

BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

To: Joint Scrutiny	Report Number: JSC/18/13
From: Shared Revenues Partnership (SRP)	Date of meeting: 4 December 2013

IMPACT OF WELFARE CHANGES

1. Purpose of Report

- 1.1 To understand the Welfare Reform Bill changes and the impact on SRP, Councils and residents in particular examining
- The recent changes due to the Welfare Reform Bill – on benefit claimants, staff workload and council tax collection
 - The latest position regarding Universal Credit and what plans have been put in place and the expected impact
 - The future direction and vision of the SRP
 - The impact of the Welfare changes on customer contact (both direct and via advice agencies) – queries, complaints

2. Recommendations

- 2.1 The committee should note: “We have now experienced the first six months of the welfare reforms. Management Information is now being collated and trends monitored. The next six months will provide us with intelligence on how the winter with the associated heating costs and Christmas will impact on the ability of our residents to continue to pay their council tax and rent.

The collaborative working across teams to support our residents and the regular communication to our residents, key stake holders, staff and Councillors have helped to support our residents.

3. Financial Implications

- 3.1 The report itself has no financial implication but it should be noted that Babergh contributes 26.32% (£1,359,160) to the running cost of SRP and Mid Suffolk 14.54% (£750,850) per annum. SRP raises £46,612,002 collectable council tax debit for Babergh and £51,359,370 for Mid Suffolk. National Non – domestic rates collectable debit is £23,521,335 for Babergh and £21,528,418 for Mid Suffolk. 2012/2013 Mid Suffolk’s benefit payments totalled £21.4m and Babergh £25.6m.

4. Risk Management

- 4.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. 3 – failure to act upon the requirements of the Welfare Reform Act 2012 and funding reforms could lead to unpreparedness for changes due to come into effect in April 2013 and beyond.

5. Consultations

- 5.1 None

6. Equality Analysis

- 6.1 The report is for monitoring purposes and does not propose any policy changes and therefore an equality analysis is not needed. It should be noted though that an Equality Analysis was carried out on the Local Council Tax Reduction Scheme for both Babergh and Mid Suffolk as part of the implementation and Department of Work and Pensions has carried out Equality Analysis on aspects of the Welfare Reform programme.

7. Shared Service / Partnership Implications

- 7.1 A shared revenues and benefits service between Ipswich, Babergh and Mid Suffolk, known as the SRP (Shared Revenues Partnership) was formed on 1 April 2011.
- 7.2 A shared revenues and benefit service was identified as the most viable approach for the 3 councils to deliver savings, resilience and improved performance.
- 7.3 The SRP is currently responsible for all back office functions relating to revenues and benefits activity for the three partner authorities
- 7.4 The governance of the Shared Revenues Partnership is as follows:-
- The Joint Committee is an administrative arrangement under which each authority exercised its powers under Section 101 of the Local Government Act 1972 to delegate certain functions to the Joint Committee to be exercised on its behalf.
 - Each of the partner authorities has appointed two Councillors to the Joint Committee
 - During the first year the Joint Committee met on 7 occasions. For continuity the venue has been in Grafton House with Ipswich Borough Council providing the committee support.
 - The SRP Joint Committee continues to meet on a bi-monthly basis.
 - The SRP Officer Board consists of the Head of Service and the three Section 151 Officers.
 - The Officer Board meets on a monthly basis and concentrates on the operational service provided by SRP on behalf of the three local authorities. It examines budget, performance and future initiatives and provides a mechanism to exchange relevant corporate information regarding the three local authorities.

8. Key Information

8.1 On 17 February 2011 the Government published the Welfare Reform Bill and it received Royal Assent on 8 March 2012.

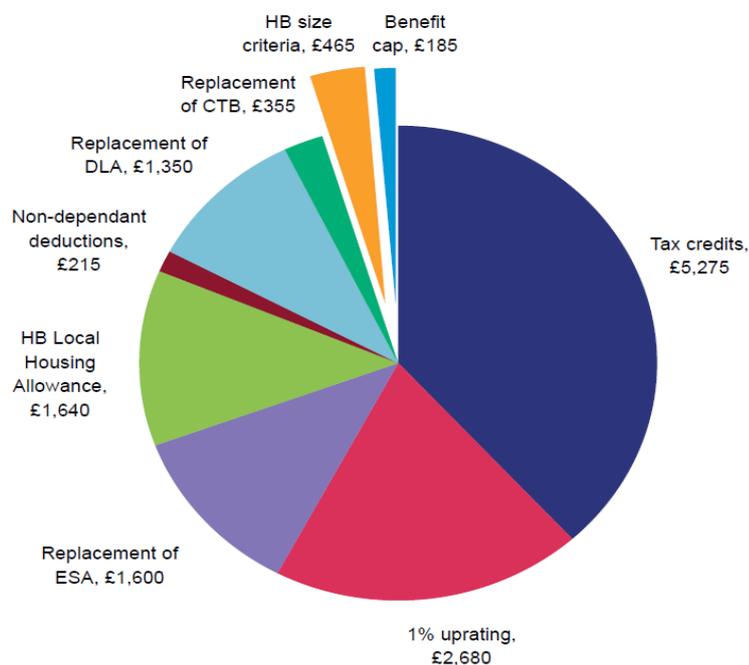
8.2 The Bill legislates for the biggest change to the welfare system for over 60 years.

8.3 The Government's Welfare Reform Bill introduces a wide range of reforms with the objective of making the benefit and tax credit systems simpler by:

- Creating the right incentives to get more people into work by ensuring work always pays
- Merging out of work benefits and tax credits to create a single Universal Credit
- Reforms to other benefits and tax credits aimed at reducing the cost of the benefits system.

8.4 The Welfare Reform changes detailed in this report play only a small part in the overall programme and the associated savings as depicted the diagram below. The diagram sets out the projected savings from each welfare reform (excluding Universal Credit).

