

THE VALE OF GLAMORGAN COUNCIL

CABINET: 20TH JANUARY, 2020

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE: 27TH NOVEMBER, 2019

“485 WELFARE REFORM – PROGRESS REPORT (MD) –

The report was presented following the request from the Scrutiny Committee to be updated on the impact of the proposed changes to the Welfare Reform system following a Task and Finish Review in 2013. The report outlined the impact to date of the rollout of the Universal Credit (UC) reform across all services and detailed the work being undertaken to support those impacted by the Welfare Reform changes.

UC was initially implemented in the Vale of Glamorgan on 22nd February, 2016. The roll out however had been paused at the end of December 2017 and the Full Service Roll Out that was due to begin in June 2018 had been postponed until 10th October, 2018. Customers remained entitled to Council Tax reduction whilst on UC even if their Housing Benefit award had been stopped. There had been a number of exclusions where individuals would still need to claim Housing Benefit such as Pensioners, those in temporary or supported accommodation and anyone receiving a Severe Disability Premium in an existing benefit. The Secretary of State for Work and Pensions had stated that the managed migration of existing Housing Benefit claimants to UC was intended to commence in July 2019 but only for a set area for a maximum of 10,000 people but aimed to be completed by March 2023.

At the end of June 2019 the Department of Work and Pensions (DWP) advised that there were 3,040 UC claimants in the Vale of Glamorgan compared to 535 at the same time last year. The DWP roll-out of UC was to be supplemented by the locally delivered “Universal Support” to provide advice and support to UC claimants when completing a claim. This support was provided by the Citizens Advice Bureau.

The Council needed to continue to support those on existing Housing Benefit claims or those who were excluded from claiming UC until they were eventually transferred to UC. After that time the Council would still be responsible for Housing Benefits administration for those persons who were clients of the Pension Service and customers in supported, temporary accommodation or getting a Severe Disability Premium in an existing legacy benefit as these were presently outside the scope of UC.

Having particular regard to housing, it was noted that the Housing Services Income Team had continued to monitor income levels and support individuals had had experienced difficulties in paying their rent. The annual rent arrears figure in relation to all stock, as at 31st March, 2019, was noted as £258,844 which equated to 1.26% of rental income. The report outlined that this was a deterioration in performance

compared to the figure reported in the previous year, but still compared favourable with almost other Registered Social Landlords and Councils in Wales.

A number of internal improvements continued to be made to improve the system used for monitoring rents which had resulted in further automation of the recovery process which saved time carrying out administrative tasks and allowed staff to increase personal contacts with tenants and to provide assistance to manage their rental account.

Over the last year three advisors had made 824 home visits to clients which had resulted in additional money to tenants of £228,433.84. It was further noted that demand for the service continued to grow as people found themselves in financial hardship.

In referring to potential rent possession proceedings, a Member raised the concern that individuals could fall into debt which was beyond their control and bring unnecessary human misery. Another Member commented that UC applications relied heavily on ICT services, with the request that the Council should consider making equipment more available to the public at for example community centres etc. to assist them.

Having regard to concerns in relation to the roll out of UC, Members

RECOMMENDED –

(1) T H A T Cabinet consider sending a letter to Welsh Government lobbying for an increase in the Discretionary Housing Payments Grant jointly in the names of the Cabinet Member for Housing and Building Services the Cabinet Member for Social Care and Health.

(2) T H A T a further report on the progress of Welfare Reform be presented to the Committee in May 2020 and that the Committee's work programme be amended accordingly.

Reasons for recommendation

(1) In order to raise Members' concerns in relation the Discretionary Housing Payments Grant and for that to be voiced by the Cabinet to Welsh Government and the WLGA.

(2) In order that the impact of the Welfare Reforms can be further considered by the Committee and that it continues monitoring the impacts.”

Attached as Appendix – Report to Corporate Performance and Resources Scrutiny Committee – 27th November, 2019

Meeting of:	Corporate Performance and Resources Scrutiny Committee
Date of Meeting:	Wednesday, 27 November 2019
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Welfare reform - Progress Report
Purpose of Report:	To update Members on the work undertaken by the Council in the implementation of the UK Government's Welfare Reform agenda
Report Owner:	Report of the Managing Director
Responsible Officer:	Carys Lord, Head of Finance
Elected Member and Officer Consultation:	Ward members have not been consulted as the issue affects all areas of the Council.
Policy Framework:	This is a matter for Executive decision by Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> • Work undertaken by a Scrutiny Task and Finish Group considered the impact of the proposed changes to the Welfare Reform system and their final report was presented to Committee on 23rd April 2013. Subsequent reports have been made to update this Committee on the significant Welfare Reform changes and how these have affected the residents of the Vale of Glamorgan and the Council. • Universal Credit (UC) was initially implemented in the Vale of Glamorgan on 22nd February 2016. The roll out however was paused at the end of December 2017 and the Full Service Roll Out commenced on 10th October 2018. • This report outlines the impact to date of this roll out across all services and details the work being undertaken to support those impacted by the welfare reform changes 	

Recommendations

1. That the report is noted and that a further update is provided on an annual basis

Reasons for Recommendations

1. To ensure that members are kept updated

1. Background

- 1.1 Work undertaken by a Scrutiny Task and Finish Group considered the impact of the proposed changes to the Welfare Reform system and their final report was presented to Committee on 23rd April 2013. The report and recommendations were endorsed by Cabinet on 8th May 2013.
- 1.2 Subsequent reports have been made to update this Committee on the significant Welfare Reform changes and how these have affected the residents of the Vale of Glamorgan and the Council.
- 1.3 To allow scrutiny of the roll out of Welfare Reforms and their effect on the Council and its population, the data previously supplied has been updated at Appendix A for information.

