordance with the principle of 'making work pay'.

RECOMMENDATION 3: Social Fund – Resources

That Cabinet allocates the full unringfenced grant transferred to the Council for the transition of the Social Fund for 2013/14 and 2014/15 solely for the use of developing Local Welfare Provision.

RECOMMENDATION 4: Social Fund – Principles and Model

That Cabinet, in relation to the development of the Local Welfare Provision, considers:

- i) To delegate authority to the Head of Communities, Change and Partnership, following consultation with the Cabinet Member for Communities, the Cabinet Member for Resources and the Chair of Scrutiny Panel A, to develop and implement a sustainable and holistic mixed model approach to Local Welfare Provision. The scheme should harness existing provision to enable residents vulnerable to financial crisis to become more self-reliant whilst building the capacity of the voluntary sector.
- ii) That the Local Welfare Provision for Southampton has a phased and tiered approach, be strategically co-ordinated by the council (Communities, Change and Partnership Division), supported by a multi-agency, advisory group and includes the following principles:
 - a) A mixed model of support will be established, with a combination of in-house and external provision – where possible, provided by local anti-poverty services.
 - b) Support to be led by agency referral with mechanisms in place for direct access / self-referral.
 - c) In-kind support will be the main mechanism for help with limited cash provision in emergencies.
 - d) Any small cash payments provided this will usually be in the form of affordable loans.
 - e) A contingency fund of £100k is set aside and used to respond to unpredicted gaps in provision.

- f) The delivery model should maximise funding to the frontline to support vulnerable people and minimise central administration costs.

RECOMMENDATION 5: Access and Support

All Council services and partners should work towards empowering individuals and communities that are most impacted by the Welfare Reforms, by providing the necessary tools (i.e. easily accessible information about the changes as well as access to IT). Access to services should also be a priority (i.e. benefit advice, money management, and advocacy support) to help develop self-reliance. People having the knowledge and skills to prepare for the reforms will limit their impact and give individuals the best chance to find how 'making work pay' best fits them. This should be achieved through encouraging behavioural change, developing targeted locality support in priority neighbourhoods, working with most impacted groups including young singles, lone parents, disabled people, BME groups, those where English is not their first language, and older people close to retirement.

Key recommended actions identified by the Panel were to:

- Promote the use of credit unions and money management with Registered Social Landlords.
- Focus resources and consider locality based holistic support and advice from local service point to support those in the most deprived areas of the city.
- Consider the option of a single point of contact for Local Welfare Provision.
- Consider how to boost face to face support and advice available for disabled people who are more likely to have complex needs, potentially at key locations or centres.
- Ensure innovative use of Discretionary Housing Payments to support disabled people to stay in their home or avoid reduced income if affected by the under-occupancy rate, where an extra room is essential.
- Promote IT access and training opportunities at libraries, Sure Start Children's Centres, housing offices, GP surgeries concentrated on the most deprived areas.
- Work with Third Age Centre and other agencies to ensure community support and advice available to older people under retirement age.
- Work with community development workers to work with community groups, community elders and churches to raise awareness of welfare reforms and signpost to support.
- Ensure effective signposting and referral between advice services and specialist support groups where English is not someone's first language

RECOMMENDATION 6: Monitoring

That a Welfare Reforms Monitoring Group involving Members, council officers and key agency representatives is established for the 2-year transition period to:

- Monitor the impacts of the Welfare Reforms.
- Work with city leaders through Southampton Connect and other key partnerships as appropriate, to minimise the long term impact of Welfare Reforms on wider issues for the city, **to include a strong emphasis on health.**
- Monitor the implementation of Local Welfare Provision (Recommendation 4) to ensure that the local model continues to support those in financial crisis.
- Consider and agree changes to Local Welfare Provision, including allocation of any contingency fund approved, following recommendations from agencies.
- To review the Council's approach to the Local Council Tax Support.
- Ensure a collaborative council-wide approach to better coordinate resources, activity and pool budgets / discretionary funds, to support those most at risk of crisis due to the Welfare Reforms.
- Ensure implementation of recommendations regarding welfare reforms and report to Cabinet and Council on progress and any emerging issues or changing need.

RECOMMENDATION 7: Prioritising the Welfare Reforms

That Cabinet,

- Identified a clear plan to respond to the impact of the Welfare Reforms in each of their portfolios.
- Gives due consideration to the impact of the Welfare Reforms on Poverty within the Equality Impact Assessments when developing new policy and agreeing key decisions.

RECOMMENDATION 8: Communication and Awareness

To continue to raise awareness of the Welfare Reforms and their impacts on individuals within the city by building on the work to date with partners on 'the Welfare Reforms Communications Plan' through the 'Gateway to a Better Future' Southampton Connect Priority Project, led by Jobcentre Plus.

Communications on the changes and signposting to support should be made (where practical) through the various formats and channels that are preferred by those most likely to be impacted by the Welfare Reforms.

Communications must deliver a consistent and clear message across the city that the only way out of the benefit system is to 'make work pay', and should:

- Aim to maximise reach to all residents impacted by the Welfare Reforms (i.e. through libraries and G.P. surgeries).
- Develop a response for people who are likely to be hardest hit, i.e. people living in priority neighbourhoods; housing estates; traditionally hard to reach groups including young singles, lone parents, disabled people, BME groups and those where English is not their first language as well as older people close to retirement. Responses should also focus on the impact on the individual/household and help those families with the most complex needs.
- Maximise support to voluntary sector organisations helping vulnerable people that will be most impacted by the reforms.

Key recommended actions identified by the Panel were to:

- Develop benefits road shows in priority neighbourhoods to signpost residents to changes, advice and support.
- Ensure wider publication, promotion and distribution of Moneytree both in the council and discuss wider publication / funding with partner organisations.
- Moneytree sections to be made available as pick and mix online information for individuals and organisations to use.
- Develop Welfare Reforms packs and guidance for members and council services.

RECOMMENDATION 9: Voluntary Sector Capacity

- i) That Cabinet agrees to prioritise support to help increase capacity in voluntary organisations offering:
 - a) Advice and money management support services targeting those being impacted by the Welfare Reforms.
 - b) Opportunities for vulnerable residents, especially those on long-term benefits, to improve their chances of getting a job.
- ii) All council services work with relevant partners to maximise opportunities to help build the capacity of voluntary sector organisations offering welfare advice and support and pathways to employment. More general support for the voluntary sector could include encouraging council staff to support voluntary organisations i.e. through development of trustees and bid writing skills etc.

Key recommended actions identified by the Panel were to:

- Ensure support and training on Welfare Reforms is available to all voluntary sector agencies.
- Establish a scheme through colleges, JCP and SVS to get young volunteers to provide IT training to older people.
- Hold further event with the voluntary sector to consider the best way forward for the transition period for Welfare Reforms.
- Make better use of the voluntary sector to deliver messages and cascade/signpost changes.
- Maximise the spread of the Communication Plan for Welfare Reforms.
- Work with partners to consider the sufficiency of advice services in the city and identify a sustainable way forward.

RECOMMENDATION 10: Pathways to Employment

To continue to work in partnership with organisations, businesses and the voluntary sector to increase opportunities for pathways to employment, especially for people who have been on long-term benefits and/or on lower pay. The aim should be to 'make work pay' by **maintaining an emphasis on economic development opportunities** and promoting local job opportunities, skills development and encouraging employers to signpost advice to lower paid workers on in-work benefits, alongside maximising our own council based opportunities through developing local jobs and apprenticeships.

Key recommended actions identified by the Panel were to:

- Continue to develop local jobs and apprenticeships **through the robust application of section 106 agreements and the Community Infrastructure Levy.**
- Promote opportunities for jobs:
 - Encourage SME and self-employment through developing small contract opportunities at the council e.g. Housing maintenance.
 - Continue to develop increased job opportunities in the Green Economy.
 - Hold an employment conference to raise awareness of employment opportunities / jobs growth areas.
- Review options to support the development of affordable childcare.
- Support businesses and voluntary sectors to work together through Building Bridges Forum.
- Ensure projects encouraging economic growth e.g. City Deal and Getting the Economy Started make connections to the impacts of the Welfare Reforms to maximise opportunities where need is greatest.
- Support needed to encourage gender specific engagement.

RECOMMENDATION 11: Joining up Council Policies

To review relevant council policies to ensure they support the most vulnerable people of working age and most impacted by the Welfare Reforms, to become more self-reliant in dealing with money management and debt, encourage behavioural change, and maximise opportunities that support people improving their skills and employability.

Key recommended actions identified by the Panel were to:

- Coordinate a holistic council-wide response and strategic approach to the impacts of the Welfare Reforms.
- Ensure Housing and Social Care services work together to avoid increasing costs and service bottlenecks.
- Review housing **and planning** policies **including** payment of rent in arrears **and housing allocations** to ensure they reflect changing needs linked to Welfare Reforms.

- Review debt recovery policy across the council to support people struggling due to Welfare Reforms, to maximise the use of mediation, signpost people to money management and minimise the need for additional court costs.
- Consider innovative use of discretionary payments to help disabled people living in adapted properties to stay in their homes.
- Work in partnership with registered social landlords to support IT literacy and managing finances.
- Ensure awareness of benefits changes and impacts on residents is disseminated to all levels of the council, including signposting to advice for lower paid workers.

INTRODUCTION

10. The Welfare Reform Act (2012) represents the biggest change to the welfare benefit system in 60 years. The Welfare Reforms are being implemented nationally with the aim of creating a simpler and fairer system and creating the right incentives to assist more people into work. The reforms cover a whole spectrum of welfare and housing benefit changes and will pave the way for the introduction of Universal Credit, which will replace means-tested benefits for people of working age from October 2013.
11. The Welfare Reform Act (2012) also brings new responsibilities and changes to the way benefits are administered by local authorities. It abolishes both Housing Benefit (which will gradually be replaced by Universal Credit) and Council Tax Benefit (CTB). It also abolishes the discretionary Social Fund, which provided Crisis Loans and Community Care Grants to support people in crisis, and transfers Local Welfare Provision to local authorities.
12. The Welfare Reforms aim to deliver a fairer and simpler benefits system that aims to move people out of benefits and into work, and ultimately 'make work pay', however, there will be many for whom work is not possible due to illness or disability. Where claimants have not worked for a long time, it may take time for them to be job ready. Whereas others may not be find work immediately due to a mismatch of jobs or skills. Where this is the case people are likely to experience reductions in benefits, within a backdrop where the cost of living is already increasing, financial hardship and debts are likely to increase.
13. Poverty is a multilayered and complex issue; living in poverty is more than just living on a low income. It impacts on health, housing, education and skills, self-esteem, the ability to participate in social activities and longer term life chances. The Welfare Reforms will hit the most deprived areas of the city hardest as they have higher levels of benefit claimants, and could lead to other community tensions in these areas.
14. Due to the scale of the changes and new responsibilities in administration of benefits at a local level, it was agreed that a Welfare Reforms Inquiry should be undertaken to consider the potential impact on residents, voluntary organisations and the public sector. The aim was to identify a sustainable way forward to maximise support for those most at risk of falling into crisis whilst helping those who can get back into work.
15. The objectives of the Inquiry were:
 - a) To understand:
 - i. The national, strategic and legislative framework.
 - ii. The scale and timetable of the national welfare reforms.
 - iii. The changes to the way benefits are administered locally.
 - iv. The current and future cumulative impact of the reforms and consider residents experiences.