Breakdown of projected savings in 2015/16, Great Britain (£million)



8.5 This report however will be covering the following benefit changes:-

- Size criteria for social rented benefit claims
- Benefit capping
- Council Tax Reduction Scheme
- Update on Universal Credit

Size criteria to social rented claims

- 8.6 On 1 April 2013 Housing Benefit for working age social rented sector customers (local authority, housing association tenants) is restricted, for those who are occupying a larger property than their household size and structure would warrant.
- 8.7 The size criteria in the social rented sector replicates the size criteria that already applies to Housing Benefit claimants in the private rented sector and whose claims are assessed in accordance with the local housing allowance.
- 8.8 This allows one bedroom for each person or couple living as part of the household with the following exceptions:-
- A child aged 15 or under would be expected to share with one child of the same gender; and
 - Child age 9 or under would be expected to share with one other child aged 9 or under, regardless of gender.
- 8.9 Housing Benefit will be reduced in the following way:-
- 14% reduction for one room under occupation
 - 25% reduction for two or more rooms.
- 8.10 The table below gives a snap shot of the number of Babergh and Mid Suffolk residents affected by this change as at 7 November 2013.

Council	Babergh	Mid-Suffolk
Working Age HA Cases	855	607
HA 1 Bed Excess	148	134
HA 2 or more Bed Excess	21	18
Working Age LA Cases	997	898
LA 1 Bed Excess	276	178
LA 2 or more Bed Excess	56	44
Total Working Age Social	1,852	1,505
Total 1 Bed Excess	424	312
Total 2 or more Bed Excess	77	62
Total affected	501	374
% HA 1 Bed Excess	17.31%	22.08%
% HA 2 or more Bed Excess	2.46%	2.97%
% LA 1 Bed Excess	27.68%	19.82%
% LA 2 or more Bed Excess	5.62%	4.90%
% Total 1 Bed Excess	22.89%	20.73%
% Total 2 or more Bed Excess	4.16%	4.12%
% Working Age Cases Affected	27.05%	24.85%

- 8.11 Letters with help sheets and frequently asked questions were issued to all residents affected by these changes. Housing Officers also contacted in person those who have been most affected and held “outreach” sessions in Sudbury and Stowmarket. Scripts were produced to assist customer service teams with queries from customers to make sure that the same message was given to our residents.
- 8.12 Information regarding the Welfare Reform changes was also published in the Tenants newsletter.
- 8.13 There has been an impact in Local Authority rent arrears and data for September 2013 shows that rent arrears relating to under occupation total £14,280 for Babergh and £11,759 for Mid Suffolk. There have been 78 requests to downsize to a smaller property in Babergh and 54 in Mid Suffolk.
- 8.14 As can be seen in the table below a large proportion of the Discretionary Housing Payment awards continue to be made to residents impacted by the size criteria to social rented properties.

	Total DHP committed /awarded	Total number of recipients	Total DHP paid/committed due to size criteria	Number of recipients awarded DHP due to size criteria	Number of Local Authority recipients awarded DHP due to size criteria	Total DHP paid to LA residents due to size criteria
BDC	£54,826.17	112	£29,043.10	63	37	£16,846.28
MSDC	£34,067.98	83	£14,047.73	38	28	£10,041.66

- 8.15 Babergh and Mid Suffolk have appointed a Financial Inclusion Officer and Tenancy Support Officer to support tenants struggling financially. A financial inclusion project has been established where both councils will work with partners and tenants to ensure that some of the most vulnerable tenants in Babergh and Mid Suffolk together with those who may just need some basic advice receive the support they need to be able to deal with some of the financial issues they may face.
- 8.16 By reducing financial exclusion this will not only benefit those affected but will ultimately benefit neighbourhoods and the wider area, decreasing debt and its affects, helping people to manage bills and increases in their living costs, will help ensure that households are better off and as a result this will impact positively on the Districts.

Discretionary Housing Payments (DHP)

- 8.17 The Department of Work and Pension’s annual funding for DHPs for 13/14 for Babergh and Mid Suffolk has increased as detailed below

	2012/13	2013/14
Babergh	£55,560	£115,215
Mid Suffolk	£36,773	£ 88,555

- 8.18 As at 31 October 2013, 112 Babergh residents and 83 Mid Suffolk residents have been awarded a DHP. This is a substantial increase compared to previous years and with the review process has resulted in additional work for the benefit team.
- 8.19 In Babergh as at 31 October 2013 £40,649.94 has been paid to date in DHPs; a further £14,176.24 has been committed giving a remaining DHP budget of £60,388.82.
- 8.20 In Mid Suffolk as at 31 October 2013 £25,663.99 has been paid to date in DHPs; a further £8,402.95 has been committed leaving a remaining budget of £54,488.17.
- 8.21 A large proportion of the DHP awards made during April, May and June were 6 month awards to allow the claimant time to secure smaller or cheaper accommodation or return to work. We anticipate that many of these claimants will continue to need a DHP to meet the shortfall in rent and we will see an increase in expenditure.
- 8.22 At the recent workshops with private and social landlords and voluntary groups the take up and award of DHPs were discussed and again we anticipate this will generate further applications from some of the “harder to reach” claimants.
- 8.23 Certainly Babergh and Mid Suffolk have experienced an increase in the volume of DHP awards during October. Babergh made 19 awards totalling £9,983.31 and MSDC 12 awards of £4,857.32. This is partially due to some recipients who had originally been awarded at 6 month award of DHP reapplying and also aided by our promotion campaign to our main stakeholders. We will continue to explore ways to promote DHP by use of our website and our continuing work with our partners. It is important to spend our DHP funding or it will be lost.

Local Council Tax Reduction Scheme

- 8.24 In the 2010 Spending Review it was announced that support for council tax will be localised from 2013/14 and expenditure reduced by ten per cent. On 17 February 2011 the government published the Welfare Reform Bill containing provisions for the abolition of council tax benefit, paving the way for new localised schemes.
- 8.25 The Government set broad parameters in which local schemes were to be designed namely an expected reduction in expenditure of 10%, a framework for support for eligible pensioners and expectation that there is an incentive to work.
- 8.26 To assist the transitional process the Department for Communities and Local Government announced on the 16th October 2012 that they would be making available an additional £100m (for one year only) to support local authorities in developing council tax support schemes to maintain positive incentives to work.
- 8.27 The grant will be available to councils who choose to design their scheme so that those who would be on 100% support under the current council tax benefit arrangements pay between zero and no more than 8.5% of their current council tax liability and the taper rate does not increase above 25% (taper applies where a household has income above their applicable amount. Currently 20% (20p for each £1) of any excess income over and above the applicable amount is deducted from the maximum council tax benefit. There is no sharp reduction in support for those entering work.

