

Taunton Deane Borough Council

Tenant Services Management Board 11th March 2013

Housing Services Welfare Reform Strategy and Action Plan

Report of Steven Clarke - Tenant Services Development Officer (This matter is the responsibility of Executive Councillor Jean Adkins)

1.0 Executive Summary

This report provides members of the Tenant Services Management Board (TSMB) with details of a new Welfare Reform Strategy and Action Plan that aims to help with mitigating the impact of welfare reform on Taunton Deane Borough Council's housing service and its tenants.

The action plan has been developed alongside the strategy and pulls together into one plan objectives and activities on benefits and money advice, financial inclusion and affordable warmth.

The TSMB is requested to consider this report and indicate whether they support the proposed new strategy and action plan.

2.0 Introduction and background information

The Welfare Reform Act 2012 will be enacted on the 1st April 2013. The four major changes that are taking place are:

- Under Occupation (bedroom tax)

This will affect our tenants aged between 16 and 61 years who are receiving housing benefit and they are under occupying their home by one or more bedrooms;

- Benefit Cap

The amount people on benefits will receive will be capped at £500 per week for a family including single parents and £350 for a single person;

- Non Dependant Deductions

If you live with people who are 18 years, not in education while working or claiming benefit, deductions will be taken from your housing benefit. The weekly amount of deduction is dependant on earnings; and

- Universal Credits

Universal Credit is to be introduced in October 2013. Rent will not automatically be paid direct to a tenant's landlord, instead it will be paid direct to tenants and they will have to budget for their rent, bills and spending every month.

3.0 Housing Services Welfare Reform Strategy

Full details of the strategy can be found at Appendix 1 of this report.

Key parts of the strategy are:

- The strategic vision;
- The strategic objectives; and
- The priorities for action.

4.0 Housing Services welfare Reform Strategy Action Plan

Full details of the strategic action plan can be found at Appendix 1 of this report.

5.0 Equalities Impact Assessment

An equality impact assessment has been carried out.

Feedback has been obtained from tenants and members of the Tenants' Forum.

A completed equality impact assessment can be found at Appendix 2.

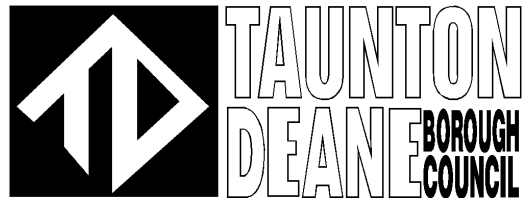
6.0 Recommendation

TSMB are asked to:

- Consider and comment on the new Welfare Reform Strategy and Action Plan; and
- Support a recommendation for approval of the new Welfare Reform Strategy and Action Plan to Cllr Jean Adkins Housing Portfolio Holder at Taunton Deane Borough Council.

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WELFARE REFORM STRATEGY

March 2013

Strategy Title:	Welfare Reform
Lead Officers:	Stephen Boland Housing Services Lead
Strategy drafted by:	Lisa West - Income Manager
Date Equality Impact Assessment completed:	Tenants' Forum 12 th March 2013
Date Agreed by Board:	
Date agreed by Housing Portfolio Holder:	
Next Review Date:	

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1. Foreword

This Welfare Reform Strategy sets out our strategic objectives over the next three years to respond to the changes contained in the Government's Welfare Reform programme.

In developing this strategy, we have acknowledged the impact our approach can have not only on individuals, but also on the wider communities in which we work. As a result, and particularly in the uncertain current financial climate, we are seeking to adopt a responsible approach which balances the needs of the service with those of our tenants and prospective tenants.

2. Brief Introduction

The purpose of this strategy is to help mitigate the impact of the Welfare Reform on Taunton Deane Borough Council Housing Services and its tenants.

An action plan has been developed alongside this strategy which pulls together into one plan our objectives and activities in relation to benefit and money advice, financial inclusion and affordable warmth.

3. Vision

Our vision for the Welfare Reform Strategy is that it will provide a clear focus for our interventions and initiatives, which will be aimed at maximising our tenant's income and to help them to deal with the cuts to welfare benefit payments that some of them will face.

4. Strategic Objectives

The strategy will realise this vision through its focus on the achievement of the following objectives:

- To improve the information that we hold about our tenants to enable us to provide them with appropriate advice and support;
- To ensure tenants are claiming all of the benefits they are entitled to;
- To improve the money management skills of tenants;
- To help tenants resolve any debt problems they may have;
- To enhance tenant access to the internet;
- To enhance tenant access to bank accounts which allow payment of bills by direct debit;
- To enhance tenant access to low cost credit and opportunities for saving;
- To help achieve affordable warmth for tenants;
- To help assist tenants in moving to more affordable accommodation which better meets their household needs; and
- Invest in community development to improve opportunities for employment and skills for tenants.

