

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	HOUSING, NEIGHBOURHOODS AND LEISURE COMMITTEE		
DATE:	15 NOVEMBER 2017	AGENDA ITEM:	8
TITLE:	HOUSING SERVICE RESPONSE TO THE BENEFIT CAP		
LEAD COUNCILLOR:	COUNCILLOR ENNIS	PORTFOLIO:	HOUSING
SERVICE:	HOUSING AND NEIGHBOURHOODS	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report details the work of the Housing Services Welfare Reform Team in response to the reduction in the Benefit Cap.

2. RECOMMENDED ACTION

- 2.1 To note the work of the team and the outcomes for the affected households.

3. POLICY CONTEXT

- 3.1 The Benefit Cap was first introduced in August 2013 setting the maximum benefit entitlement to any household at £26,000 per year for couples and families and £18,200 per year for single claimants. In November 2016 this cap was reduced to £20,000 per year for couples and families and £13,400 for single claimants for households outside of London.
- 3.2 With an estimated 554 households likely to have their benefits capped RBC was highlighted as one of the largest affected Local Authorities. The Housing service identified that the reduction in the cap would pose two potentially significant risks. The first being an increase in homelessness due to those households affected not having the ability to pay their rent. The second being an increase in Social Landlords' rent arrears.
- 3.3 To mitigate these risks a bid was made for grant funding from the DWP for £45,874 which was match-funded by Housing to create 3 posts (1 Senior Welfare Reform Officer and 2 Benefit Cap Coordinators)) to create the Welfare Reform Team.

The overall aim of the work of the Benefit Cap Coordinators, along with other teams within Housing, is to move people affected by the cap into long-term secure, sustainable work thus reducing the risk to increased homelessness.

- 3.4 Early analysis of data from the DWP on the 554 households likely to be affected by the reduction in the cap showed that there were a large number of families who were also known to Children's Social Services and Troubled Families. It was therefore a key part of the officers' roles to ensure a joined up approach was coordinated between Housing and Children's Social Services and Troubled Families.
- 3.5 It was also clear from this early data that many of the households had either not worked for many years or had never worked. This meant that some of the clients would be a long way from the job market and would require more support than those who had worked more recently.
4. Current Position:
- 4.1 All the households identified by the DWP were written to, offering the team's support prior to the new lower cap being introduced. Those households that were already subject to the original cap were also telephoned to advise them that the team could support them prior to their benefits being capped further.
- 4.2 For any households that had not been spoken to directly, the Welfare Reform Team carried out a home visit to ensure every effort had been made to offer support to those affected.
- 4.3 When the new lower cap was fully rolled out in Reading on 19th December 2016 there were 338 households affected. This number was far lower than expected, partly due to the team starting to work with households prior to the cap being applied, but mainly due to the way that the cap was applied meaning that some households that had a recent change in circumstances were excluded from the initial implementation of the cap but were slowly picked up by the system and had the cap applied over the following few months.
- 4.4 As newly affected households had the cap applied, the Housing Benefit team notified the Welfare Reform team who then began to work with the household if they were not already working with them.
- 4.5 Co-location at the Job Centre one day a week enabled the team to observe Work Coach appointments and it became clear that clients did not always have much time to discuss any issues regarding finding employment with their Work Coaches as there was a significant amount of administrative work that had to be done in each 10 minute appointment. As a result of this, officers in the Welfare Reform Team adopted an approach affording clients as much time as was required to understand their personal circumstances in detail and discuss personalised options, enabling them to create an individual plan to move away from the cap.
- 4.6 There are four main options to enable clients to move away from the cap:
- find employment and qualify to claim Working Tax Credit
 - claim and receive an exempting benefit
 - move to cheaper accommodation
 - budget to be able to pay the shortfall
- Officers have found that being able to discuss the barriers to these options with clients at length has allowed them to show how those barriers can be overcome.
- 4.7 The Welfare Reform Team liaises closely with many other teams across the Council but, in particular, with the Housing Service Debt Advice Team (offering budgeting and debt advice as well as Discretionary Housing Payment assessments); Tenant Services on Council tenant cases; Housing Advice on helping to prevent homelessness for non-RBC

tenants; Housing Benefit on the Benefit Cap being applied, amended and removed; Customer Services and Troubled Families on those that are known to both teams with regular update meetings being held.

- 4.8 The team also works closely with many different external partners including Reading Job Centre with Officers co-located in the Job Centre one day per week. The team has worked hard to build partnerships with many different support organisations that cater to the individual needs of clients, including one with a recruitment agency that not only provides free CV and Interview Skill sessions for those households affected by the cap but also regularly sends the team job opportunities for clients.
- 4.9 The cap was designed to make work pay and it means that finding employment is the best way to move away from the cap. The team has found that the two main barriers to clients finding employment have been a lack of awareness about childcare and the funding arrangements and assistance for those with 'low level' mental health issues such as anxiety and depression who do not meet the threshold for formal help.
- 4.10 Being able to discuss what childcare is available and how clients can receive help to pay for that childcare has enabled clients to find employment. The team is now looking at trying to increase awareness of childcare and its funding to enable local residents to be more self-reliant. Reading Services Guide now has up to date information on childcare options that are available and includes details of the Welfare Reform Team. Both staff and clients alike have found the guide to be useful as well as the welfare reform information produced by the Housing Service which is available on the Council's web pages.
- 4.11 The team has gradually found and started to make links with local organisations that do support people with low level mental health issues. The team is working with the Wellbeing Team and Social Services to see if awareness of these organisations can be increased.
- 4.12 Between October 2016 and the end of September 2017 the team had 1,692 contacts with clients, made 719 referrals to other support agencies, helped 382 households out of the cap of which 189 households have now gained employment. To date only 3 households have been capped again after initially finding employment, showing that the majority of those who have moved into employment have gained long-term sustainable employment. As of 26th October 2017 there are 281 households who are currently capped. The amount of benefits lost to the cap per household per week varies from £0.08 up to £313.93, with the average loss of £56 per week per household.
- 4.13 The team has also utilised the Council's website to promote information on the cap and support available as well as to publicise events such as the CV and Interview skills sessions. Training has taken place with internal and external organisations around the cap, the team and support available as well as how assistance can be given to clients. This has been put in place in an effort to have a sustainable position for residents of Reading once the DWP grant for posts ceases in November. The Housing Service will continue to fund elements of the team moving forward to carry on this work as well as to take on the challenge of Universal Credit which will be fully rolled out in Reading in December 2017. New Burdens funding from DWP will be in place from November which will cover off the shortfall once the grant ends.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 Measures put in place by the Welfare Reform team have helped to safeguard and protect those that are most vulnerable and promote equality, social inclusion and a safe and healthy environment for all

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Benefit cap questionnaires and closed cases surveys are due to be sent out to those affected households that the team has worked with to establish what has worked well and where improvements could be made.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Equality Impact Assessment (EIA) is not relevant.

8. LEGAL IMPLICATIONS

- 8.1 None

9. FINANCIAL IMPLICATIONS

- 9.1 Grant funding of £45,874 was received from the DWP for 16/17 and New Burdens funding of £101,000 will be received from November 17/18 which will cover posts to work with clients affected by the Benefit Cap and/or Universal Credit. 382 households have been supported and assisted by the team to no longer be affected by the cap. The average cap reduction for each household was £56 per week; therefore the work of the team has saved these households from a total loss of £1,112,384 for the financial year.