- 8.28 A consultation on the Local Council Tax Reduction Scheme was launched on the council's website on 10th August 2012 and ran until 25th October 2012.
- 8.29 In addition to the invitation to participate in the consultation on the website, a letter explaining the potential changes and the consultation was sent to all current working age benefit recipients.
- 8.30 Participants were encouraged to complete the survey online but paper copies of the survey were available from the Contact Centre and a dedicated phone number was set to enable potential participants to request a paper form.
- 8.31 In addition to the survey, Suffolk councils jointly held stakeholder meetings to which voluntary organisations, Social Housing Landlords and Private Landlords were invited.
- 8.32 The Local Council Reduction Scheme for Babergh was adopted on 18 December 2012 and Mid Suffolk's was adopted on 20 December 2012. The schemes took advantage of the transitional grant and restricted the council tax liability to all working age claimants to 8.5% in Babergh and 5% in Mid Suffolk.
- 8.33 In monetary terms a claimant in a Band D property will have to pay a minimum of £2.47 per week / £128.43 per annum in Babergh and £ 1.45 per week / £75.16 per annum in Mid Suffolk.
- 8.34 The latest software release from Northgate allows us to drill down to see the percentage collected for those in receipt of working age LCTR.

Local Council Tax Reduction Scheme

	October 2013	Compared to overall collection
Babergh	54.27%	13.89%↓
Mid Suffolk	58.44%	9.57% ↓

Despite the challenges of collecting the extra council tax, the in year collection rate for the two councils remains sound with very little change compared to the collection rate for 12/13. Details shown below

2013/14 Council Tax Overall Collection

	October 2013	October 2012	Difference
Babergh	67.96%	68.16%	0.20%↓
Mid Suffolk	68.01%	67.63%	0.38%↑

- 8.35 The table below provides the detail of the percentage of CTR customers who, based upon the live caseload, have been summonsed for failing to pay in line with their bill. This underlines the extra recovery activity that is being undertaken by the team.

	Caseload	No Rec'd a summons	Percentage
Babergh	2,681	889	33.16%
Mid Suffolk	2,208	746	33.79%

- 8.36 A great deal of officer time, in both the Revenues section and Customer Service Centre, is spent collecting council tax from those in receipt of the Council Tax Reduction as demonstrated in the volumes below.

Apr - Aug 2013	Babergh	Mid Suffolk
1st Reminders	3,655	4,861
2nd Reminders	1,075	1,547
Final Notice	812	1,022
Summons	1,035	1,541
CTR 1st Reminder	2,163	1,794
CTR 2nd Reminder	507	459
CTR Final Notice	187	187
CTR Summons	782	653
Total	10,216	12,064

Note: - The volume of documents issued to CTR cases are not included in the top half of the table.

- 8.37 Officers are agreeing payment arrangements with customers, however where this is not the case a request is sent to the DWP for a deduction from benefit. If this is set-up £3.60 per week is deducted from the customers benefit until such time as the debt is paid or they cease to be in receipt of benefit. The table below shows how many requests for a deduction from benefit have been made to date.

Babergh	97
Mid Suffolk	77

Benefit Capping

- 8.38 The cap applies to the combined income from the main out-of-work benefits, plus child benefit and child tax credits.
- 8.39 The cap is £500 per week for couples and lone parents and £350 per week for single adults.
- 8.40 There are household exemptions from this cap such as those entitled to Working Tax Credit; in receipt of Disability Living allowance, Personal Independence Payment, and Attendance allowance; the support component of ESA; Industrial Injuries Benefit; War Widows and War Widowers Pension.
- 8.41 The table below provides details of the cases subject to capping as at 1 November 2013.

Council	No cases	No children	Average cap
BDC	13	58	£53.75
MSDC	8	43	£65.11

Universal Credit

- 8.42 There has been more publicity surrounding the Universal Credit Welfare Reform programme, but no further formal briefing notice has been issued to Local Authorities since Lord Freud wrote to all Local Authorities on 1 August 2013 . In the statement Lord Freud confirms that the Government remains on track to deliver Universal Credit safely and securely by 2017. He also confirms that the funding to maintain the full administration of Housing Benefit in 2014 to 2015 will be provided.
- 8.43 The DWP confirmed on 28 October 2013 that Universal Credit will be rolled out to new claimants in Hammersmith and Fulham from 28 October 2013. However the roll out in Rugby, Inverness, Harrogate, Bath and Shotton will be delayed until early spring.
- 8.44 SRP has arranged a workshop with our local DWP colleagues on 12 November 2013 to form contacts and to gain an understanding of each other's work in preparation for Universal Credit. Following the success of the initial workshop a further event has been arranged in each Local Authority for January 2014. These will be a cross service workshop including customer service, housing, economic development as well as SRP.

Communication

- 8.45 A Mid Suffolk / Babergh Corporate Working group was established to co-ordinate the implementation of the benefit changes. It consists of representatives from Housing, Shared Revenues Partnership, Customer service and the corporate communication team.
- 8.46 The group co-ordinated the communication to the residents of Babergh and Mid Suffolk, staff, key stakeholders and councillors.
- 8.47 The Tenants' Newsletter issued to all Babergh and Mid Suffolk tenants have included articles on the benefit changes.
- 8.48 All affected residents were written to providing information on the Council Tax Reduction Scheme, Benefit Capping and the size criteria to social rented accommodation.
- 8.49 Workshops for our private, social landlords, and voluntary groups were held prior to the implementation of the benefit changes and another series of workshops were held in September 2013 to monitor the impact.
- 8.50 Staff in Customer Service, Housing and Shared Revenues Partnership received in depth training on the benefit changes and all staff were provided with an overview of the changes on the Intranet.
- 8.51 Training sessions were delivered to councillors in March 2013 and further sessions have been delivered in September 2013.

Customer Contact

- 8.52 Babergh and Mid Suffolk Customer service teams have continued to provide our residents with an excellent service. They have managed to explain the complexities of the Welfare Reform changes to an increased number of customers.