- b) To clarify the needs for communicating the changes to residents and services.
 - c) To consider how the context of Welfare Reforms can impact on future council decision making.
 - d) To consider policy responses to these national changes. Key areas of policy investigation should consider measures that might further incentivise people into work and minimise disincentives to work, for instance considering the issue of childcare, measures that will assist in tackling family breakdown, and mitigating possible adverse impacts on vulnerable people and ensuring appropriate transition arrangements and advice.
16. The Panel acknowledged that the current system of welfare benefits was complex and sometimes confusing for claimants and if the system stayed the same inherent problems would remain.
 17. The Inquiry concentrated its efforts on the potential impacts of the reforms, examining the council's and partners' potential role in supporting individuals most at risk of being affected by the reforms and did not aim to evaluate the merits of the policy itself.
 18. The Panel agreed, however, that the Welfare Reforms would need to be considered within the context in which they were being implemented, reduced resources, the current economic climate, alongside any potential long-term high cost intervention in future.
 19. The terms of reference for the Inquiry, agreed by the Overview and Scrutiny Management Committee, are attached in Appendix 1.

CONSULTATION

20. The Inquiry was undertaken over 6 formal monthly meetings, from October 2012 to March 2013. In addition, the Chair of the Panel also attended a number of meetings at the Job Centre Plus and Southampton Connect. The Southampton Anti-Poverty Network was also involved in responding to the Welfare Reforms 'Call for Evidence'.
21. These meetings aimed to engage partners and providers in the Inquiry and obtain a better understanding of the impacts and issues around poverty and the Welfare Reforms in the city. In addition, they sought to assess how services are currently supporting people to move into work and be more self-reliant, and consider how to establish a sustainable way forward.
22. The Panel heard from a wide range of organisations and Southampton City Council services, whose customers may be affected by the Welfare Reforms. 24 guests gave evidence to the Inquiry including representatives from:
 - The Centre for Social Justice
 - The Department for Work and Pensions / Jobcentre Plus
 - Local advice services (No Limits, Southampton Advice and Representation Centre, Swaythling Frontline)
 - Anti-poverty service providers (Southampton City Mission, SCRATCH)
 - Housing providers (Radian)
 - Employment support services (SAFE, Wheatsheaf Trust)
 - Union employee support (Unite the Union)
 - Community representatives (Plus You Limited, community workers, IBEX and Southampton Voluntary Services)
 - Southampton City Council services including Council Tax, Housing Benefit Services, Homelessness, Housing Income Team, Families Matter, Supporting People, Adult Learning, Research and Information and Communications.

23. An outline of the guests and the evidence they provided to the Inquiry is detailed in Appendix 2.
24. Organisations and the public were invited to respond to a Welfare Reforms 'Call for Evidence' which was launched at a Welfare Reforms Awareness event, in October 2012, attended by over 100 people from organisations supporting vulnerable people. In addition, consultation on the proposed Council Tax Reduction Scheme also invited respondents to raise their overall concerns about the Welfare Reforms.
25. Feedback received to the Welfare Reforms Inquiry consultation is summarised in Appendix 3.

THE NATIONAL AGENDA

26. The Panel heard evidence that the current process for making a benefit claim was not working; it is confusing and time consuming and if it stayed the same would mean its inherent problems would remain.
27. The Panel recognised that the key drivers for the Welfare Reforms are:
 - Within a reducing Government spending regime the current benefit bill is high, with recent estimates that one pound in every three of Government funding is spent on welfare. The Government intends to reduce this bill by £18 billion through the Welfare Reforms by 2014-15.
(Institute of Fiscal Studies, October 2012) <http://www.ifs.org.uk/publications/6362>
 - The current system does not encourage people to get into work – the Welfare Reforms intend to incentivise and support a more work-orientated welfare system and a change of behaviour to 'make work pay'.
 - Introduction of a single payment method for benefits through Universal Credit aims to reduce the complexities and confusion within the current system.
28. However, the Panel were also conscious of a number of challenges to the successful implementation of the Welfare Reforms:
 - Although the key driver for the reforms centres around work, the current economic climate means that the required growth in investment and jobs needed for those moving into or seeking to increase their hours is likely to continue to be limited for the foreseeable future.
 - Current unemployment levels are already relatively high and increasing numbers of applicants are likely to experience greater competition for jobs. This will lead to additional strain on businesses dealing with high demands for job advertisements and employee demands for increased hours.
 - Many people are already struggling to manage their finances as the general cost of living for food, fuel and utilities has continued to rise. The cumulative impact of any future caps and reductions in benefits may be the tipping point that puts people into financial crisis and could have wider negative impacts on other aspects of their lives including relationships, health, and community safety.
 - The reforms are being implemented alongside wider public sector funding cuts. This could result in crucial public and voluntary support services being withdrawn just when they are needed the most and before the real impact of the reforms can be assessed.
 - There is a significant risk that the reforms will lead to higher-cost interventions for the public sector in the future.

29. The majority of Welfare Reforms are being implemented nationally with the aim of creating a simpler and fairer benefits system supported by incentives to assist more people into work.
30. A number of changes included in the Welfare Reforms are already underway including:
Housing Benefit Reforms: In particular this includes raising the Local Housing Allowance age threshold for shared accommodation rate from 25 to 35. Other changes include caps on the maximum allowances, abolition of the five bedroom rate, removal of the £15 excess where rent is lower than the Local Housing Allowance and increased deductions for additional adults.
Incapacity Benefit Reassessment: Claimants will either move onto Employment and Support Allowance or if they are found fit to work, onto the time limited Jobseekers Allowance.
Benefit Uprating: Linking benefits to the Consumer Price Index and capping at 1% is likely to significantly reduce claimant income over time.
31. From April 2013 and beyond new measures will be introduced
Under-occupancy of Social Housing (referred to by the media as 'Bedroom Tax'): A reduction in the amount of Housing Benefit for families living in council and housing association homes, with more bedrooms than the Government has allocated for their need.
Council Tax Benefit: The Government is abolishing the current national council tax benefit scheme. Instead, all councils will be introducing their own local Council Tax Reduction Scheme.
Social Fund: Crisis Loans and Community Care Grants will no longer be available from the Department or Work and Pensions (DWP) with Local Welfare Provision transferring to the council.

From June 2013:

Personal Independence Payment (PIP) will begin to replace Disability Living Allowance (DLA).

From Late Summer 2013

Benefit Cap: A limit on the amount of benefit paid to out of work households, up to £500 for a couple or family, up to £350 for single people - this includes Housing Benefit but not the Council Tax Reduction Scheme.

From October 2013:

Universal Credit: Will be a single unified, welfare benefit that will be paid to people of working age if they claim welfare benefit support. From October 2013 it will begin to replace many of the means tested or income assessed benefits such as: Housing Benefit, Jobseekers Allowance, Working Tax Credit, Child Tax Credit, and Employment Support Allowance. Claims will be digital by default, with payments made monthly in arrears and direct into a single account per household.

THE ISSUES AND RECOMMENDATIONS

Budget Setting 2013/14

32. The Welfare Reforms bring with them new duties on the council. Key decisions on welfare provision and funding were to be made by Full Council as part of the budget setting process before the end of the Inquiry. The Panel therefore considered evidence early in the Inquiry to inform decisions on:
- Local Council Tax Reduction Scheme
 - Local Welfare Provision, following the abolition of the Social Fund

33.1 Local Council Tax Reduction Scheme

- 33.1.1 The current Council Tax Benefit scheme is to be abolished from April 2013 and replaced with a Local Council Tax Reduction Scheme. People of pensionable age are protected, but the council must design its own scheme for people of working age.
- 33.1.2 The council will receive at least 10% less from Central Government to fund the new scheme and there will be additional costs in collecting the tax. However, because of the proportion of pensionable age residents in the city (17%), the financial impact to the remaining claimants will be greater.
- 33.1.3 During the Inquiry the proposal for a self-funding Local Council Tax Reduction scheme was out to consultation. This proposed that people of working age would receive 25% less towards their Council Tax – many having to pay for the first time.
- 33.1.4 The range of alternative options and consultation feedback for the proposals were considered as evidence by the Panel. The Panel submitted a report and two recommendations to OSMC on 16 December 2012. A full copy of the Panel's report can be viewed at:
<http://www.southampton.gov.uk/modernGov/documents/s15035/Welfare%20Reforms%20Interim%20Recs%20OSMC.pdf>
- 33.1.5 In summary, the Panel highlighted the following issues with the proposed scheme:
- Over half of current claimants (approximately 9,000 people) who have never paid before could be expected to pay at least 25% of their Council Tax bill.
 - For many who were already struggling to manage their finances, the extra demand on their budget could lead to further debt.
 - The inclusion of a Discretionary Fund in the scheme would provide a long-term sustainable approach to support vulnerable residents who may struggle to pay. 79% of respondents to the consultation agreed that a discretionary fund should be set aside to help people who could not pay.
 - Applying for the Government Transition Fund for one year would make the transition easier for the majority of claimants over two stages.
 - Given budget constraints the Panel expressed concerns over the additional funding needed if applying for the Government's Transitional Grant.
 - Applying for the Government's Transitional Grant for Council Tax Support would result in a staged approach to increased charges to claimants whilst allowing additional time to review the scheme once the response to the changes were available.
- 33.1.6 In the light of these issues, the Panel made the following recommendations which were included in the final report of the Cabinet Member for Resources and approved by Council on 16 January 2013.