2. Key Issues for Consideration

Universal Credit

- 2.1 Universal Credit (UC) was initially implemented in the Vale of Glamorgan on 22nd February 2016. The roll out however was paused at the end of December 2017 and the Full Service Roll Out that was due to begin in June 2018 was postponed until the 10th October 2018. Customers remain entitled to Council Tax reduction whilst on UC even if their Housing Benefit award has been stopped. There are also a number of exclusions where individuals will still need to claim Housing Benefit such as Pensioners, those in temporary or supported accommodation and anyone getting a Severe Disability Premium in an existing benefit. The Secretary of State for Work and Pensions has stated that the managed migration of existing Housing Benefit claimants to UC is intended to commence in July 2019 but only for a set area for a maximum of 10,000 people but aims to be completed by March 2023.

- 2.2** At the end of June 2019 the Department of Work and Pensions (DWP) have advised that there are 3,040 UC claimants in the Vale of Glamorgan compared to 535 at the same time last year.
- 2.3** UC claims are administered by the local Job Centre Plus and these have been claims from claimants who would otherwise be eligible for Jobseekers Allowance (JSA), Income Support, Employment and Support Allowance, Child Tax Credits or Housing Benefit. The DWP roll-out of UC is to be supplemented by the locally delivered “Universal Support” to provide advice and support to UC claimants when completing a claim. This support is provided by the Citizens Advice Bureau.
- 2.4** The Council needs to continue to support those on existing Housing Benefit claims or those who are excluded from claiming UC until they are eventually transferred to UC. After that time the Council will still be responsible for Housing Benefits administration for those persons who are clients of the Pension Service and customers in supported, temporary accommodation or getting a Severe Disability Premium in an existing legacy benefit as these are presently outside the scope of UC.

Universal Support Delivered Locally

- 2.5** Assistance to claim Universal Credit and also Personal Budgeting Support was initially carried out by Council staff under a funding arrangement with the DWP. This ended in January 2019 and from this date the Citizens Advice Bureau across the country offer Universal Support to customers.

Benefit Cap

- 2.6** The increased Benefit Cap threshold was introduced to the Vale of Glamorgan in November 2016. The DWP reduced the overall household benefit cap applying to Tax Credits, Universal Credit and Housing Benefit from £26,000 to £20,000 in Wales. At the end of June 2019 there were 84 households affected in the Vale of Glamorgan. This ranges from a reduction in Housing Benefit of £1.71 per week up to £159.50 per week.
- 2.7** All those affected have been offered help via Discretionary Housing Payments (DHP) to allow them time to look at their personal budgets and to negotiate debt repayments. The effect is to increase the use of Discretionary Housing Payments fund by assisting those affected until they modify their personal finances. The level of spend on DHPs is detailed in Appendix A.

Council Housing

- 2.8** The Housing Services Income Team has continued to monitor income levels and to support individuals who have experienced difficulties in paying their rent. The following data below highlights the statistics relating to recovery action for the period April 2017 through to March 2019.

	No of tenants subject to formal recovery actions 2016/17	No of tenants subject to formal recovery actions 2017/18	No of tenants subject to formal recovery actions 2018/19
Introductory Tenancies – Notice of Possession Proceeding Served	117	96	77
Secure Tenancies – Notice of Seeking Possession	869	638	702
Rent Possession Proceedings	64	34	124
Evictions	13	8	11

2.9 The annual rent arrears figure in relation to all stock, as at 31st March 2019, was £258,844 which equates to 1.26% of rental income. This is a deterioration in performance compared to the figure reported last year but still compares favourably with almost all other Registered Social Landlords and Councils in Wales.

2.10 A number of internal improvements continue to be made to improve the system used for monitoring rents. This has resulted in further automation of the recovery process which has saved time carrying out administrative tasks and allowed staff to increase personal contacts with tenants and provide assistance to manage their rent account. Work has also been completed on a Customer Portal which allows tenants to access rent account information and make arrangements on line. This has reduced the number of phone calls and queries received and enables the team to focus on recovery actions.