8.53 The table below provides details of the volumes of customer contact.

Babergh Customer Service Figures

Phones – Revenues and Benefits

	March	April	May	June	July	August	September	October
2012	3590	3608	3012	2830	3926	3766	2757	3426
2013	3646	4033	2173 *	3259	4066	2528	3673	5249 **

*One week data missing **new phone system upgrade

Face to Face Revenues and Benefits

	March	April	May	June	July	August	September	October
2012	505	400	393	314	365	351	339	360
2013	424	499	394	347	437	379	398	384

Mid Suffolk Customer Service figures

Phones

Benefits 2012	1478	1723	1492	1675	1428	1313	1590
Benefits 2013	1739	1471	1308	1507	1263	1476	1371

Council Tax 2012	1838	2152	1526	1721	1675	1278	1627
Council Tax 2013	2043	1944	1664	1813	1745	1765	1707

Face to face

	April	May	June	July	August	September	October
2012	447	653	753	440	946	914	751
2013	410	350	350	394	311	298	314

Complaints

8.54 The table below compares the number of official benefit complaints SRP has received for the period April 2013 to October 2013. Included is a comparison of complaints received for the same period in 2012. As can be seen the Welfare Reform changes have not generated an increase in complaints.

Benefit Complaints April - October of 2012 and 2013								
2012	April	May	June	July	August	September	October	Total
Babergh	1	2	2	0	4	0	1	10
Mid-Suffolk	0	4	4	2	2	0	0	12
Total	1	6	6	2	6	0	1	22
2013	April	May	June	July	August	September	October	Total
Babergh	0	0	1	0	0	0	0	1
Mid-Suffolk	2	0	2	0	2	0	3	9
Total	2	0	3	0	2	0	3	10

Future direction and vision of SRP

Achievements

8.55 SRP has realised the key drivers and objectives defined in the business case produced in 2010 as follows:-

- The shared service met the deadline of being set up on 1 April 2011
- The governance arrangement was put in place in the form of a SRP Joint Committee with a membership of 2 councillors from each authority and an Officer Board consisting of the 3 151 Officers and SRP's Head of Service.
- The SRP Partnership agreement was produced, agreed and signed by the three authorities
- A single workforce was formed on 1 April 2011 moving to single terms and conditions. Ipswich Borough Council became the host employer and Babergh and Mid Suffolk staff were transferred to Ipswich Borough Council on 1 April 2011 under TUPE arrangements.
- The SRP business case was based on an element of staff being enabled to work from home. SRP currently has 75% of staff enabled to work from home for a proportion of their working week.
- One of the key features of the SRP business case was that there would be one headquarter location for SRP staff. Of the three councils, only Ipswich Borough was able to accommodate the entire SRP work force and therefore Grafton House was selected as SRP headquarters. All staff moved to the 1st floor of Grafton House on 16 May 2011.
- A single staff structure was produced for SRP with a 20% staff reduction. All posts had new job descriptions and an extensive recruitment process took place between April 2011 and July 2011
- One of the key principles underlying the SRP business case was the need to establish a single ICT platform to optimise performance, cohesion and efficiency. The chosen system, Northgate, was assessed through an open and comprehensive procurement process and clear tender evaluation. The migration to Northgate was completed within budget on 12 December 2011.

- The SRP business case allowed for the support services to be provided by an assumed host. Ipswich Borough Council was selected as the host authority and took responsibility from the outset for ensuring that the whole range of support services are made available to support SRP, these include the following services - financial, ICT, HR, internal audit, procurement, legal, business support and office accommodation.
- Fourth partner – the original business case was based on a four council partnership. There continues to be an appetite to pursue potential partners.

Future Plans

- 8.56 The SRP business case forecast £4m saving over 10 year. The first two years SRP has operated within the budget. This is a significant achievement as the Welfare Reform changes have been implemented with no additional budget. In addition the original business case did not include any inflationary increases in the financial tables / contribution amounts (the figures are based on 2010/11 prices). These inflationary increases have been absorbed by the SRP in 2011/12, 2012/13 and 2013/14 (approx. £61k in 13/14) and have been funded from the carry forward of underspends each year. This in monetary terms results in a greater saving than reflected in the business case.
- 8.57 SRP will be part of the councils' transformation programmes for 2013/14. However efficiencies and improvements have already been identified and are contained in SRP's business plans.
- 8.58 With the above budgetary challenges and to enhance the customer's experience SRP will continue to automate processing to remove the need to "key in data". SRP already promotes online housing benefit applications that are intuitive and therefore the applicant only answers the questions relevant to his / her circumstances rather than having to complete a lengthy claim form. The next step is to have the information from the form to automatically "drop" into the Northgate system removing the need to manually input the data. This will reduce officer time and increase accuracy. The table below depicts the percentage of housing benefit claim forms received electronically.

% of new claims submitted electronically

	June 2013	July 2013	August 2013	Sept 2013	Oct 2013
BDC	35%	34%	38%	30%	35%
MSDC	38%	42%	43%	36%	32%

- 8.59 To continue to manage the increase in council tax payers the council tax team will continue its programme of self service and automation. Council tax payers already are encouraged to complete changes in circumstances online and the aspiration is to transfer this data without manual intervention into the Northgate system.
- 8.60 SRP will continue to roll out bar coding to increase the efficiency of indexing post.

- 8.61 Maintaining/improving performance will continue to be a challenge in both Revenues and Benefits. Our council tax team now has to collect council tax from residents who were used to enjoy full council tax benefit. As explained in 8.59 the council tax team will continue with its programme of self service and automation to free up officer time to work with residents with financial difficulties.
- 8.62 SRP will continue to work with the customer service teams to enhance self service and to reduce avoidable contact. Our monthly meetings with customer service teams will continue.
- 8.63 SRP will continue to support and participate in the transformation programmes currently in progress in the three councils. SRP is fully participating in the finance system change; the bank procurement exercise and the transformation of ICT and customer service services post CSD. SRP is a key stakeholder in these areas and will work closely with the project managers to mitigate the risks.
- 8.64 SRP has commenced dialogues with the Department of Work and Pensions in preparation of the introduction of Universal Credit. Although dates and details are still scarce it is clear that joint working between the two organisations will benefit our mutual customers. Further workshops have been arranged for the New Year.
- 8.65 We are aware that Universal Credit will be “digital when appropriate” and SRP working with key partners will support our customers through this digital journey by looking at training needs; identifying web access points and identifying geographical areas where there are likely to be challenges.
- 8.66 A significant proportion of SRP’s budget (£373,300) is spent on printing and postage. SRP has contracted an external printing company to print and post a large proportion of our bills and benefit notifications. This has enabled bills and benefit notifications to be sent in the same envelope, reducing cost and improving customer service. In addition Royal Mail under the “sorted rate” mail scheme grants reduced postage cost. SRP intends to pass further printing to the print company.
- 8.67 Now MSDC and Babergh Operational teams have been established SRP intends to now build new relationships for the benefit of the two councils. SRP already plays a role in the MSDC / BDC financial inclusion programme but now looks to establish closing working with planning, housing and economic development services to maximise business rates, look at empty properties etc.
- 8.68 SRP’s staff survey this year was pleasing but there are still opportunities to improve. SRP will ensure that all staff have regular 1 to 1s with their line manager and an annual appraisal. SRP will schedule a timetable of individual team staff meetings as well as quarterly “all staff” meeting. SRP ‘s line managers will receive the appropriate training such as coaching skills and managing difficult conversations so they are equipped to address unsatisfactory performance / behaviour and to help to achieve a motivated work force.
- 8.69 SRP will be employing two apprentices in the New Year and we are intending to continue to participate in the apprentice scheme on a rolling basis.