5. Regional Context

According to the Index of Multiple Deprivation (IMD) 2010, fourteen areas in Somerset are among the most deprived. Three of these areas are within Taunton Deane, two in the Halcon Ward and one in the Taunton Lyngford Ward. Two of Somerset's areas are also within the most deprived 5% nationally; one of these areas is within Taunton Deane (Halcon Ward) which is home to around 3,300 people.³

Table 1 Top 10 most deprived Wards, calculated from IMD 2010

Rank	Ward	District	Score
1	Bridgwater Sydenham	Sedgemoor	37.18
2	Taunton Halcon	Taunton Deane	34.54
3	Bridgwater Hamp	Sedgemoor	31.42
4	Highbridge	Sedgemoor	31.16
5	Bridgwater Victoria	Sedgemoor	30.98
6	Williton	West Somerset	30.29
7	Watchet	West Somerset	29.73
8	Carhampton and Withycombe	West Somerset	29.36
9	Taunton Lyngford	Taunton Deane	28.70
10	Bridgwater Eastover	Sedgemoor	27.43

Tenants in social housing are disproportionately affected by financial exclusion and it is estimated that they make up around 60% of financially excluded people.

According to the National Housing Federation 2007 figures nearly one in six social-rented tenants have no bank account, twice as high a proportion as the rest of the population. 81% have no savings and 91% have no insurance cover.

The rural nature of Taunton Deane and Somerset makes the situation worse for those on lower incomes. The Commission for Rural Communities (2010) have shown that people living in rural areas need to spend on average 10-20% more to reach a minimum acceptable living standard. Many workers fall well short of being able to afford their essential needs.

³ Information and table taken from Somerset Financial Inclusion Strategy 2011-2013, playing your part www.moneymatterssomerset.org.uk

5.1 Local Context

A survey of Taunton Deane Borough Council tenants carried out in April 2011 found: ¹

- Older tenants are found in nearly half of general needs properties (46%), including 30% single older tenants. Adult households (single tenants of couples under 60 years old with no children) make up 23% of the households. A fifth of households are family households (20%). As would be expected, the vast majority of sheltered tenants are in households that include someone over 60 years old (83%) with the majority single tenants (72%).
- Just over half general needs tenants (53%) and two thirds of sheltered tenants (68%) have a member of the household who has a long term illness, health problem or disability which limits their daily activities. 9% of general needs tenants and 11% of sheltered tenants said that they have someone living in their household with a wheelchair.
- The majority of Taunton Deane Borough Council's tenants are White British households (93-95%).
- In terms of economic status, a third of general needs principal tenants (33%) and more partners (43%) are in employment. Unemployment is running at 4% for principal tenants and partners. Over a third of principal tenants are retired (36%), as are many partners (25%). A quarter of principal tenants are outside employment (17% permanently sick or disabled and 9% at home looking after family). The majority of sheltered tenants (75%) and their partners (56%) are retired – while one in ten principal sheltered tenants are working.
- Just over half of general needs households receive housing benefit (55%), lower than for sheltered tenants (71%). The majority of Taunton Deane

Borough Councils general needs households are income under £300 per week (82%) and few have incomes over £500 per week (2%). 93% of sheltered tenants are on incomes below £300 per week.

- The majority of general needs tenants and sheltered tenants classed their sexual orientation as heterosexual (72-77%), although some preferred not to say (16%-23%).
- Three quarters of sheltered tenants (73%) are Christian, a higher percentage than for general needs tenants (65%). Only a small percentage of tenants have other religions (3%-4%) while many tenants said that they have no religion (18%-25%).

¹ Information taken from Taunton Deane Borough Council 2011 Customer Satisfaction Survey - April 2011

6. Welfare Reform Changes

6.1 National context

In October 2010, the Government announced plans to radically overhaul the welfare benefit system. Following a period of consultation, the Welfare Reform Bill was introduced to Parliament on 16th February 2011 and received Royal Assent on 8th March 2012. The reforms contained in the Welfare Reform Act will have a profound effect on both benefit and claimants, Local Authorities and Registered Providers. Detailed below are some of the main changes presented by the Act.

6.2 Under-Occupation

The first reform will have a significant impact; it is the intention to reduce housing benefit for social tenants of working age who are deemed to be 'under-occupying' their home by one bedroom or more from April 2013. The aim is to encourage people with bigger homes to move to somewhere smaller, so that we can provide accommodation to families needing larger homes.