2.11 The underlying economic climate and changing welfare benefits continue to impact on individuals and families and the Income team regularly find themselves working with households who are in a precarious financial situation. Basic assistance and advice is provided by Income Officers and the Money Advice team provides invaluable assistance in more complex situations, helping tenants in a variety of ways including:

- Maximising the income of clients
- Providing budgeting advice
- Warm House Discount Scheme applications
- Providing debt advice
- Subsidised water tariff (HelpU)
- Application to relevant charity trusts and relief fund

- Discretionary Assistance Fund application
 - Personal Independence Plan & Disability Living Allowance applications
 - Young Carers referrals
 - Employment Support Allowance applications
 - Attending Tribunals with the customers
 - Supporting/arranging Universal Credit claims with the customers
- 2.12** Over the last year the three advisors made 824 home visits to clients which resulted in £228,433.84 in additional money to tenants. This came from a variety of sources including written off debt, additional benefits, preferential tariffs, backdated claims and grants / loans. Money advisers ensure the service is as accessible as possible by visiting tenants in their homes and offering appointments at Council offices and community spaces. Assistance is often provided at short notice, ensuring crisis situations can be avoided and tenants are able to sustain their tenancy.
- 2.13** Demands on the service continue to grow as people find themselves in financial hardship. As well as people out of work, a growing number of employed people are requesting assistance. These are typically part time workers or those on short term contracts.
- 2.14** The roll out of UC has also resulted in increased workload and pressures on the Income Recovery team. In August 2019, 372 Council tenants were receiving UC and those tenants were in higher arrears than other tenants. On average, each UC claimant has average arrears of £507 compared to non UC claimants where the average debt is £167. This pattern is replicated across other social landlords operating in the Vale who have seen arrears increase and higher average arrears for tenants in receipt of UC. As more tenants migrate across to UC (current rate is between 6 and 10 tenants per week) the case load and arrears level is likely to increase further.
- 2.15** A number of operational changes are being made in order for the team to work smarter and cope with the increased workload that UC has brought. Due to the fact UC is paid monthly in arrears and directly to tenants, UC payment dates are captured on the computer system so that staff can carry out timely chase ups (just when tenants receive their money). This maximises the prospects of the rent being paid. Experience has shown that a delay in contacting tenants can mean the money may have been used for other purposes. The team are also developing the ability to automate aspects of the recovery process and utilise opportunities afforded by technology, this includes looking to send bulk emails or text messages each day, reflecting tenants' payment dates, reminding tenants of the importance of paying their rent.
- 2.16** The team are also making use of alternative payment arrangements (APA's) when tenants are vulnerable or have a history of being in arrears. This means that housing costs are paid directly to the Council by the DWP and minimises the risks of payments being used for competing priorities. APA's are currently in place for 16% of UC claimants.

Social Services

- 2.17** When undertaking a review the DWP advice is to notify the clients that the claim can go up, can go down or remain the same. Personal Independence Payment (PIP) is now based on a points system and undertaking a medical with a professional. The individual has to complete the form and attend any medical or the claim will stop. If any of our citizens requires assistance with an appeal, the service is able to sign post them to an agency that will assist with appeals on the Council's behalf and there are training courses available.
- 2.18** Due to the changes in the benefits system some clients who previously received a free service are now being assessed as able to fund part of their care. This is as a result of the charging system previously disregarding the income received from the DLA Care Higher Rate. The PIP no longer differentiates between day and night time care and as a result some clients now have a charge of £26.10 per week (19/20) if on Employment & Support Allowance (Support Group) or £23.66 per week (19/20) if on Universal Credit (Limited Capability for Work & Work Related Activity Group).
- 2.19** There is an appeals process through which individuals can appeal against their charge on the basis of financial hardship. To date two clients have appealed their revised assessed charge.
- 2.20** PIP is awarded up to the age of 65. Once someone reaches 65 they would claim Attendance Allowance. Attendance Allowance is still being split into day and night care needs. Therefore it is possible to distinguish which element to take into account for the financial assessment.
- 2.21** The process of moving citizens from Employment & Support Allowance to Universal Credit has already begun in the Vale of Glamorgan. Those that had a basic charge under Employment & Support Allowance have seen a slight decrease in their assessed charge when moved onto Universal Credit.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** Looking to the long term - the Vale of Glamorgan Council is continuing to support individuals and families to maintain their homes, to receive the financial support that is due to them and to remain within their own communities.
- 3.2** Taking an integrated approach - the support for residents of the Vale who are impacted on by the Welfare Reform changes is being achieved by services across the Council working together to ensure the assistance is targeted where it is most needed.
- 3.3** Working in a collaborative way - the Council's approach to supporting individuals is achieved by working together with agencies such as the Citizens Advice Bureau and the DWP

4. Resources and Legal Considerations

Financial

- 4.1** The anticipated financial implications of Welfare Reforms are reflected in the 2019/2020 revenue budget, however the impact of the roll out from October 2018 will continue to be monitored.
- 4.2** The DHP allocation from the Department for Work and Pensions (DWP) for 2019/20 is £239,742 and the Authority itself has allocated a further £23,500, giving an overall limit of £263,242

Employment

- 4.3** There will be staffing implications for the service as UC is rolled out and staff have been kept informed of the position, however as the transfer to Universal Credit remains slow there have not been any significant staffing implications as a result. This may become an issue during 2019/2020 as the implementation of Universal Credit moves forward.

Legal (Including Equalities)

- 4.4** The Council is required to administer Council Tax, the Council Tax Reduction Scheme and Housing Benefit in line with government regulations.

5. Background Papers