9. Appendices

Title	Location
(a) Discretionary Housing Payment expenditure	attachment

10. Background Papers

None.

Authorship:

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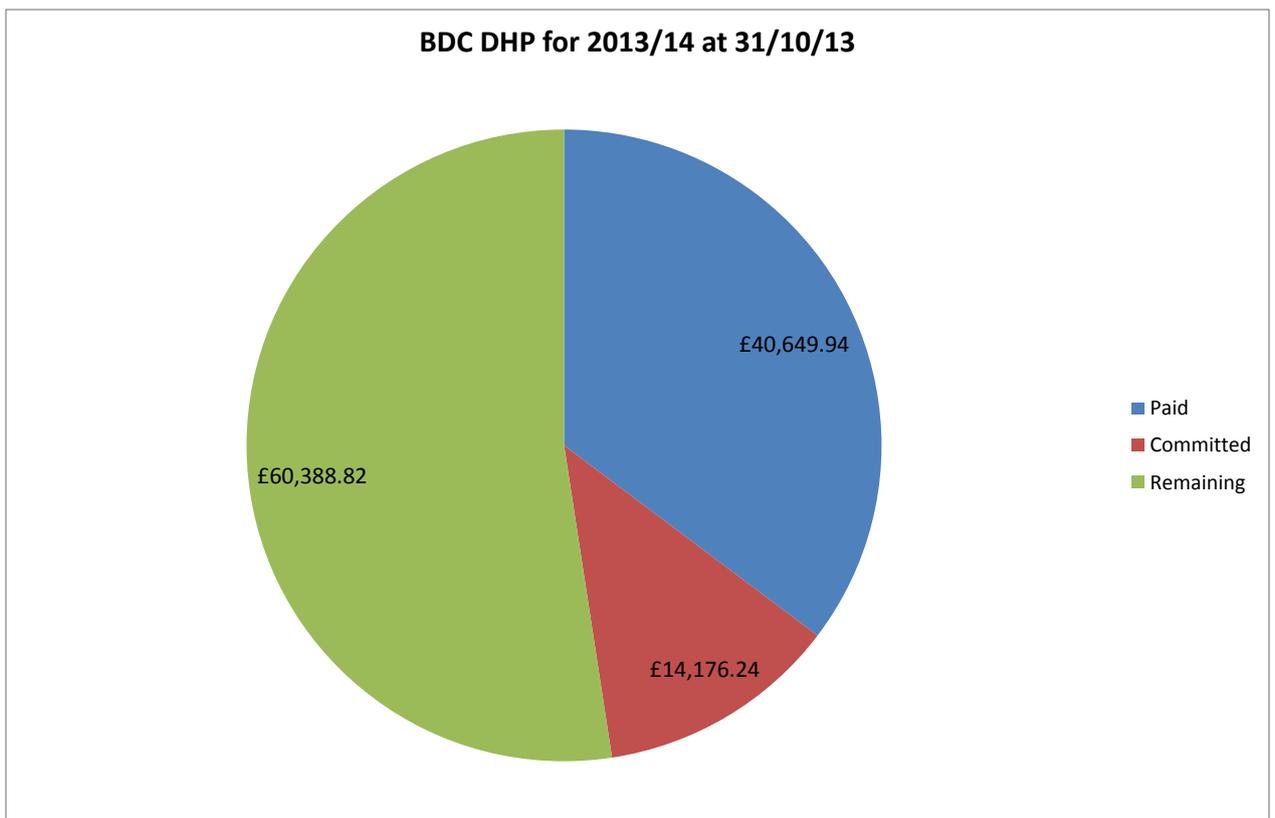