RECOMMENDATION 1: Local Council Tax Reduction Scheme - Discretionary Fund

That Cabinet, as part of its decision on the Local Council Tax Reduction Scheme, considers:

- a. A Discretionary Fund for Local Council Tax Scheme that is aligned to Discretionary Housing Payments.
- b. That the Council Tax Discretionary Fund is directed for the most vulnerable.
- c. The Council Tax Discretionary Fund applies the principles of fairness. This should include:
 - i. Development of a transparent approach for determining applications for the fund.
 - ii. An appropriate complaints process.
 - iii. A fund that is operated in line with the Public Sector Equality Duty.

RECOMMENDATION 2: Local Council Tax Reduction Scheme - Transitional Grant

That Cabinet, in making its decision on the Local Council Tax Scheme, gives further consideration to applying for funding from the Government's Transitional Grant scheme, in the context of the Final Grant Settlement for Southampton. This should take into account the benefits and concerns highlighted by Scrutiny Panel A's report on the scheme. In their considerations, the Panel recommends that the decision should be made in accordance with the principle of 'making work pay'.

33.2 Local Welfare Provision, following the abolition of the Social Fund

- 33.2.1 Discretionary elements of the Social Fund will be abolished by the Welfare Reforms in April 2013. This fund was previously administered by the DWP to support Crisis Loans and Community Care Grants. In future, the DWP will be signposting people who need emergency financial assistance to local authorities. The DWP will continue to manage payment in advance for first-time claimants where required.
- 33.2.2 Southampton City Council's allocation for the Social Fund to Local Welfare Provision will be in the form of a non-ringfenced grant for a 2 year transition period. The allocation for 2013/14 is £654,232, and the indicative amount for 2014/15 is £644,232. Funding beyond this is subject to the next spending review.
- 33.2.3 The Social Fund, centrally administered by the DWP, provided a significant 'safety net' for people in crisis or under exceptional financial pressure. It has enabled residents to independently access timely support to prevent or deal with crisis and avoid increasing debt. Access to grants and loans to support people in and to avoid crisis have reduced the need for more costly and longer term intervention by local authorities. Locally, the demand for help via the Social Fund has been high, with over 7,420 applications in 2011/12.
- 33.2.4 Government recently agreed to limit benefit increases by less than inflation and this, combined with increasing living costs for fuel, food and travel, alongside the cumulative impact of other Welfare Reforms means the need for financial support to people in an emergency is unlikely to diminish.
- 33.2.5 The Panel heard evidence from voluntary services representatives providing crisis support and advice, and council services including Families Matter, Adult Health and Social Care and Housing. They raised concerns that if mechanisms are not put in place to support those in financial crisis there will be an increased pressure for their services that they are unlikely to have the capacity to manage any increased demand.
- 33.2.6 The Panel agreed that it is essential that the Social Fund grant is fully utilised for its purpose to ensure that a sustainable approach to supporting people and encouraging them to be more self-reliant is developed whilst continuing to help people in a financial crisis.
- 33.2.7 A local response must be developed as from April 2013 when the Government will start referring people who need emergency financial assistance to local authorities. There is no requirement to replicate the existing scheme, giving flexibility to design Local Welfare Provision which meets local needs.
- 33.2.8 The Panel acknowledged the crucial role that the voluntary sector has in delivering support services to vulnerable people. They will form a crucial element of the

solution for Local Welfare Provision, albeit that the council needs to work on a sustainable solution that builds capacity to deal with increasing demand for support.

33.2.9 The Panel also recognised that many public sector services rely on the Social Fund to prevent high interventions services in the future. This would particularly impact on services that rely on early intervention such as Adult Social Care Supporting People and Families Matter which aims to help families with complex needs.

33.2.10 The Panel considered and agreed the key principles and model for a Local Welfare Provision. A report and two recommendations were submitted to OSMC on 24 January 2013, and considered by Cabinet in setting the Council's budget for 2013/14 on 13 February 2013. The Panel's report can be viewed at:
<http://www.southampton.gov.uk/modernGov/documents/s15289/Appendices%201%2002.pdf>

Cabinet / Council approved the following recommendations on the 5th and 13th February 2013 respectively:

RECOMMENDATION 3: Social Fund – Resources

That Cabinet allocates the full unringfenced grant transferred to the Council for the transition of the Social Fund for 2013/14 and 2014/15 solely for the use of developing Local Welfare Provision.

RECOMMENDATION 4: Social Fund – Principles and Model

That Cabinet, in relation to the development of the Local Welfare Provision, considers:

- ii) To delegate authority to the Head of Communities, Change and Partnership, following consultation with the Cabinet Member for Communities, the Cabinet Member for Resources and the Chair of Scrutiny Panel A, to develop and implement a sustainable and holistic mixed model approach to Local Welfare Provision. The scheme should harness existing provision to enable residents vulnerable to financial crisis to become more self-reliant whilst building the capacity of the voluntary sector.
- ii) That the Local Welfare Provision for Southampton has a phased and tiered approach, be strategically co-ordinated by the council (Communities, Change and Partnership Division), supported by a multi-agency, advisory group and includes the following principles:
 - g) A mixed model of support will be established, with a combination of in-house and external provision – where possible, provided by local anti-poverty services.
 - h) Support to be led by agency referral with mechanisms in place for direct access / self-referral.
 - i) In-kind support will be the main mechanism for help with limited cash provision in emergencies.
 - j) Where small cash payments are provided this will usually be in the form of affordable loans.
 - k) A contingency fund of £100k is set aside and used to respond to unpredicted gaps in provision.

Access to Services and Support

33. Locally, the potential impact of the Welfare Reforms on residents of the city will hit individuals and households hard, particularly for those on out of work benefits and households receiving Housing Benefit and/or Council Tax Benefit. Compared to national levels, Southampton has a high proportion of claimants.

34. The level of deprivation in the city remains high with nearly a quarter of residents living in the 10% most deprived areas in England. Over 1 in 10 (11.5%) of the working age population of Southampton are on out of work benefits (19,550 people February 2012 NOMIS). Everyone on out of work benefits is going to be affected by the national Welfare Reforms. People who work and claim benefit will also be affected.
35. Appendix 4 provides a map of areas in the city where people live who are most likely to be affected by the Welfare Reforms. It shows that large clusters of people affected appear in the most deprived areas of the city – Weston, Millbrook/Redbridge, Thornhill and the Inner City.
36. The Panel were concerned that these pockets are mostly located on the outskirts of the city and any reduced income for people will mean these residents are at increased risk of social isolation and may find it harder to access support services. These locations could also lead to pressure points for public services or a build-up of community tensions.
37. The cumulative impact of the reforms, continued challenging economic climate and increased cost of living are likely to affect people who are already experiencing real poverty and barriers to employment – the key way to avoiding the impact of the reforms. Appendix 5 identifies estimated numbers and types of people in the city directly impacted by the Welfare Reforms.
38. The Panel also heard that the Welfare Reforms would significantly impact on key groups, which will lead to increased inequality and potentially, a greater poverty divide in the city.
39. The key groups affected are:
- **Disabled people:** Some may be reassessed as fit to work, whilst others will be affected by changes to Personal Independence Payments (PIP) and the under-occupancy rate.
 - **Single people under 35** have been hit by the changes to Local Housing Allowance, increasing demand for shared housing.
 - **Older people close to retirement** coming off Incapacity Benefit and on to Employment Support Allowance will have to make major life adjustments for the first time. They are also more likely to have lower IT literacy and be further away from the jobs market.
 - **Families** are at greater risk of increasing child and fuel poverty. Larger families will be affected by the Benefit Cap. Lone parents on Income Support, have already seen reductions in their childcare support under Working Tax Credits, and now have to start work when their child reaches 5. It is also much harder to find employment that suits school hours. The cumulative impacts are also most likely to hit families with very complex needs.
 - **Women** in a household may experience loss of personal control as Universal Credit is paid into one account and may be further away from the job market as they are often the main carer.
 - **Black and Ethnic Minority Groups** and those where **English is not their first language** will have considerable barriers to finding work and more likely to have lower levels of IT literacy.
40. Evidence to the Panel highlighted that the cumulative impact of the reforms is likely to reduce the amount of income to a large number of residents. Coupled with a challenging economic climate, the reforms will put those people with limited capacity to increase their income or manage the changes to their benefits at risk of falling into debt. As people's behaviour takes time to adjust they may be tempted to make use of pay day loans, loan sharks or move into the 'grey economy' such as tax avoidance to reduce the drain on

household money in the short term. **Credit Unions offer residents a more affordable and sustainable alternative.**

41. Financial pressures may also lead to further tensions for individuals, households and whole communities including:
- Increased stress, mental health, and suicide risk.
 - Health issues from poorer quality housing or diet.
 - Family tension and breakdown of relationships or family units.
 - Inability to afford the basic household bills or small extras – days out, holidays, pets.
 - Increased child poverty / fuel poverty.
 - Independence at risk for some and increased risk of homelessness.
 - Need to move (into a new area / smaller property / shared accommodation).
 - Build-up of community tensions.
 - Digital by default causing problems accessing and/or using IT.
42. Many of the above issues are factors that contribute to the Families Matter agenda; therefore reducing these pressures through support and building self-reliance could reduce high-intervention costs in the future.

RECOMMENDATION 5: Access and Support

All Council services and partners should work towards empowering individuals and communities that are most impacted by the Welfare Reforms, by providing the necessary tools (i.e. easily accessible information about the changes as well as access to IT). Access to services should also be a priority (i.e. benefit advice, money management, and advocacy support) to help develop self-reliance. People having the knowledge and skills to prepare for the reforms will limit their impact and give individuals the best chance to find how 'making work pay' best fits them. This should be achieved through encouraging behavioural change, developing targeted locality support in priority neighbourhoods, working with most impacted groups including young singles, lone parents, disabled people, BME groups, those where English is not their first language, and older people close to retirement.