At the moment there is no link between the amount of housing benefit received and the number of rooms occupied in a property. However from April 2013, the Local Housing Allowance (LHA) size criteria will be used to determine how many rooms are needed by tenants. Social tenants will be classed as under occupying if they have more bedrooms than they need.

The government says that **ONE BEDROOM** is allowed for:

- Each adult couple aged 16 or over;
- Each person aged 16 or over;
- 2 boys aged under 16;
- 2 girls aged under 16;
- 2 children (whether they are the same sex or not) aged under 10; and
- Any other child, a carer (who does not normally live with you) if you or your partner need overnight care.

If social tenants are classed as under occupying the amount of housing benefit they will receive will be reduced.

There are two rates for the reduction:

- a) If a social tenant has one extra bedroom their housing benefit will be reduced by 14%

(In Taunton Deane Borough, for a 3 bedroom house the reduction would be between £9.91 and £17.69 per week)

b) If a social tenant has two or more extra bedrooms their housing benefit will be reduced by 25%

(In Taunton Deane Borough, for a 3 bedroom house the reduction would be between £14.33 and £25.58 per week)⁵

⁵ Information taken from Welfare Reform & Housing Benefit Changes presentation, 20th August 2012, Paul Harding, Corporate and Client Services Lead, Taunton Deane Borough Council.

6.3 Universal Credit and Direct Payments

The second Government reform involves a restructuring of the benefit system to create one income-replacement benefit for all working-age adults. This will be done through the introduction of a new 'Universal Credit' in October 2013 which will replace the current system of means-tested out-of-work benefits, tax credits and support for housing.⁶ Initially it will only be for new claims but gradually people with existing benefit claims will be transferred over to Universal Credit sometime between 2013 and 2017. The government has decided to roll-out the introduction of Universal Credit across the country.

Claims will be made by households, rather than by individuals and the amount awarded will depend on the income and circumstances of all the household members. There will be a basic allowance for single people and couples, but lower rates for younger people. There will also be additional amounts for disability, caring responsibilities, housing costs and children.

For people who rent, the amount for housing costs will be worked out in a similar way to the support provided by housing benefit under the current system. However, the intention is that the payment will be made to the claimant as part of Universal Credit rather than direct to the landlord. Payments will no longer be weekly or fortnightly, but will be paid to the claimant one month in arrears via a bank account.

The Government hope this will improve work incentives by:

- Allowing claimants to keep more of their income as they move into work by introducing a smoother and more transparent reduction of benefits as they increase their earnings;
- Having a system that is simpler for claimants to understand and easier for them to use; and
- Ensuring that people will always be better off in work than on benefit.

6.4 Other benefit changes

In addition to the above reforms, the Government are proposing a whole range of changes from 2013 including:

Benefit Cap – No household will be able to claim more on benefits than what the average household earns in work. Currently, that figure is around £26,000 per annum or £500 per week for a couple or a single person with children and £350 for a single person. The cap will initially be administered through local authority housing benefit departments.⁷

Council Tax Benefit – Local authorities will play a greater role in deciding how they help people on low incomes pay their council tax. This will be accompanied by a 10% reduction in council tax expenditure.

Social Fund – Local authorities will be given responsibility for the discretionary payments made from the Social Fund, such as Community Care Grants and Crisis Loans. Budgeting Loans will be replaced by a new nationally-administered advance of benefit facility.

⁶ Universal credit will replace- Income Support, Job Seekers Allowance and Support Allowance, Housing Benefit and Tax Credits.

⁷ The cap will exclude those on Working Tax Credits, DLA/Carers Allowance, war widow/widowers.

Pension Credit – From October 2014, Housing Benefit will become part of a claimant's Pension Credit award. However, unlike Universal Credit, the claimant will retain the choice over whether the Housing Credit should be made direct to them or their landlord.

7. Priorities for Action

Taunton Deane Borough Council's Housing Service aim is to mitigate the impact the Welfare Reform Act will have on its tenants. The action plan of activities will pull together, into one, the plans and initiatives relating to; benefit, money advice, financial inclusion and affordable warmth.