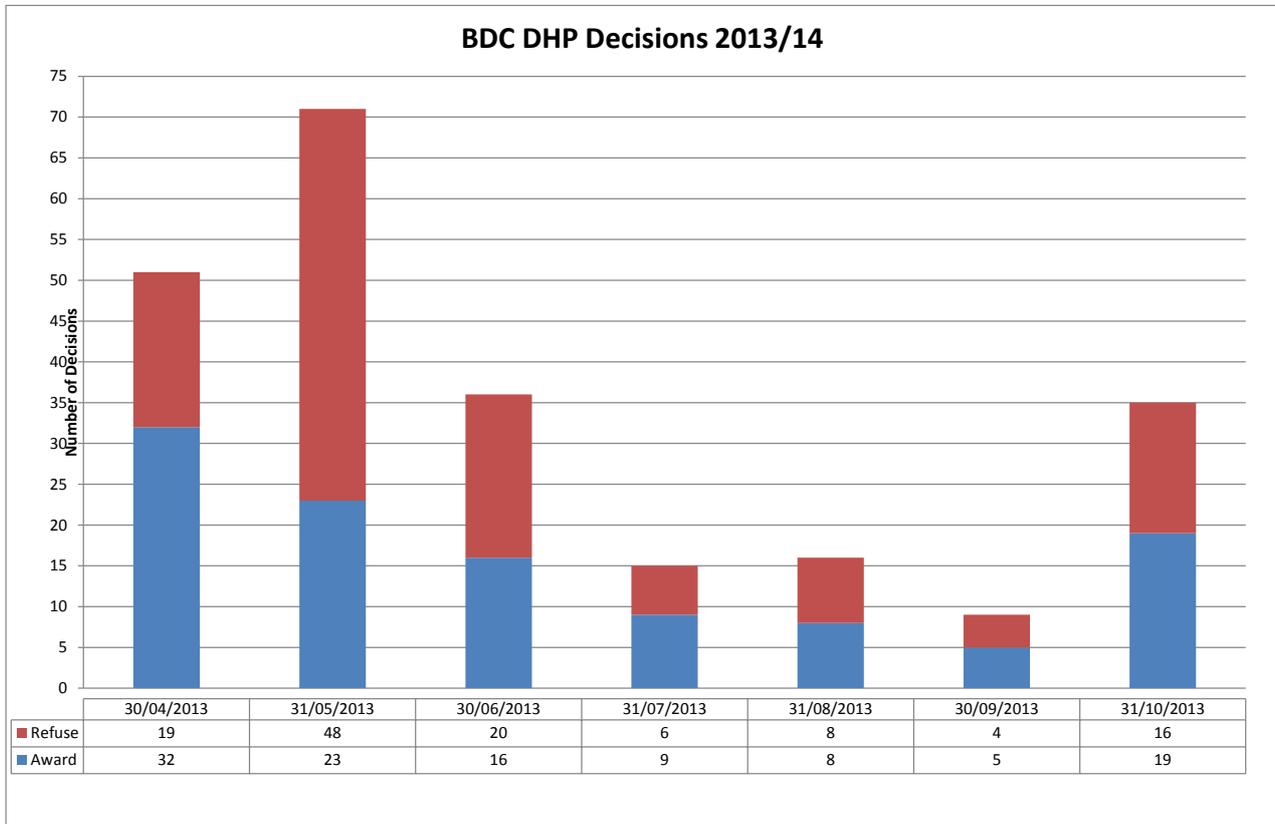
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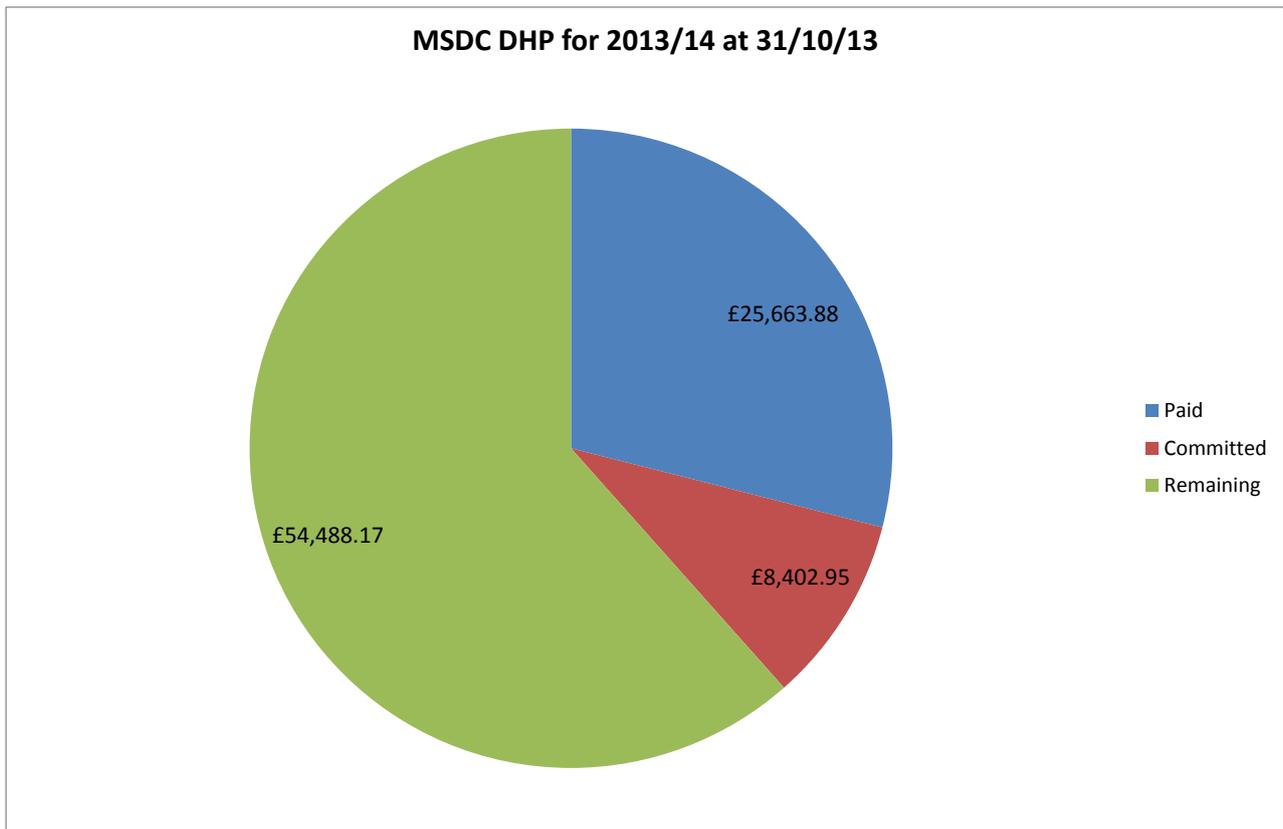
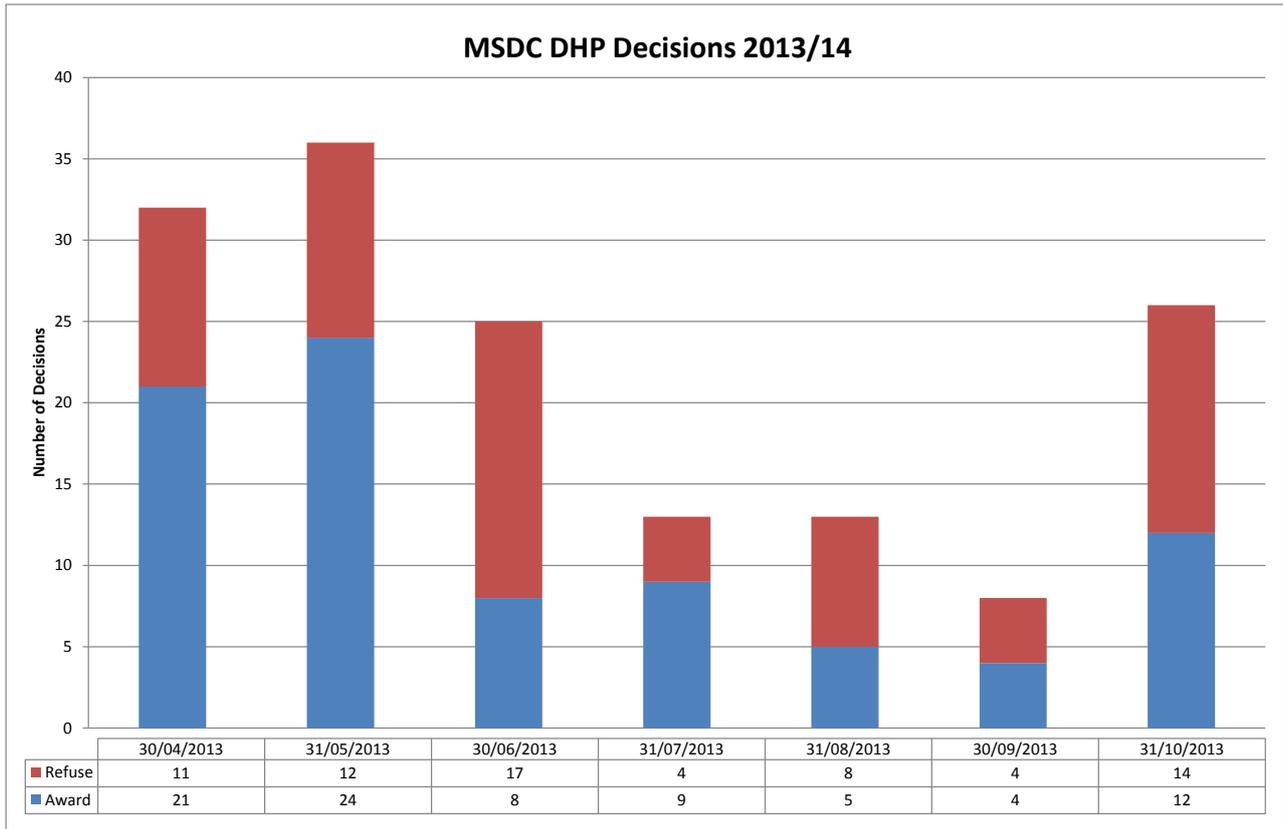
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SRP Discretionary Housing Payments