Key recommended actions identified by the Panel were to:

- Promote the use of credit unions and money management with Registered Social Landlords.
- Focus resources and consider locality based holistic support and advice from local service point to support those in the most deprived areas of the city.
- Consider the option of a single point of contact for Local Welfare Provision.
- Consider how to boost face to face support and advice available for disabled people who are more likely to have complex needs, potentially at key locations or centres.
- Ensure innovative use of Discretionary Housing Payments to support disabled people to stay in their home or avoid reduced income if affected by the under-occupancy rate, where an extra room is essential.
- Promote IT access and training opportunities at libraries, Sure Start Children's Centres, housing offices, GP surgeries concentrated on the most deprived areas.
- Work with Third Age Centre and other agencies to ensure community support and advice available to older people under retirement age.
- Work with community development workers to work with community groups, community elders and churches to raise awareness of welfare reforms and signpost to support.
- Ensure effective signposting and referral between advice services and specialist support groups where English is not someone's first language

Maintaining an Overview of the Reforms

43. Although it is important to design support mechanisms based on actual demand, it is difficult to gauge the public response to the Welfare Reforms and the demand for financial crisis support.
44. It is also impossible to accurately project if and when the intended economic growth that supports 'making work pay' and increased employment opportunities will be realised.
45. However, it is clear that the continued need for financial crisis support is likely to be in flux for some time, particularly during the 2 year transition period whilst the Welfare Reforms are fully implemented. The Panel agreed that future decisions should be delegated to enable a continued flexible approach to the development of Local Welfare Provision. It is essential that a flexible model is established that can adjust to need.
46. The Panel agreed that an overarching body would ensure that key issues and emerging trends are integrated into policy as swiftly as possible. Early intervention and reaction would avoid higher costs in the future particularly for services such as Adult Social Care Supporting People and the Families Matter programme.
47. The Panel acknowledged that the impact of the Welfare Reforms and principles for a coordinated approach need to be prioritised from the top down. It is vital that the Executive recognise the importance of developing and prioritising innovative policies that maximise support to vulnerable people. Notwithstanding increasing budget constraints, prioritising the impacts on the Welfare Reforms on poverty and deprivation in the city is even more important to prevent high costs intervention in future.
48. In addition, the Panel heard significant evidence from witnesses that there are wider implications for the city beyond the financial impact on individuals and households.
49. It is important that city leaders, through Southampton Connect, consider and respond to the Welfare Reforms in relation to long terms issues including health, child poverty, economic recovery, community safety, reducing inequalities and raising the aspirations for all citizens.
50. The Panel heard evidence on a wide range of potential public health issues that could emerge as the Welfare Reforms are rolled out. There were immediate concerns that a reducing income for claimants could lead to less healthy eating and food poverty. The highest proportion of prescriptions in Southampton is given for anti-depressants. The Panel also heard that the changes will potentially lead to increased risk of stress, suicide, mental health, and alcohol/substance abuse.
51. The links between poverty, social deprivation and mental health problems are well documented; these issues will have long-term implications for life expectancy levels in the most deprived areas of the city. They are highlighted in the Joint Strategic Needs Assessment and Health and Wellbeing Strategy; Public Health is already working with advice services and other partners on the potential impacts on people's health. However, the Panel felt that given the potential long term implications for the city, work with Southampton Connect and other partners should include a strong emphasis on health.

RECOMMENDATION 6: Monitoring

That a Welfare Reforms Monitoring Group involving Members, council officers and key agency representatives is established for the 2-year transition period to:

- Monitor the impacts of the Welfare Reforms.
- Work with city leaders through Southampton Connect and other key partnerships as appropriate, to minimise the long term impact of Welfare Reforms on wider issues for the city, **to include a strong emphasis on health.**
- Monitor the implementation of Local Welfare Provision (Recommendation 4) to ensure that the local model continues to support those in financial crisis.
- Consider and agree changes to Local Welfare Provision, including allocation of any contingency fund approved, following recommendations from agencies.
- To review the Council's approach to the Local Council Tax Support.
- Ensure a collaborative council-wide approach to better coordinate resources, activity and pool budgets / discretionary funds, to support those most at risk of crisis due to the Welfare Reforms.
- Ensure implementation of recommendations regarding welfare reforms and report to Cabinet and Council on progress and any emerging issues or changing need.

RECOMMENDATION 7: Prioritising the Welfare Reforms

That Cabinet,

- **Identifies a clear plan** to respond to the impact of the Welfare Reforms in each of their portfolios.
- **Gives due consideration to the impact of the Welfare Reforms on Poverty within the Equality Impact Assessments when developing new policy and agreeing key decisions.**

Communicating the Reforms

52. The Panel heard significant evidence on the limited public interest / awareness of the Welfare Reforms and their potential impact. There was much concern that as the changes are implemented they will create super-demand on voluntary frontline services and add a significant strain on households already struggling to manage or those who are not prepared for the changes.
53. Where possible effective communication of the changes aims to prevent people getting into financial crisis through the dissemination of timely and easily accessible information and the availability of correct and consistent advice. However, the Panel were concerned that DWP contact with claimants affected by the Benefit Cap received a very limited response. Evidence from community leaders and responses from the 'Call for Evidence' support this.
54. Work has been underway to raise awareness and inform stakeholders and claimants on the Welfare Reforms both directly by the DWP and more locally for Southampton through the city council and Southampton Connect's 'Gateway to a Better Future' priority project. Funding has been obtained through channelling existing resources to deliver the Welfare Reforms Communication Plan 2012-13, attached at Appendix 6. This work included the publication of the Moneytree magazine, commended as best practice. The magazine provides a comprehensive guide to the changes and who will be affected, signposting to support. It's a guide for anyone affected or with an interest in the changes including, residents, practitioners, service providers and city leaders.
55. In addition, collaborative work to date has provided information, training and consultation on the impacts of the reforms by request to:
- Frontline practitioners
 - Specific groups i.e. disabled people and SCC tenants
 - General public and residents

56. The Panel acknowledged that there is currently no dedicated or pooled corporate funding currently set aside for communicating the Welfare Reforms from April 2013. There may be potential to obtain funding through the Local Welfare Provision funding as prevention work, through the DWP and through Southampton Connect's priority project fund, however, further work will need to be done to investigate these funding sources and agree the pooling of funding for the transition period of the Welfare Reforms.
57. Additional funding and resources are also being sought as follows:
- Training to be delivered through the Skills Funding Agency Community Learning Grant to support learners affected by the Welfare Reforms. This work is ongoing.
 - An advice services partnership funding bid has been submitted to the Big Lottery for the Advice Service Transition Fund. A decision on this funding is expected at the end of April.
 - Through engagement with Southampton Connect, Southampton University students have volunteered to undertake research on the local impacts of the Welfare Reforms.
58. The Panel heard that residents affected by the Welfare Reforms were most likely to respond to local newspapers, face to face contact and mobile phone / SMS texts.
59. The Panel recognised the potential difficulties, within the current limited resources, of developing extensive face to face communications. However, examples were highlighted to the Panel where front line voluntary and council services were making direct contact with residents to raise awareness of the welfare benefit changes.
60. The Panel highlighted the importance of delivering a consistent key message through all communication that the changes are coming and the only way out is through work.

RECOMMENDATION 8: Communication and Awareness

To continue to raise awareness of the Welfare Reforms and their impacts on individuals within the city by building on the work to date with partners on 'the Welfare Reforms Communications Plan' through the 'Gateway to a Better Future' Southampton Connect Priority Project, led by Jobcentre Plus.

Communications on the changes and signposting to support should be made (where practical) through the various formats and channels that are preferred by those most likely to be impacted by the Welfare Reforms.

Communications must deliver a consistent and clear message across the city that the only way out of the benefit system is to 'make work pay', and should:

- Aim to maximise reach to all residents impacted by the Welfare Reforms (i.e. through libraries and G.P. surgeries).
- Develop a response for people who are likely to be hardest hit, i.e. people living in priority neighbourhoods; housing estates; traditionally hard to reach groups including young singles, lone parents, disabled people, BME groups and those where English is not their first language as well as older people close to retirement. Responses should also focus on the impact on the individual/household and help those families with the most complex needs.
- Maximise support to voluntary sector organisations helping vulnerable people that will be most impacted by the reforms.

Key recommended actions identified by the Panel were to:

- Develop benefits road shows in priority neighbourhoods to signpost residents to changes, advice and support.
- Ensure wider publication, promotion and distribution of Moneytree both in the Council and discuss wider publication / funding with partner organisations.

- Moneytree sections to be made available as pick and mix online information for individuals and organisations to use.
- Develop Welfare Reforms packs and guidance for members and council services.

Voluntary Sector Capacity

61. The council has a long history of working in partnership with voluntary organisations to reduce poverty in the city. The Panel heard evidence on the services provided by voluntary organisations that support the potential challenging impacts of the Welfare Reforms to support people in crisis and turn around life chances for people to 'make work pay'.
62. The Panel recognised that voluntary organisations have a key role to play in the success of Local Welfare Provision. The 500 voluntary organisations in the city are already experiencing huge resource reductions due to the economic climate – including cash, grants and donations. This position is likely to continue for the foreseeable future.
63. When the next phase of Welfare Reforms are introduced from April 2013, including the abolition of Community Care Grants and Crisis Loans, voluntary organisations expect to see a significant increase in demand for services, creating a super-demand, adding considerable pressure on their budgets and reducing their capacity to manage the changing need. This impact is likely to continue over the next few years whilst the reforms are rolled out and if the current challenging economic climate does not improve.
64. The Panel recognised the strong voluntary sector offer in the city, giving financial advice, guidance and signposting to further help, are essential to prevent the most vulnerable residents from falling into debt. Given the plethora and complexity of changes in the Welfare Reforms, an increasing number of claimants will be at risk and are likely to seek increasing access to free and independent financial advice and support over the next two years. The Panel heard that there is a lack of capacity to cope with these potential increasing demands.
65. The Panel also heard from voluntary organisations supporting people to prepare for employment, especially those who have been on long-term benefits. There is no quick fix – it takes time to build the confidence and skills to be job ready. These organisations are offering long-term support to the most vulnerable people to improve their life chances to eventually 'make work pay'. Voluntary organisations giving people the confidence, skills and support needed to find and stay in work, where it is available, are crucial to ensure individuals are ready when a more stable economic climate returns, to come off benefits and become more self-reliant.
66. The Panel agreed that the voluntary sector is crucial in the solution for supporting people. They believe that priority should be given and additional funding sought to build capacity in voluntary organisations which provide advice and money management support and/or help people on long-term benefits to improve their chances of getting a job.
67. Additional funding for the next two years should lead to a more sustainable local welfare model, which is working to both manage and reduce the demand for future services by increasing capacity in the voluntary sector and helping people to become more self-reliant.
68. In addition, the Panel recognised that the impacts of the reforms on the voluntary sector reach wider than the traditional advice services, where people are seeking support from

specialist organisation to suit their individual needs e.g. mental health, relationship or disability needs. It is essential that any guidance and training on the changes to benefits extends as widely as possible within the voluntary sector.

69. Short term funding for the voluntary sector could also avoid future increased costs to the council by reducing demand and pressures on key services such as homelessness, Families Matter and housing services.
70. The Panel agreed that any solution which aims to support people to move from benefits and into work would require the Cabinet to prioritise key areas of voluntary support, at least in the next few years while the Welfare Reforms are implemented.

