

Report to Housing Scrutiny Panel

Date of meeting: 29th March 2013

Portfolio: Housing – Cllr D. Stallan

**Subject: Welfare Reform Mitigation Action Plan
Quarterly Progress Report**

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Recommendations:

That the latest Quarterly Progress Report on the Welfare Reform Mitigation Action Plan, as at 1st March 2013 (attached as an Appendix), be considered and that any comments on progress be provided to the Housing Portfolio Holder and Director of Housing.

Background

1. On 8 March 2012, the Welfare Reform Act 2012 received Royal Assent, legislating for the biggest change to the welfare system for over 60 years. The Act has many implications for the Council and residents in the District. Some of the welfare reform changes have already been introduced, but the majority - and the most far-reaching - will be implemented from April 2013.

2. In order to understand the effects of the reforms, and to help the Council prepare for the changes, the Council commissioned the Chartered Institute of Housing (CIH) to undertake a major study into the impact and implications of the welfare reforms on the Council, Council and private tenants in the District and homelessness in Epping Forest, as well as to make recommendations on how the Council should respond to the changes, for the benefit of both the Council and residents. In September 2012, representatives from the CIH gave a Presentation on the Key Findings from the Study and their recommended response to the welfare reforms, to which all Members of Council and senior officers were invited.

3. The CIH estimated that the total loss in housing benefit and other welfare benefits to both Council and private tenants in Epping Forest, as a result of the welfare reforms, will be around **£1.1million per annum**. In addition, the direct financial impact on the Council itself was estimated at between around £240,000 and £460,000 per annum. These losses in residents' income are in addition to the anticipated £1.2m loss arising from the introduction of the new Local Council Tax Support Scheme from April 2013. In addition, the CIH identified that as a result of these reduced welfare payments, there is likely to be a significantly increased amount of homelessness for the Council to cope with.

Welfare Reform Mitigation Project Team and Mitigation Action Plan

4. In view of the significant effect that the welfare reforms will have on the Council and residents, a Welfare Reform Mitigation Project Team was formed in September 2012, chaired by the Director of Housing and comprising officers from across the Housing Directorate and the Benefits Division, to consider and implement ways that the effects of the welfare reforms can be minimised – or at least reduced.

6. The Project Team formulated a Welfare Reform Mitigation Action Plan, which was adopted

by the Cabinet in October 2012. The Action Plan identifies around 60 separate actions, with lead officers and target dates provided for each action, under the following 7 themes and associated key objectives:

Theme	Key Objective
Strategic	To ensure that a strategic and corporate approach is taken to mitigate the effects of welfare reform, including good data management
Information to Residents and Advice Agencies	To ensure that residents are provided with accurate, useful and timely information, advice and support on the welfare reforms; how they may be personally affected; and action they can take to mitigate the effects
Reducing Under-occupation	To minimise the under-occupation of Council properties by working-age Council tenants in receipt of housing benefit, and to endeavour to assist under-occupying Council tenants to move to smaller accommodation if they wish
Reshaping Service Delivery	To change services, or introduce new services, to assist the Council and residents to mitigate the effects of the welfare reforms
Minimising Homelessness	To minimise the numbers of households who become homeless as a result of the welfare reforms and to assist such households to minimise the resultant effects
Council's Financial Management	To identify and minimise the financial cost and effects of the welfare reforms on the Council as an organisation, and to ensure that appropriate budget provision for the additional costs are made within the HRA Financial Plan
Staff Training and Communication	To ensure that all relevant staff are aware of the welfare reforms, the effects on residents, the Council's response to the reforms and ways that residents can mitigate the effects on themselves

7. In addition to progress with the Action Plan being monitored at officer level by the Mitigation Project Team, the Cabinet also asked the Housing Scrutiny Panel to monitor progress with the delivery of the Action Plan at its quarterly meetings.

Progress to date

8. The first Quarterly Progress Report on the Welfare Reform Mitigation Action Plan was presented to the Housing Scrutiny Panel at its last meeting, in January 2013. The latest Quarterly Progress Report, as at 1st March 2013, is attached as an Appendix. As can be seen, good progress continues to be made to date in delivering the 59 actions of the Action Plan.