Action	Activity/ Resources required	Time Line	Lead Officer	Measure of success
<p>To improve the information that we hold about our tenants to enable us to provide them with appropriate advice and support.</p>	<ul style="list-style-type: none"> • Enhancing of profiling information for council tenants held on the Housing Academy data system. • Programme of contacts/home visits to help increase the tenant diversity information held in the Housing Academy data system. 	<p>April 2013 ongoing</p>	<p>Housing Services Lead</p>	<ul style="list-style-type: none"> • Increase proportion of tenant information held in the Housing academy data system to help inform service reviews. • Easily accessible robust information is readily available to inform proposals for service delivery and improvement.
<p>To ensure tenants are claiming all of the benefits they are entitled to.</p>	<ul style="list-style-type: none"> • Promote awareness of welfare benefits available through events, surgeries and publications. • Publish to tenants the role of the Housing Services Debt and Benefit Advisor. • Enable access to specialised advise services (Shelter, Citizens Advice Bureau). • Advise tenants about the Money Advise Service. 	<p>Dec 2012 and ongoing</p>	<p>Housing Manager Lettings / Housing Manager Income/ Housing Manager Estates/ Supported Housing Manager</p>	<ul style="list-style-type: none"> • Help is available for tenants to avoid problems of housing affordability and increased debt.

Welfare Reform Strategy Action Plan
Appendix 2

AGENDA ITEM 8

<p>To improve the money management skills of tenants.</p>	<ul style="list-style-type: none"> • Enable access to specialised advise services (Shelter, Citizens Advice Bureau, Credit Unions) • Advise tenants about the Money Advise Service. • Provide training for tenants in money management. • Work with partners to maximise the opportunities for improvement to tenants money management skills. 	<p>April 2013 ongoing</p>	<p>Housing Manager Lettings/ Housing Manager Income Housing Manager Estates/ Supported Housing Manager</p>	<ul style="list-style-type: none"> • Help is available for tenants to avoid problems of housing affordability and increased debt.
<p>To help tenants resolve any debt problems they may have.</p>	<ul style="list-style-type: none"> • Promote awareness of welfare benefits available through events, surgeries and publications. • Publish to tenants the role of the Housing Services Debt and Benefit Advisor. • Enable access to specialised advise services (Shelter, Citizens Advice Bureau, Credit Unions) • Advise tenants about the Money Advise Service. 	<p>April 2013 ongoing</p>	<p>Housing Manager Lettings/ Housing Manager Income/ Housing Manager Estates/ Supported Housing Manager</p>	<ul style="list-style-type: none"> • Help is available for tenants to avoid problems of housing affordability and increased debt.

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<p>To enhance tenant access to the internet.</p>	<ul style="list-style-type: none"> Review of current IT arrangements and identify for improvement and resources 	<p>April 2013 ongoing</p>	<p>Business Support Lead</p>	<ul style="list-style-type: none"> Improved use of new technology to enhance delivery of services.
<p>To enhance tenant access to bank accounts which allow payment of bills by direct debit.</p>	<ul style="list-style-type: none"> Contact local banks to ascertain what services they can supply for our tenants. Enable tenant access to Credit Unions. Promote take up of direct debit as a key method of payment. 	<p>April 2013 ongoing</p>	<p>Housing Manager Lettings/ Housing Manager Income/Housing Manager Estates/ Supported Housing Manager</p>	<ul style="list-style-type: none"> Increase direct debit as a method of payment (rent).
<p>To enhance tenant access to low cost credit and opportunities for saving.</p>	<ul style="list-style-type: none"> Enable tenant access to Credit Unions. 	<p>April 2013 ongoing</p>	<p>Housing Manager Lettings/ Housing Manager Estates/ Housing Manager Income/ Supported Housing Manager</p>	<ul style="list-style-type: none"> Increase in availability for tenants to access Credit Unions locally.

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<p>To help achieve affordable warmth for tenants.</p>	<ul style="list-style-type: none"> £6.6m sustainable energy fund established to provide affordable warmth and improve the energy efficiency of council homes 	<p>April 2013 ongoing</p>	<p>Housing Property Service Manager</p>	<ul style="list-style-type: none"> Reduce fuel costs for tenants. Improve SAP ratings.
<p>To help assist tenants in moving to more affordable accommodation which better meets their household needs.</p>	<ul style="list-style-type: none"> Review of the Transfer Removal Grant Process (TRG). Increase TRG resources. Consider alternatives to money as an incentive to get tenants to downsize. Offer support and assistance to tenants to downsize. Encourage tenants to mutual exchange 	<p>April 2013 ongoing</p>	<p>Housing Manager Lettings</p>	<ul style="list-style-type: none"> Increase in the number of tenants downsizing. Decrease in the number of tenants overcrowded. Full utilization of TRG resources.
<p>Invest in community development to improve opportunities for employment and skills for tenants.</p>	<ul style="list-style-type: none"> Review funding for corporate community development activity to at least maintain current levels and consider case to increase funding to provide services beyond priority areas to the benefit of council tenants. Consider provisions in contracts for contribution to tenant employment and supporting community development. Increase partnership working to leverage in additional resources and provide a wide range of services. 	<p>April 2013 ongoing</p>	<p>Housing Services Lead</p>	<ul style="list-style-type: none"> Improvement in key indicators including health, education and employment (Indices of Multiple Deprivation) for TDBC tenants Increase in resources for community development – either from business plan, or from external sources Increase in activity delivered and/or funded by partners