RECOMMENDATION 9: Voluntary Sector Capacity

- ii) That Cabinet agrees to prioritise support to help increase capacity in voluntary organisations offering:
- a) Advice and money management support services targeting those being impacted by the Welfare Reforms.
 - b) Opportunities for vulnerable residents, especially those on long-term benefits, to improve their chances of getting a job.
- ii) All council services work with relevant partners to maximise opportunities to help build the capacity of voluntary sector organisations offering welfare advice and support and pathways to employment. More general support for the voluntary sector could include encouraging council staff to support voluntary organisations i.e. through development of trustees and bid writing skills etc.

Key recommended actions identified by the Panel were to:

- Ensure support and training on Welfare Reforms is available to all voluntary sector agencies.
- Establish a scheme through colleges, JCP and SVS to get young volunteers to provide IT training to older people.
- Hold further event with the voluntary sector to consider the best way forward for the transition period for Welfare Reforms.
- Make better use of the voluntary sector to deliver messages and cascade/signpost changes.
- Maximise the spread of the Communication Plan for Welfare Reforms.
- Work with partners to consider the sufficiency of advice services in the city and identify a sustainable way forward.

Pathways to Employment

71. The Panel heard throughout the Inquiry that the only way to reduce the impact of the Welfare Reforms is to move off benefits and into work to 'make work pay'. The new benefits system has been set up to reward people in work; when coming off benefits and going into work claimants will receive tapered benefits as they increase their hours or pay.
72. There are jobs available and even growth areas expected in the city, for example through the work to develop the Green Economy. However, as the changes lead to more people transferring from Incapacity Benefit onto Employments and Support Allowance and Jobseekers Allowance, there may be more competition for work; other claimants newly assessed as fit to work from this route may also have additional needs, which employers will need to address.
73. Many guests who spoke to the Panel highlighted the need for local jobs growth to meet the market demand but there is also a need to ensure people have the right skills for the

jobs available. Colleges, businesses and the Jobcentre Plus already work on matching this but work will need to continue prepare people for new growth areas.

74. Evidence presented to the Panel highlighted some specific gender issues around pathways to employment. These included
 - Lone parents, often the mother, have difficulties in finding work to suit school hours and are often further from the work place.
 - Males who have been long term unemployed find it difficult to engage in community learning, which is often the first step back into employment.
75. The voluntary sector plays an essential role in working with the long-term unemployed and most disadvantaged people in priority neighbourhoods to become job ready. These organisations have a long history of Government funding and payment by results. The Panel heard a number of case studies where intensive work to build people's confidence enabled them to overcome their psychological barriers and get into work.
76. The Panel heard that achieving these results requires a significant input of time and resources, however, due to the economic climate it is getting harder to find jobs for people when they are ready for work. Voluntary organisations are therefore also concentrating on creating jobs through developing enterprise initiatives for maintenance jobs. The Panel felt that the council was in a position to establish similar self-employment opportunities through developing simpler and smaller public sector maintenance contracts which can be taken up by local residents as self-employed or small/medium enterprise (SME) opportunity.
77. The Panel recognised that businesses, given the level unemployment in the city, are a crucial player in moving people into work. The limited hours and contracts that employers offer people coming into the work place e.g. increased '0' hour and short term contracts make it harder for people to 'make work pay'. Employers have a key role ensuring good welfare advice is offered lower paid staff. In addition, businesses will have a role in supporting people back into work where they have additional needs. Overall, the Panel were disappointed that there was limited engagement from the business sector during the Welfare Reforms Inquiry.
78. As more people enter the market place businesses may also see increasing demand and pressures on their human resources. Bigger businesses may be able to absorb this demand in the medium term but it is likely to create greater pressure on smaller businesses, which may have less capacity to manage. In addition, smaller businesses may not have the resources or the capacity to offer benefits and advice to support employees who need welfare advice.
79. The Panel heard about the Building Bridges Forum, which is being developed by Southampton Voluntary Services and IBEX to create a single point of contact between businesses and the voluntary sector organisations supporting people into employment. The Panel endorsed the development of this forum to provide a clear and simple transition for people getting into work.
80. The Panel recognised that the council has a strong partnership role in developing local jobs and skills. However, the Panel also recognised that it is critical to maintain the quality of referrals into local jobs to maintain the council's reputation.
81. The Panel heard that the council leads in a number of effective and strong partnerships, many cited as best practice, to help residents into work. Examples of this include:
 - The development of Employer and Skills Plans through Section 106 agreements for key developments including IKEA, Sainsbury's and CostCo have led to pre-

employment training programmes resulting in 374 unemployed people getting into work.

- Community learning, funded through the Adult Skills Agency, encourages engagement and the first steps into work by developing confidence and skills through social and recreational activities. The targeted programme of work aims to ensure customers represent 40% unemployed people and 50% from priority areas.
- The Southampton Skills Development Zone has been very successful where there is funding. The Jobcentre Plus is the single point of contact between employers and colleges, who lead on specific skills and employment.
- A growing range of apprenticeships are available through the National Apprenticeship Service (NAS) across the city for young people aged from 16 to 25+
- City Deal funding was recently approved for communities to boost local economic growth.
- Southampton City Council is the lead body developing Strategic Investment Budgets (SIBs) to work and direct partnership budgets to support people with multiple barriers to work. A recent example has adopted a unique approach where Jobcentre Plus has pooled budgets with the Police and Probation to get ex-offenders into work.

82. The Panel commended the multitude of projects and organisations working to help the most vulnerable residents become job ready. People want to work more hours – it was reported to the Panel that part time workers have a higher level of underemployment, with 24% wanting full time work. The council needs to work with businesses to prepare people for work and develop local jobs growth and raising awareness to encourage local people to take opportunities that are available.

RECOMMENDATION 10: Pathways to Employment

To continue to work in partnership with organisations, businesses and the voluntary sector to increase opportunities for pathways to employment, especially for people who have been on long-term benefits and/or on lower pay. The aim should be to 'make work pay' by **maintaining an emphasis on economic development opportunities** and promoting local job opportunities, skills development and encouraging employers to signpost advice to lower paid workers on in-work benefits, alongside maximising our own council based opportunities through developing local jobs and apprenticeships.

Key recommended actions identified by the Panel were to:

- Continue to develop local jobs and apprenticeships **through the robust application of section 106 agreements and the Community Infrastructure Levy.**
- Promote opportunities for jobs:
 - Encourage SME and self-employment through developing small contract opportunities at the council e.g. Housing maintenance.
 - Continue to develop increased job opportunities in the Green Economy.
 - Hold an employment conference to raise awareness of employment opportunities / jobs growth areas.
- Review options to support the development of affordable childcare.
- Support businesses and voluntary sectors to work together through Building Bridges Forum.
- Ensure projects encouraging economic growth e.g. City Deal and Getting the Economy Started make connections to the impacts of the Welfare Reforms to maximise opportunities where need is greatest.
- Support needed to encourage gender specific engagement.
- Continue to develop the council's community leader to promote jobs at a living wage.
- Encourage the development of flexible learning facilities to help people to gain qualifications and access to IT.
- Encourage wider business engagement in the impact and support of reforms through:

- Support on Welfare Reforms to small businesses.
- Greater recognition by employers of voluntary certificate scheme.
- The need for employers to signpost advice to lower paid workers to make work pay and maximise benefit claims.

A joined up Council-wide Approach

83. The council offers numerous services that support vulnerable people. The Panel heard evidence from services including Council Tax, Benefit Services, Homelessness, Housing Income Team, Families Matter, Supporting People, Adult Learning, Research and Information and Communications.
84. These services identified the following direct impacts on the council:
- Increased arrears rates for income generation e.g. Council Tax and housing rental income.
 - The need to manage demand and coordination of discretionary funds.
 - Dealing with homelessness and changing demand for council housing.
 - Increased community safety issues around domestic violence and anti-social behaviour incidents.
 - Increased demand for support services including welfare advice and apprenticeships.
85. In addition, the Panel recognised the potential longer term impacts on council services if the Welfare Reforms are not successful in encouraging greater self-reliance and jobs growth does not pick up sufficiently to get people into work including:
- Extra costs of insufficient capacity in the voluntary sector will fall on the public sector including Housing and Social Care.
 - Adult Health and Social Care implications where services are silting up where sufficient support is not available for personalisation and Supporting People.
 - Increased pressures on Families Matter budgets.
 - Increasing children and adults safeguarding issues.
 - Pressures on lower paid workforce.
86. Indirect implications on council services could also lead to conflicts in supporting vulnerable people and changing behaviour for example:
- Reducing equality vs. challenging budget decisions.
 - Silent poverty and homelessness where people do not self-refer.
 - Sustained child poverty issues could lead to low aspirations in adulthood
 - Policy conflicts and reputational risk.
 - Higher cost intervention required in future to lead to reduced life chances for vulnerable people later in life.
87. The Panel agreed that it is vital that a coordinated and holistic council-wide response to the impact of Welfare Reforms is established going forward, working with the leadership group and partners to achieve this.

RECOMMENDATION 11: Joining up Council Policies

To review relevant council policies to ensure they support the most vulnerable people of working age and most impacted by the Welfare Reforms, to become more self-reliant in dealing with money management and debt, encourage behavioural change, and maximise opportunities that support people improving their skills and employability.

Key recommended actions identified by the Panel were to:

- Coordinate a holistic council-wide response and strategic approach to the impacts of the Welfare Reforms.

- Ensure Housing and Social Care services work together to avoid increasing costs and service bottlenecks.
- Review housing **and planning** policies **including** payment of rent in arrears **and housing allocations** to ensure they reflect changing needs linked to Welfare Reforms.
- Review debt recovery policy across the council to support people struggling due to Welfare Reforms, to maximise the use of mediation, signpost people to money management and minimise the need for additional court costs.
- Consider innovative use of discretionary payments to help disabled people living in adapted properties to stay in their homes.
- Work in partnership with registered social landlords to support IT literacy and managing finances.
- Ensure awareness of benefits changes and impacts on residents is disseminated to all levels of the council, including signposting to advice for lower paid workers.