Babergh



Mid-Suffolk



Babergh and Mid Suffolk Joint Scrutiny Review of the Impact of the Welfare Reforms Evidence from Citizens Advice Bureau (CAB's)

National Context

The CAB's operate within the National Association of Citizens Advice Bureaux which includes the national Welfare Reform Programme established specifically to mitigate the impact of welfare reform on clients. The programme was created in the expectation that the reforms would impact hundreds of thousands of people and generate additional demand on CAB's as a result. Nationally a third of CAB advice is about benefits and therefore the expectation is that over 90% of 700,000 benefit claimants will be impacted by the changes and approximately 33% of all CAB's clients.

Local Context

For the CAB's there has been a steady increase in clients requiring benefits advice and assistance, with local trends reflecting national ones. CAB's have recently introduced a national database for clients allowing the extraction of Local Authority data for residents using a CAB. From September 2013 all local CAB have operated under the new database so that the statistics provided below cover an 11-week period across 5 Suffolk CAB's. (Please note that statistical data during the transition phase is provisional but illustrative of advice trends).

Welfare Benefits: Currently 30.5% of bureau work relates to Welfare Benefits of which 71% and 29% of enquiries are from Mid Suffolk and Babergh residents respectively. The main benefits issues raised were Employment and Support Allowance (155), Job Seekers Allowance (115), Tax Credits (103) and Housing Benefit (102).

- *Employment and Support Allowance (ESA):* Mandatory Reconsiderations were introduced from 28th October 2013 meaning that clients can no longer appeal a benefit decision immediately but must first request a Mandatory Reconsideration. During the reconsideration period the ESA payments are suspended leaving clients without an income and forcing claimants to apply for Job Seekers Allowance (JSA). At this preliminary stage case law has not been developed and there is no evidence of how Job Centre Plus (JC+) will handle these claimants and therefore the impact on our clients.
- *Job Seekers Allowance (JSA):* Benefit sanctions are having a significant impact on local CAB clients and families, being the main reason for issuing emergency food parcels. Since 22nd October 2012 a claimant can have their JSA stopped or reduced due to misconduct for a fixed period of 4, 13, 26 or 156 weeks. The length of the sanction depends on the nature of the misconduct and how many prior sanctions have been imposed. Misconduct ranges from failure to attend an interview/appointment or actively seek work to failing to take up an offer of work. .

Case Study: The client was a 48 year old single man claiming JSA. In October the client misunderstood a letter from JC+ requesting he attend an interview in Ipswich thinking it referred to an ESA medical (no longer required as he was claiming JSA). Consequently he was sanctioned for 13 weeks and received "Hardship Payments" at a reduced rate of JSA (Standard JSA is £71.70 per week). He was asked to attend a work programme interview in Ipswich on 21.10.13 but, due to the lack of money for the train fare, did not attend (although the fare would have been reimbursed in due course). He notified JC+ Stowmarket but was advised that he would be sanctioned again and risked a sanction period exceeding 13 weeks. The CAB provided this client with an emergency food parcel, fuel voucher (as he had no electricity) and £2 (from a charitable trust) for his bus fare home. .

Housing Benefit: The single room subsidy has impacted some local CAB clients. For a client presenting this issue the CAB will check the assessment is correct and look at methods to manage this (if incorrect then contact is made with the Local Authority for resolution). In addition the client's income and expenditure is reviewed to check they have the financial resources for additional rent and council tax payments. Where there is surplus income clients are encouraged to start making payments and look at smaller rented properties. In the absence of any surplus funds, clients are assisted in exploring other options to maximise their income (lodger, other benefits) and/or reduce their outgoings including applications for Discretionary Housing Payments. In the situation of rent or council tax arrears the CAB will set up repayment plans and highlight to the client the importance of arrears payments. It should be noted that local CAB's have dealt with 2 client enquiries (benefit caps) of this nature in the 11 week period.