Equality Impact Assessment – pro-forma

Responsible person	<i>Stephen Boland</i>	Job title: Housing Services Lead
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy/service	√
	Change to Policy/service	
	Budget/Financial decision – MTFP	
	Part of timetable	
What are you completing the Equality Impact Assessment on (which, service, MTFP proposal)	Taunton Deane Borough Council (TDBC) - Welfare Reform Strategy and Action Plan	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy/decision/service?	<p><i>The objectives of the Welfare Reform Strategy are:</i></p> <ul style="list-style-type: none"> • To improve the information that we hold about our tenants to enable us to provide them with appropriate advice and support; • To ensure tenants are claiming all of the benefits they are entitled to; • To improve the money management skills of tenants; • To help tenants resolve any debt problems they may have; • To enhance tenant access to the internet; • To enhance tenant access to bank accounts which allow payment of bills by direct debit; • To enhance tenant access to low cost credit and opportunities for saving; • To help achieve affordable warmth for tenants; • To help assist tenants in moving to more affordable accommodation which better meets their household needs; and 	

	<ul style="list-style-type: none"> Invest in community development to improve opportunities for employment and skills for tenants. 								
Which protected groups are targeted by the policy/decision/service?	Taunton Deane Borough Council’s housing stock comprises of approximately 6,000 rented homes, with a further 372 leasehold properties. In addition, the Council also manages two private leasehold schemes for the elderly. Housing services are designed to ensure they meet the needs of wide ranging customer base. As such the new Welfare Reform Strategy and Action Plan is targeted at all the protected groups including: Age; Disability; Gender Reassignment; Pregnancy and Maternity; Race; Religion or belief; Sex; and Sexual Orientation; Marriage and civil partnerships.								
<p>What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used</p> <p>The information can be found on....</p>	<p>Data:</p> <ol style="list-style-type: none"> Major changes in national welfare reform in how benefits are paid. Welfare Reform Act 2012 Major changes in how council tax benefits are paid, Welfare Reform Act 2012 Housing benefit assessments that identify which of our tenants are affected by the changes to the benefits system. <p>Engagement:</p> <p>Consultation with residents and stakeholders which included regular meetings with the Tenant Services Management Board and wider consultation with Tenants’ Forum, staff, members and other stakeholders - 2013</p>								
Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality									
Following consultation with tenants on the Housing Services’ strategic response to welfare reform the conclusion was that we do not believe that any specific equalities impacts will arise.									
<p>I have concluded that there is/should be:</p> <table border="1" data-bbox="208 1094 1910 1342"> <tr> <td data-bbox="208 1094 878 1177">No major change - no adverse equality impact identified</td> <td data-bbox="878 1094 1910 1177">No major change to the strategy</td> </tr> <tr> <td data-bbox="208 1177 878 1225">Adjust the policy/decision/service</td> <td data-bbox="878 1177 1910 1225"></td> </tr> <tr> <td data-bbox="208 1225 878 1273">Continue with the policy/decision/service</td> <td data-bbox="878 1225 1910 1273"></td> </tr> <tr> <td data-bbox="208 1273 878 1342">Stop and remove the policy/decision/service</td> <td data-bbox="878 1273 1910 1342"></td> </tr> </table>		No major change - no adverse equality impact identified	No major change to the strategy	Adjust the policy/decision/service		Continue with the policy/decision/service		Stop and remove the policy/decision/service	
No major change - no adverse equality impact identified	No major change to the strategy								
Adjust the policy/decision/service									
Continue with the policy/decision/service									
Stop and remove the policy/decision/service									

Reasons and documentation to support conclusions
The engagement activity shows that there will be no adverse impacts.

Section four – Implementation – timescale for implementation

Welfare Reform Strategy will be effective from March 2013 involving monitoring and updating as necessary.

Section Five – Sign off

Responsible officer: Stephen Boland
Date: March 2013

Management Team: Housing Services
Date: March 2013

Section six – Publication and monitoring

Published on:

Next review date:

Date logged on Covalent

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	