Draft Terms of Reference – Welfare Reforms Review

1. Scrutiny Panel: Scrutiny Panel A
2. Membership:
 - a. Councillor Claisse
 - b. Councillor Morrell
 - c. Councillor Mintoff
 - d. Councillor Thomas
 - e. Councillor Daunt
 - f. Councillor Vinson
 - g. Councillor Whitbread
3. Purpose:
 - Understand the timetable of welfare reforms and how the local impact can be assessed as part of council decision making.
 - Consider duties and responsibilities under the new legislation and identify opportunities for the co-ordination of current and future service delivery
 - Identify opportunities for policy development, with a particular focus on helping people into employment and tackling family breakdown

4. Background:

The Welfare Reform Act (2012) represents the biggest change to the welfare benefit system in 60 years. The welfare reforms are being implemented nationally with the aim of creating a simpler and fairer system and creating the right incentives to assist more people into work. The reforms cover a whole spectrum of welfare and housing benefits and will pave the way for the introduction of Universal Credit, which will replace means-tested benefits for people of working age from October 2013.

The Welfare Reform Act (2012) also brings changes to the way benefits currently administered by local authorities. It abolishes both Housing Benefit (which will gradually be replaced by Universal Credit) and Council Tax Benefit (CTB). It also devolves key functions of the discretionary Social Fund to local authorities.

The Welfare Reforms may be beneficial to some residents, but there are others who may experience reductions in support and increased financial hardship. Poverty is a multilayered and complex issue and relating it to income is too simplistic. Living in poverty is more than just living on a low income. It impacts on health, housing, education and skills, self-esteem, the ability to participate in social activities and longer term life chances. It is likely that welfare reforms will impact on some of the most deprived areas of the city as they have higher levels of benefit claimants.

The timetable of reforms is taking place during a time of general austerity and reduction in local authority spending. Due to the scale of the changes, it is important to consider the potential impact on residents, voluntary and statutory services and the potential financial impact on the local economy. Having a joined up approach to policy from local agencies is critical.

5. Objectives:

- To understand the national strategic and legislative framework.
- To understand the scale and timetable of the national welfare reforms.
- To understand the changes the Welfare Reform Act brings to the way benefits are administered locally.
- To understand the current and future cumulative impact of the reforms and consider residents experiences.
- To clarify the role of council and key partners in communicating the changes to residents.
- To consider how the context of welfare reforms can impact on future council decision making.
- To consider policy responses to these national changes. Key areas of policy investigation should consider measures that might further incentivise people into work and minimise disincentives to work, for instance considering the issue of childcare, measures that will assist in tackling family breakdown, and mitigating possible adverse impacts on vulnerable people and ensuring appropriate transition arrangements and advice. As well as looking at the context of welfare reform, consideration should be given to the National Work Programme and to the Troubled Families agenda.

6. Methodology:

The national framework and timetable of the reforms:

- Overview of the national strategic and legislative framework.
- Outline of timetable of national and local changes.
- Model examples of impacts on a selection of household types.
- Review and representation of government and national third sector perspectives.

Analysis of local impacts:

- Trend analysis of local claimant data.
- Feedback from Southampton City Council services, key partners and local organisations, including case study examples of the impacts on households in Southampton
- Visits/meetings with departments, services and organisations engaged in frontline support to residents affected by the reforms.
- Impact assessments on Localisation of Council Tax Benefit and Social Fund Transition.
- Analysis of future impacts on services and households.
- Identification of gaps and issues.

Engaging with partners:

- Feedback from Southampton Connect – Gateway to a Better Future and Fairer Southampton projects.
- Feedback from Southampton Anti-Poverty Network and frontline services.

Best practice:

- Best practice examples from a range of local services and other local authorities.
- Links to local strategies, plans and future initiatives.

WELFARE REFORMS: SUMMARY OF EVIDENCE

APPENDIX 2

Meeting	Topic	Contributors
<p>Meeting 1 25th October</p>	<p>Welfare Reforms: The Key Facts What's happening and when?</p>	<p>Administration's Vision, priorities and approach Councillor Letts: Cabinet Member for Resources</p> <p>Overview of the Main National Changes Bernadette Hagan: JCP Head of Operations, Solent Hampshire & IOW</p> <p>Local Changes: Paul Medland: Council Tax Benefit Project Manager Denise Edghill: Head of Skills, Regeneration and Partnerships</p>
<p>Meeting 2 22nd November</p>	<p>Setting the Scene: Considering the drivers and background for welfare reforms change</p>	<p>National Policy Drivers and Universal Credit Deven Ghelani: Centre for Social Justice</p> <p>Local Impacts of Welfare Reforms (Data and Statistics) Dennis Gamblin: Directorate Business Manager Environment and Economy</p>
<p>Meeting 3 6th December</p>	<p>Local Impacts and Service Perspectives: Impacts on our local communities</p>	<p>Overview of the impact of the Welfare Reforms from key anti-poverty services and residents perspective. Gary Edwards: SARC Annette Davis: SCRATCH Clair Johns & Alison Ward: No Limits Chris Davis: Southampton City Mission Dominic Williams: Just Money Trixie Neilson: Community Voices Mike Allot: Plus You limited Kylie Marjason: Radian Housing Association Michelle White: Two Saints</p>
<p>Meeting 4 10th January</p>	<p>Overview of good practice locally and nationally: Supporting vulnerable people.</p>	<p>Local and National Good Practice: Matthew Waters: Commissioner for Supporting People and Adult Care Services (SCC) Nigel Hughes: SAFE Jonathan Cheshire: Wheatsheaf Trust Andy Tickner: Skills Manager - Communities, Change and Partnership (SCC) Julian Walker: Project Leader 60+ (SCC) Ian Woodland: Unite Liz Slater: Housing Needs Manager (SCC) Mike Carey: Income Services Manager (SCC) Dave Little: Income Manager (SCC) Linda Haitana: Families Matter and Domestic Violence Manager (SCC)</p>

Meeting	Topic	Contributors
<p>Meeting 5 7th February</p>	<p>Resourcing the Change:</p>	<p>Communicating the Changes: Wilson Massie: Marketing Officer (SCC)</p> <p>Partnership Resources – Supporting People into Work Bernadette Hagan: JCP Head of Operations, Solent H & IOW Denise Edghill: Head of Skills, Regeneration and Partnerships David Wrighton: Building Bridges</p> <p>Voluntary Sector Capacity & Welfare Reforms Jo Ash: Chief Executive, Southampton Voluntary Services.</p>
<p>Meeting 6 7th March</p>	<p>Recommendations</p>	<p>Panel Only</p>

WELFARE REFORMS INQUIRY: SUMMARY OF CALL FOR EVIDENCE

The feedback below has been gathered from across the Southampton Anti-Poverty Network, SCC services and via a range of organisations attending the Benefit Awareness Event on 17th October 2012.

Question	Response
<p>Has your organisation seen any direct or indirect impacts from the welfare reforms so far?</p>	<p>Housing:</p> <ul style="list-style-type: none"> • Tenants are confused and don't understand the changes, many don't know about the welfare reform package. • We have had phone calls from worried tenants regarding the localisation of council tax and their ability to pay. • Existing landlords have stated they may stop using the Homeseekers Letting Service (offering private lets to homeless families) as we can no longer guarantee direct payments to them, when Universal Credit comes in. • Landlords have complained about the reductions in Local Housing Allowance. (The LHA now set at the 30 percentile) • We have seen an increase of enquiries from people looking for accommodation saying that landlords now require rent in advance, deposit and holding fees. Some landlords will no longer accept people on benefits etc. • We are aware of a number of clients that have lost accommodation as a result of the single room rate restriction (aged between 25-35). • The numbers approaching the Homelessness Unit, day centre, and No Limits often in crisis, appear to be rising. (This is not simply as a result of welfare reform, it is also a result of recession, and the widening of the EU as we are seeing increasing numbers of EU nationals without recourse to benefits, in April 2013 the EU will further widen to include Croatia) • We have had enquiries from claimants worried by total income caps. • It is very difficult to find any shared accommodation within LHA rates, particularly since the decrease to 30th percentile. • Some concerns that the increase in the single room rate to age 35 will reduce the affordable accommodation available to young people. <p>Sanctions and Hardship:</p> <ul style="list-style-type: none"> • I have had many lone parents inform me about their income support to JSA changes, some are also receiving incapacity/sickness benefit and have been informed of the changes, one lady came into Hightown Centre in tears, she was distraught and scared about feeding her child if her JSA was to be cut due to illness preventing

<p>her seeking work, she has had mental health issue previously (but not signed off sick at present).</p> <ul style="list-style-type: none"> • We are giving out more food vouchers due to problems with JSA and getting hardship payments. People coming off benefits and going into work are asking for food vouchers also as they have to wait a month for money. • Employment and Support Allowance (ESA) and the Work Capability Assessments are still proving a problem with clients coming in and scoring 0 points, although they have multiple health issues. We have had training and shadowed staff from DAIN so hopefully we can now start dealing with some appeals. We are getting more clients who are facing sanctions because they are failing to take a series of job offers and who are on a Work Programme. 	<p>Are there any issues or concerns you have about the changes due to come in from April 2013?</p> <p>Social Fund:</p> <ul style="list-style-type: none"> • Young people could struggle to equip their new tenancies without Community Care Grants. (We are doing a bit of work to see how Community Care Grants and Crisis Loans are used by young people at No Limits). • Social Fund move to local provision makes emergency/crisis support into postcode lottery. <p>Cumulative Impacts:</p> <ul style="list-style-type: none"> • As an organisation operating in a LSOA many of our residents will be affected by the changes, not just the HB or CTB changes but the additional changes to other benefits they receive, as an organisation we cannot do anything to prevent the changes happening, however we strongly believe that by offering Raising Resident Awareness Days where agencies such as DWP, JCP and SCC can come face to face with residents and answer their questions, it will reduce people's fear of the changes, allow opportunity to financially plan for life after changes and so, we are trying to arrange such a day in early February, SARC, Just Money and Solent Credit Union will be invited to allow residents information on their services. • Reduction in CTB undermines the aims of UC especially if councils have different approaches across the country – how is it simpler. <p>Housing Benefit and Council Tax Benefit:</p> <ul style="list-style-type: none"> • Cuts in HB & CTB will ultimately lead to unpaid debts, poverty and more clients to CAB. • Loss of CTB and HB – what will happen to those who do not / cannot pay – eviction, court, prison? <p>Under-Occupancy/ Bedroom Tax:</p> <ul style="list-style-type: none"> • Disabled children should not be expected to share a room. • People in adapted properties due to disabilities should be exempt. • Rules for Foster Carers. <p>Homelessness: Increase in homelessness – street living.</p> <p>Refugees: New refugees face severe delays accessing benefits. Payment in arrears will prolong this.</p>
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	<p>Safeguarding: Issues addressed in real world to safeguarding children and vulnerable adults – how will they be picked up / protected?</p> <p>Care Leavers: Impact on those leaving care.</p>
<p>Is there one key issue you like to see addressed?</p>	<p>Housing Benefit for Young People:</p> <ul style="list-style-type: none"> • The proposal for no Housing Benefit for under 25s is very worrying as is Universal credit and the impact this could have on homelessness. <p>Information and Training:</p> <ul style="list-style-type: none"> • Lack of information and support services, hence our planned information awareness day. • Ensure training available for family budgeting for those who need it. <p>IT and Online:</p> <ul style="list-style-type: none"> • IT provision citywide needs to be addressed. • People on benefits can't afford computer or internet services on benefit. Need for assisted IT centres. • Online system – language barriers – not just translation but complexity of the English used, especially for those with limited English or poor literacy. • What funding will be available to assess access and training to IT? Data captured re: unemployed internet access so far only 14% have access. • Accessibility vs confidentiality for non IT users. • Accessibility? Formats available for digital inclusion for blind, deaf and learning disabilities. <p>Resources:</p> <ul style="list-style-type: none"> • Expectations of the government on Local authority to provide extensive support at a time of reduced resources. • Belief of central government that local councils and partner organisations will have the necessary additional resources in place to ensure 'digital by default'. • The government expects the Local Authority at a time of dwindling resources (and at a time we are trying to implement Localisation of Council Tax and Social Fund), will be expected to provide extensive face to face and telephone assistance, to support bringing in these massive changes. <p>Timescales, Resources and Concerns for Universal Credit:</p> <ul style="list-style-type: none"> • The government envisages that, when Universal Credit starts 50% of applications will be made on line, this will later rise, until up to 80% applications are being made on line. • We doubt this timescale is realistic, given that the government has a poor delivery record on IT contracts. On line applications are expected to take an hour and a half, and frankly it is now difficult to see that this sort of level of on line applications will be feasible either in Southampton or nationally.