9. The key points to note within the latest Progress Report on the current position and progress are as follows:

- As at February 2013, there are **391 under-occupying Council tenants affected by the Bedroom Tax** (298 under-occupying by 1 bedroom and 93 by 2 bedrooms). In addition, 147 housing association tenants are under-occupying by 1 bedroom and 29 by 2 bedrooms
- In December 2012, the Government unexpectedly announced that, instead of introducing the **Benefit Cap** in April 2013, for everyone, it **would be introduced in**

only 4 London Boroughs from this date. It will then be rolled out in all other districts before September 2013

- The DWP & Benefits Division have established that **78 households in the District will be affected by the Benefits Cap** as follows (59 households comprise lone parents with children and 24 comprise couples with children):

EFDC tenants – 15
HA tenants – 11
Private tenants - 52

The estimated total loss of benefits will be around £4,950 per week (£257,000 per annum). The average loss in benefits for these 78 households is as follows:

EFDC tenants - £51.56 p/w
HA tenants - £30.07 p/w
Private tenants - £73.94 p/w

The highest loss by a household will be around £210 p/w. 13 claimants will lose more than £100 per week. 12 claimants will lose less than £10 per week. **4 claimants (all EFDC tenants) will lose all their housing benefit.**

All 15 EFDC tenants affected have been written to, offering for their Housing Management Officer to visit them at home and provide advice to mitigate the effects, as well as information on the effects of the Council's proposed new Local Council Tax Support Scheme on them. Around half have requested visits. Housing Management Officers will be "cold visiting" on the remaining tenants to provide the advice, all of whom will have children and are likely to be at home.

- An updated **Housing Service Strategy on Under-occupation has been agreed** by the Housing Scrutiny Panel and the Tenants and Leaseholders Federation has been consulted. It will be signed off by the Housing Portfolio Holder, once the Cabinet has agreed the new Housing Allocations Scheme. An internal appointment has been made to the new post of Housing Underoccupation Officer, who is due to commence on 11th March 2013.
- As at 15th February 2013, **183 out of a possible 389 visits (47%) had been undertaken to EFDC tenants affected by the "bedroom tax"**, including everyone who responded to the original letter, plus others from follow-up contact. Of those visited to date:
 - (a) 21% of tenants had expressed an interest in downsizing
 - (b) Around half wanting to downsize are seeking 1 bed accomm, with the remainder seeking 2 bed accomm.
 - (c) No tenants had expressed an interest in taking in a lodger.
- It is now expected that the **earliest that the direct payments of Universal Credit (including the housing benefit element) will be made to claimants in Essex will be March 2014** – even then, will only be for new single claimants. Others will be phased in thereafter.
- The **Cabinet has agreed to provide the requested funding of £67,900 to the CAB to appoint 2 full-time Debt Advisors for 18 months** (including attendance of an advisor at the Limes Centre for at least one half day each week). The Leader of Council has also given an interview on BBC Essex Breakfast about the funding

- The Cabinet has agreed that part of the **CLG's funding for homelessness prevention for 2013-2015 should be used to appoint an additional Homelessness Prevention Officer**. The post is currently being advertised.
- The Benefits Division has **formulated a Draft Discretionary Housing Payments (DHPs) Policy**, which is currently with the Finance Portfolio Holder for consideration, prior to formal sign-off by her. The Draft Policy includes the use of DHPs for rental loans etc.
- The Housing Scrutiny Panel has recommended to the Cabinet **that some of the Housing Improvements and Service Enhancements Fund for 2013/14 be used to meet all the HRA costs to deliver the Mitigation Action Plan**.

10. The table below gives a summary of the overall progress to date with the delivery of the Mitigation Action Plan, compared with the position when progress was considered by the Housing Scrutiny Panel at its last meeting in January 2013. As can be seen, around half of all the tasks have either been achieved or nearly achieved, with around a third of all tasks either not yet being required or no longer required:

Summary of Progress				
Progress	Current Position		Position reported to Housing Scrutiny Panel - January 2013	
	No.	%	No.	%
Achieved	24	41 %	16	27 %
Almost Achieved	4	7 %	6	10 %
Good progress made	12	20 %	13	22 %
Limited progress made	1	2 %	1	2 %
Actions not yet required	13	22 %	18	31 %
Actions no longer required	5	8 %	5	8 %
Totals	59		59	

11. The Housing Scrutiny Panel is invited to consider the Quarterly Progress Report and provide any comments on progress to the Housing Portfolio Holder and Director of Housing.