Debt: For local CAB's 22% (646) of enquiries were for debt related issues with 41% of this involving Babergh residents and 59% Mid Suffolk residents. The most common priority debts dealt with by the service were Council Tax debt (76) and Rent Arrears (51), with 55% of clients having debts to the Local Authority, 12% to Housing Associations and 33% to Private Landlords. It is noted that the CAB's are seeing a slow increase in fuel related debts (which is likely to continue and accelerate), and higher levels of debt caused by unsecured loans and credit, store or charge cards. The early signs are that welfare reforms are breeding and will breed greater personal debt which, as research demonstrates, negatively impacts family cohesion, health and well-being, and beyond. Increasingly the CAB's are dealing with the presenting problem of benefits and/or debt, compounded by wider problems with employment, budgeting, housing and family breakdown. A consequence of this is that issues of homelessness and threatened homelessness have started to increase with approximately 20-25% of housing issues being related to this. The expectation is that this will continue to rise. Other contributing factors to the level of council tax and rent arrears include under occupation and benefit sanctions (as highlighted above) which leads clients to direct their limited income on food as opposed to other priority bills.

Local Welfare Assistance Scheme (LWA)

The CAB's act as open gateways for the LWA Scheme and since their participation have observed a number of concerning trends. It has been noticeable that the Scheme has brought people into the CAB that would not otherwise have used the service, and demand for help in applying (primarily for food vouchers/parcels) has more than doubled in 2013/14. Though for emergency use, it is becoming more evident that individuals and families are returning for this assistance and qualitative trends show that even the 'soup kitchens', traditionally serving single homeless people, are increasingly serving children and families as well. The issue for CAB's in this is not benefit changes alone but also the decrease and/or loss of other voluntary services available to refer or signpost people to. It is also worth noting that 85% of clients requesting assistance under the LWA and local schemes gave the reason as benefit delays/sanctions/shortfalls.

Financial Capability

The CAB's substantial experience in dealing with debt and money advice has helped to inform the growing area of financial capability services. CAB experience and research evidence highlights the lack of basic skills and knowledge people have in managing their household budgets and the problems specific groups face in relatively simple tasks e.g. setting up a bank account. Whilst the introduction of Universal Credit has been delayed in the county, the evidence of a CAB national impact report in 2013 showed that 50% of CAB clients would be 'universal credit relevant' (i.e. affected by the introduction of universal credit) and of these 92% would need assistance with the transition. In particular 85% (of a 1700 client sample) were shown to need help in more than one area of financial capability (e.g. monthly budgeting, banking, getting online) and 38% as needing assistance in all areas of financial capability. Both the qualitative and quantitative evidence in debt and money advice underpins the CAB view that when clients migrate to universal credit their problems will include:

- The lack of financial capability skills
- The change to monthly payments
- The possible reduction of those payments across the household
- The issue of a single household account (e.g. in cases of domestic violence)
- The problem for some with online applications (e.g. language and resource issues)
- The continuing need for assistance with making applications or challenging decisions
- The requirement of a bank account and how to choose the correct product
- The corresponding increase in debt (particularly unsecured loans)

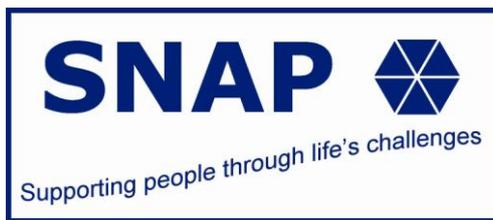
Conclusion

The CAB's have been working closely with the Shared Revenues Partnership and recently agreed a Good Practice Protocol in relation to Council Tax Arrears. However our longer term concerns are that the impact of welfare reform will include increasing risks to more vulnerable members of the community; bring risks of overcrowding and homelessness; are already increasing the risk of debt and money related issues (which in turn affects family relationships); and bring increased demands for emergency assistance through local welfare and wider resources.

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Welfare reform impact on service and clients (Suffolk-wide)

Total Referrals:

April 2012 – October 2012	1008
April 2013 – October 2013	1356

35 % increase in demand – no increase in resources

Calls to the service resulting in advice and/or signposting compared with the same period have increased 96%. (These are calls that can take a similar amount of time as referrals but do not result in a referral being passed to the Floating Support providers.)

It is not possible to attribute the increases to the welfare reforms as the data we are required by our funders to collect does not include these as factors. We can only report that the increase in demand for our services since the introduction of the welfare reforms has increased substantially more than in comparison with other years.

Extracts from three case studies involving clients in Babergh and Mid-Suffolk

CA is in a two bedroom property that she originally shared with her elderly parents, who have since passed away.

She has learning disabilities but managed to find a part time job which was a bus ride away.

She claims HB to assist her in paying the rent. She recently had to take time off sick and was on SSP, and has been unable to keep up with her bills.

She has prioritised her rent and council tax but has fallen behind with her utility bills due to lack of funds.

We have discussed the need to move but she has memories of her parents in that house and is settled, so is keen to stay where she is. She does not understand the exchange process and feels that she will not be able to find anywhere in the area she currently lives in, and that it is likely to need decorating etc which she doesn't feel able to do.

TB is in a three bedroom house with her daughter.

She is disabled and cannot manage the stairs.

She has not made any payments towards her rent since its implementation in April.

She is on Gateway to Homechoice and due to her medical conditions, has been given a band A, and they are assisting her with the bidding.

She has not yet been able to make any bids, however, as she has narrowed down her criteria to a bungalow within a couple of streets of where she currently lives, as her friends and support network are in this area.

She also says she cannot afford to pay removals costs. Her rent and council tax arrears are increasing.

DH's rent arrears began at the start of the April Welfare Reform housing benefit changes as she lived in a two bedroom property (moved in November 2012).

She had been signed off work with illness until November 2013. (zero hours contract)

DH had not been making any council tax payments or any payments towards her other debts.

Discretionary housing payment was requested and awarded (£593.84), lowering the rent arrears and reducing the amount of monthly payments (£30.00p.m) to a manageable amount, thereby reducing the threat of eviction.

DH registered on Gateway to Homechoice to move to a more affordable property if her health did not improve.

Central Access Referrals Agency (CARA)
2012 and 2013