	<ul style="list-style-type: none"> • Many claimants will need help applying on line, on paper, or by telephone, claimants might also need help scanning, taking in proofs, etc. At the very least claimants will require help chasing up applications to whatever systems the DWP finally puts in place. • If as a city we fail to achieve this support, there is a danger of adding to the increasing numbers falling through the government's safety net (eg those effected by caps, over occupation, new rules on conditionality, loss of social fund etc). • As Universal Credit contains housing costs, applicants who are struggling to get their benefits administered, will probably approach the Authority for assistance, either directly, or via the DWP, who are already communicating, that so called hardship cases are best dealt with locally. • Realistically most of the workload, for getting the most vulnerable households into payment is likely to now fall in part, on the Authority, without any guarantee that these "difficult" households will then be granted direct payments of housing costs to their landlord. • However, assuming the success of on line applications, on schedule for Oct 2013, we still have no real firm answers from the DWP, for the remaining 50 % of applicants to such basic questions as: <ul style="list-style-type: none"> How will someone without internet access apply locally? - Where will they apply locally? - What documents will they need and where will they take them locally? - Where will their local 'Universal Credit' office be? - What office accommodation will be used? - How does someone get face to face advice and help if they have a problem?
<p>Do you have any 'best practice' examples you could share?</p>	<ul style="list-style-type: none"> • No Limits are partnering up with Chapter 1 to secure accommodation for young people in the private rented sector. • Solent Credit Union is coming up with some creative ways of banking for when Universal Credit is introduced. • Plus You Limited are planning events and projects to assist our residents in what we believe will be some very difficult circumstances come next April/May. • STEPS work Club Project Thornhill. • Sure Start Children's Centres in the city using JCP Family Advisers to deliver Work Focussed Services.

APPENDIX 4

Out of work benefits, IMD most deprived & Mosaic Segments

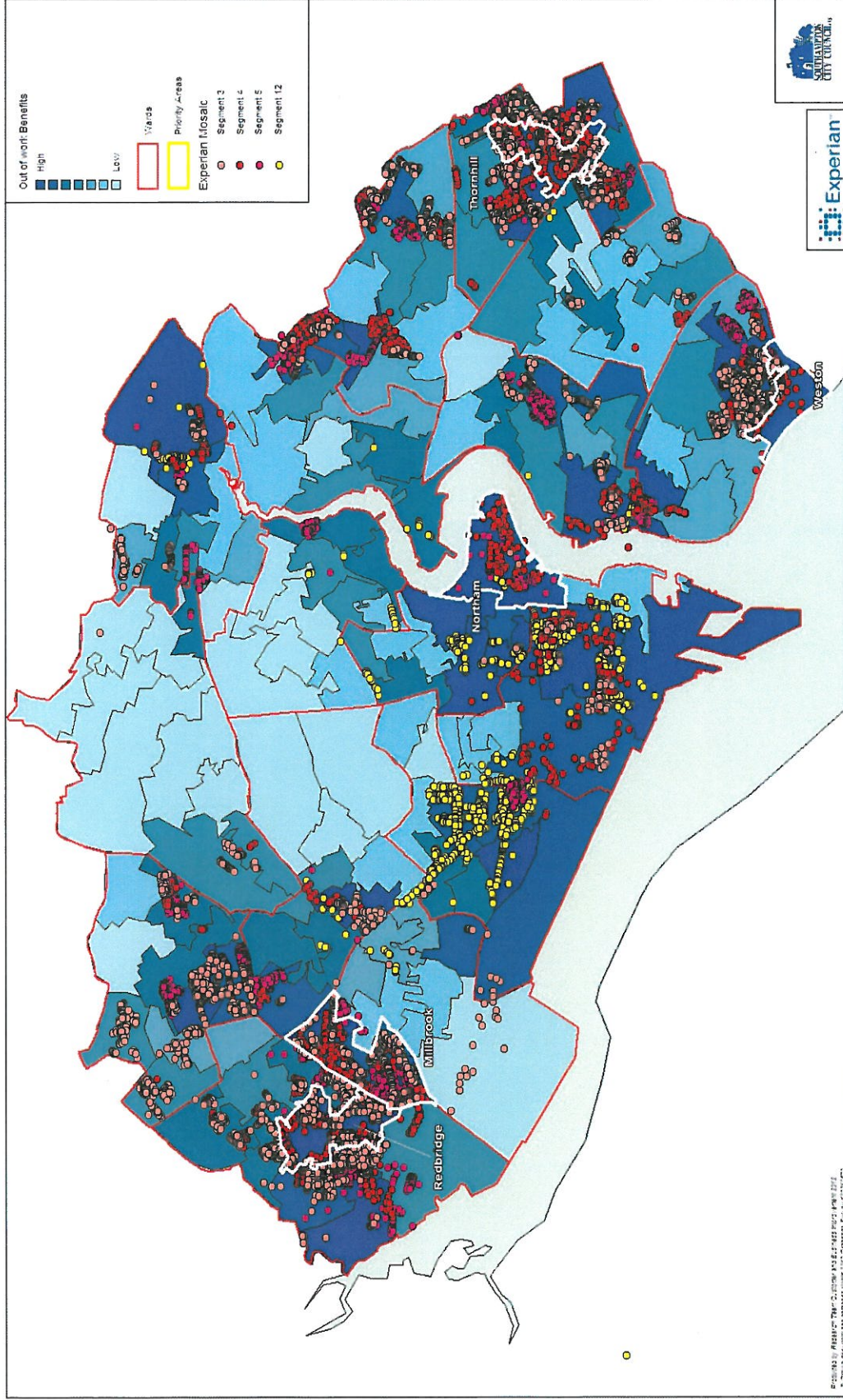


FIGURE 10: PRIORITY AREAS, MOST DEPRIVED AREAS AND MOSAIC SEGMENTS
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WELFARE REFORMS DIRECT IMPACTS IN SOUTHAMPTON: Key Changes from April 2013

Based on November 2012 Information:

Change	Description	From	Group	Number of Claimants/ Households Affected	Comment
Social Sector Size Criteria	Households assessed to be under-occupying will have entitlement reduced by 14% or 25% (one or two bedrooms).	April 2013	Social Tenants	Estimated 1500+ Council Tenants	Awaiting information.
Overall Benefit Cap	Max £500 per week - family Max £350 per week - single person (includes housing costs and will be applied through reductions in Housing Benefit until Universal Credit is introduced.	April 2013	All households whose in benefit income is above the threshold.	Over 200 Households Tenure: 51 Council Tenants 29 Housing Association Tenants 25 Private Sector Biggest Council Tenant Loss: Housing Benefit (HB) will be going from £122.98 down to 50p Biggest Housing Association Loss: HB will go from £149.36 down to £5.50. (Being queried). Biggest Private Rented Accommodation Loss: HB will reduce from £242.31 down to 50p. A loss of £241.81 Wards with the highest number of households affected are : Bevois 25 Millbrook 23 Shirley 22 Bargate has the least number of households affected with 3.	Council Tenants potential loss per week Between £0.01 and £10 = 6 claims Between £10 and £25 = 9 claims Between £25 and £50 = 14 claims Between £50 and £75 = 4 claims Between £75 and £100 = 16 claims Over £100 a week = 2 claims Housing Associations potential loss per week Between £0.01 and £10 = 3 claims Between £10 and £25 = 5 claims Between £25 and £50 = 6 claims Between £50 and £75 = 5 claims Between £75 and £100 = 3 claims Over £100 a week = 7 claims Private Rented Sector potential loss per week Between £0.01 and £10 = 8 claims Between £10 and £25 = 12 claims Between £25 and £50 = 36 claims Between £50 and £75 = 7 claims Between £75 and £100 = 18 claims Over £100 a week = 44 claims

Change	Description	From	Group	Number of Claimants/ Households Affected	Comment
Social Fund	Localisation of the of the discretionary elements of the Social Fund - Crisis Loans and Community Care Grants	April 2013	All local residents	In 2011/12, the following were awarded to residents in Southampton: <ul style="list-style-type: none"> • 820 Community Care Grants • 4430 Crisis Loans This support will no longer be available from April 2013.	Average Award for Community Care Grants £400 Average Award Crisis Loan £50
Council Tax Benefit	Localisation of Council Tax Benefit.	April 2013	Working age claimants of Council Tax Support	15,018	Average household affect will have to find £3.67 per week.
DLA to PIP	Reform of Disability Living Allowance and transfer of claimants to Personal Independence Payment (PIP).	From June 2013	Claimants of Disability Living Allowance	11,970 (claimant count November 2011)	Based on the Government's impact assessment there will be a 20% reduction in the number of claimants.
Incapacity Benefit	People receiving incapacity related benefits will be reassessed for eligibility to Employment Support Allowance (ESA). Time limiting ESA Work Related Activity Group to 365 days.	Ongoing to Spring 2014 May 2012	Claimant of incapacity related benefits and ESA	10,010 (claimant count February 2012)	Based on the Government's impact assessment there will be a 15% reduction in the number of claimants.
Universal Credit	Introduction of Universal Credit (replacing means tested benefits)	From October 2013	Benefit and tax credit claimants	All claimants of tax and benefits (in work and out of work).	Timetable and transition to Universal Credit will take a phased approach.

WELFARE REFORMS: COMMUNICATION PLAN 2012 -2013

Date	Reform	Activity	Detail	Key Groups	Lead	Outcome
February 2012	Major Changes	Training	Benefit Awareness Event at the Hub: <ul style="list-style-type: none"> • Information • Workshops 	Frontline Practitioners	GTBF	Over 80 representatives attended.
February	Major Changes	Sign-up for Welfare Reforms Updates	All attendees of the benefit awareness event were signed up to Touchbase magazine (Regular/monthly email updates from DWP)	Frontline Practitioners	GTBF	80+ representatives signed up.
February	Major Changes	Information and Advice	Updates to SCC webpages: <ul style="list-style-type: none"> • Housing • Welfare Rights • Benefit Services 	General Public	SCC	Revised and update information available.
March	Major Changes	Consultation and Engagement	Southampton Anti-poverty Network joint development of the Welfare Reforms Action Plan	Frontline Practitioners	GTBF	Welfare Reforms Action Plan developed and agreed - APN and GTBF
Spring	Money & Work	Publication/Article	Articles in Tenants Link on: <ul style="list-style-type: none"> • Having a lodger • Work and Work Clubs • Loans /affordable credit 	SCC Tenants	SCC	Information out to all SCC tenants
April	Major Changes	Consultation and Engagement	Southampton Anti-poverty Network - update	Frontline Practitioners	Vol/SCC	Feedback built into final Action Plan.
June	Benefit Cap	Targeted Mailing	Letters and follow up contact to those potentially affected by Benefit Cap	Current Claimants (in receipt of £500+£350+ per week in benefits).	DWP	300+ households mailed out. Follow up contacts made. Very low response.
Summer	Under-occupancy	Publication/Article	Articles in Tenants Link on: <ul style="list-style-type: none"> • Bedroom Tax • Downsizing 	SCC Tenants	SCC	Information out to all SCC tenants
July	Localisation of Council Tax	Consultation and Engagement	Localisation of CTB and Transition of Social Fund discussion (APN)	Frontline Practitioners	Vol/SCC	Information available online and in Homebid Magazine

Date	Reform	Activity	Detail	Key Groups	Lead	Outcome
Summer	Social Fund Money and Work	Publication/Article	Article in Tenants Link on: <ul style="list-style-type: none"> Surviving redundancy 	SCC Tenants	SCC	Information out to all SCC tenants
July	Major Changes	Consultation and Engagement	Community meeting at St James Street	BME Communities	GTBF	Somali Community attended.
July	Major Changes	Staff Briefing	Welfare Rights and Money Advice Divisional Briefing in WR to Skills, and Economy.	SCC Staff	SCC	Increased Awareness.
August	Localisation of Council Tax	Consultation and Engagement	Meeting with SCIL to discuss ways to engage.	Disabled People	SCC	Dialogue on joint work between SCIL and SCC to consult with key groups.
August	Housing	Information	Presentation: Overview of the changes	Private Sector Landlords	SCC	Increased Awareness.
August	Major Changes	Publication/Article	Cityview article covering the main changes coming in from April 2013.	General Public	SCC	Double page spread in City View - to all households in the city and online
August	Localisation of Council Tax	Cabinet	Cabinet Decision made on model for consultation for Localisation of Council Tax	Cabinet Members General Public	SCC	Report and decision available on SCC website.
August	Major Changes	Staff Briefing	Welfare Rights and Money Advice Staff Briefing to Housing Allocations.	SCC Staff	SCC	Increased Awareness.
September	Major Changes	Staff Briefing	Welfare Rights and Money Advice Staff Briefing to: <ul style="list-style-type: none"> Housing Office Staff x2 Housing & Support Staff x2 	SCC Staff	SCC	Increased Awareness.
September	Major Changes	Information and Advice	Welfare Reforms integrated into MAD week activities: <ul style="list-style-type: none"> Medwell Court Windermere Avenue Challis Court x 2 	SCC Tenants	SCC	Increased Awareness
September	Localisation of Council Tax	Consultation and Engagement	Online consultation launched	Current CTB claimants	SCC	Over 70 responses to date

Date	Reform	Activity	Detail	Key Groups	Lead	Outcome
September	Localisation of Council Tax	Targeted Mailing	Letter sent to all current claimants	Current CTB claimants	SCC	
Autumn	Money	Publication/Article	Tenants Link - re debt	SCC Tenants	SCC	Information out to all SCC tenants
October	Major Changes	Staff Briefing	Welfare Rights and Money Advice Staff Briefing to Homelessness Staff.	SCC Staff	SCC	Increased Awareness.
October	Major Changes	Training	Benefit Awareness Event at African Caribbean Centre: Information	Frontline Practitioners	GTBF	Over 100 representatives attended.
October	Major Changes	Staff Briefing	Welfare Rights and Money Advice Staff Briefing: Thornhill Tenant Block Rep's Forum	SCC Staff	SCC	Increased Awareness.
October	Benefit Cap	Targeted Mailing	Letters out to those potentially affected by Benefit Cap	Current Claimants (in receipt of £500+/-£350+ per week in benefits.	DWP	200+ households mailed out. Follow up contacts to be made.
October	Under-occupancy	Publication/Article	Homebid magazine gave information on how the changes could impact on applicants.	Applicants for SCC/ Social Housing	SCC	Information available online and in Homebid Magazine
October	Social Fund	Cabinet	Cabinet Decision made on Social Fund.	Cabinet Members General Public	SCC	Report and decision available on SCC website.
October	Major Changes	Call the evidence	Key questions circulated to anti-poverty, employment and training organisations.	Frontline Practitioners	SCC	Contribution to the recommendations of the WRR. Survey undertaken by PYL of 50 residents 5 responses to call to evidence received to date.
October (25 th)	Major Changes – local impacts	Welfare Reforms Review (scrutiny)	1 st meeting of WRR <ul style="list-style-type: none"> Working age changes Localisation of Council Tax Social Fund 	Councillors	SCC	Information given to cross party representatives about the changes.
November	Major	Consultation and	Engagement with APN for inclusion	Frontline	Vol/SCC	Contribution to the

Date	Reform	Activity	Detail	Key Groups	Lead	Outcome
	Changes	Engagement	in the consultation on: <ul style="list-style-type: none"> Localisation of Council Tax Social Fund Housing 	Practitioners		recommendations of the WRR.
November	Housing	Information Sessions	Benefit Services to run 3 sessions on key changes.	RSL – Housing Providers	SCC	To give RSL's in the city info on changes/under-occupancy etc. Increased Awareness.
November	Major Changes	Staff Briefing	Welfare Rights and Money Advice Staff Briefing: Union & HSE Rep's	SCC Staff	SCC	Increased Awareness.
November	Major Changes	Tenants Briefing	Welfare Rights and Money Advice Staff Briefing: Weston Community Forum – Tenants Meeting.	SCC Tenants	SCC	Increased Awareness.
November (22 nd)	Major Changes – local impacts	Welfare Reforms Review	2 nd meeting of WRR.	Councillors	SCC	Information to cross party representatives about the changes.
November	Major Changes	Training	Benefit Awareness (SARC)	Councillors (Labour Group)		Set up by Councillors for councillors.
November	Major Changes	Publication/Article	Tenants Link Article - General Changes	Council Tenants	Housing	Summary of general changes to all tenants.
November	Major Changes	Information - web pages	SCC - web pages update.	General Public	SCC	Summary of general changes, where to get help.
November -Dec	Major Changes	Face to Face: Information and Advice	SARC – additional appointment for advice and support	General Public	SCC	1:1 support for residents
December	Major Changes	Pilot - Face to Face Tenants	Tenant Representative to attend and feedback.	Council Tenants		1:1 support for tenants
December (6 th)	Major Changes – Local impacts	Welfare Reforms Review	Local Impacts and Service Perspectives	Councillors	SCC	Contribution to the recommendations of the WRR.
Early Jan	Social Fund	Information and checklist	Guide to local response to abolition of Social Fund	JCP Staff Frontline Practitioners	SCC	Outline of signposting info for abolition of Social Fund.
January (10 th)	Major Changes – Local impacts	Welfare Reforms Review (scrutiny)	Overview of good practice locally and nationally: What do we do well as a city, what can we learn from	Councillors	SCC	Contribution to the recommendations of the WRR.

Date	Reform	Activity	Detail	Key Groups	Lead	Outcome
			others?			
Jan/Feb	Major Changes	Publication/Article	Cityview Article - TBA Get ready for the changes.	General Public	SCC	
Jan/Feb	Major Changes	Information – Concertina card Factsheet.	Wallet sized card/ info - TBA	General Public	SCC	Inform out to key groups and via reception points.
February (7 th)	Major Changes – Local impacts	Welfare Reforms Review (scrutiny)	Workshop: Local responses and developing recommendations.	TBA	SCC	Contribution to the recommendations of the WRR.
February	Major Changes	Events - Face to Face Residents	TBA	Residents	GTBF	Info/ engagement with key groups
February	Major changes	Information - magazine	Local 'Magazine' outlining changes and where to get help (online and hard copy)	Tenants General Public	SCC	Summary of general changes, where to get help.
February	Major Changes	Training	Benefit Awareness Event TBA	Frontline Practitioners TBA	GTBF	Summary and update on changes.
February	Social Fund	Information on changes	Need to communicate changes to Social Fund to Public	TBA	SCC	Summary and update on changes.
Spring	Major Changes	Publication/Article	Tenants Link Article - General Changes + getting online/UC	Council Tenants	Housing	Summary of general changes to all tenants.
March	Major Changes	Information - web pages	SCC - web pages update.	General Public	SCC	Summary of general changes, where to get help.
March (7 th)	Major Changes –	Welfare Reforms Review (scrutiny)	Final Report Agree final report and recommendations for consultation	Councillors	SCC	Recommendations.

