

---

**Overview and Scrutiny**

**IMPACT OF WELFARE REFORMS IN HARROW**

**A report by the Welfare Reform Scrutiny Review Group**

May 2016

---



## **Contents**

|                        |         |
|------------------------|---------|
| Chair's Foreword.....  | Page 3  |
| Scope of Review.....   | Page 4  |
| Executive Summary..... | Page 4  |
| Methodology.....       | Page 5  |
| Executive Summary..... | Page 5  |
| Context.....           | Page 7  |
| Membership.....        | Page 17 |

## **Chair's Foreword**



On behalf of the Welfare Reform Scrutiny Review Group, it is a pleasure to present this report to you.

The welfare reforms have had a major impact on the lives of those living and working in Harrow, and the ways in which the Council and its partners respond to this is critical.

The recommendations made in this report address a wide range of issues raised throughout the Review, from Council Tax Benefit right through to procurement practices.

I wish to take this opportunity to thank the many officers who attended meetings, prepared briefings, presentations and provided critical information often at very short notice; and the many agencies and partners who gave up their time to contribute to this Review in such a meaningful way.

For me, the most rewarding part of the Review was meeting with the service users to hear their individual and collective stories of how the welfare reforms are affecting their everyday lives. The tenacity and courage they showed was an inspiration, and it is my hope that if the recommendations we have been made can be implemented, that they will make a tangible difference to their lives.

And finally a sincere thank you to the members of the Welfare Reform Scrutiny Review Group for their perseverance and dedication, committing to a number of meetings in order to cover this vast and challenging area, undertaking research, and getting out into the community to hear from those affected first hand.

A handwritten signature in cursive script, appearing to read 'P. Fitzpatrick'.

**Pamela Fitzpatrick**  
Welfare Reform Scrutiny Review Group Chair



## Scope of Review

To understand the experiences of benefit claimants and those who have needed to claim benefits in the past or may need to in future.

To understand what services are available and what policies are in place to help people come off, live better on, or avoid needing benefits and how effective they are.

To propose robust recommendations which if accepted and implemented by Cabinet, will help people come off, live better on, or avoid needing benefits.

## Executive Summary

Local Government is facing an increasingly challenging financial situation with funding having been cut significantly in recent years. The Government has introduced a radical package of welfare reforms which is likely to have an impact on many thousands of households across the capital; and London has been hit hard due to the high cost of accommodation in the city. The likely consequences of the reforms are contested and hard evidence is only now beginning to emerge.

The Welfare Reform Act 2012 saw the start of significant reform to welfare provision in Britain. The Conservative government has continued this reform programme with the welfare announcements made in the summer budget of July 2015 and the Welfare Reform and Work Bill.

The welfare reform programme has changed over time, but can be said to have four key themes and intentions:

- a number of out of and in work working age benefits to be replaced by Universal Credit to simplify and improve work incentive
- transfer of claimants from benefits related to disability or illness through a reassessment of work capability, extending work conditionality to a wider group of claimants; conditionality has also been extended to lone parents with youngest children over the age of 5
- a single welfare to work programme for the most disadvantaged (the Work Programme), in which the risk of underperformance has been absorbed by contractors to an unprecedented degree
- an ongoing programme of reduction in coverage and value of working age benefits.

The welfare reforms implemented at the point of starting this review included:

- restricting the annual uprating of many working age benefits to 1%
- lowering the rates for Local Housing Allowance
- the Benefits Cap
- means testing Child Benefit
- limiting contribution based employment and support allowance
- the Social Sector Size Criteria
- replacing Council Tax Benefit with Council Tax Support
- restrictions on Working Tax Credits
- raising the deduction rate for non dependents

In addition, a number of other reforms were implemented from April 2016 or are being gradually implemented over several years, including the selection below. Other reforms are planned for introduction in subsequent years:

- housing benefit backdating: for four weeks maximum, down from three months
- benefit freeze: working age benefits, including tax credits and Local Housing Allowance (not maternity allowance, maternity pay, paternity pay and sick pay) – for four years

- Benefit Cap reduction: to £23,000 in London
- Personal Independence Payment migration: There is an ongoing process of reassessing Disability Living Allowance claimants and transferring them to Personal Independence Payment. As part of this process, a quarter will not be eligible for any Personal Independence Payment and many others will see their payment reduced.

The increased use of sanctions was also discussed in detail throughout the Review.

The Welfare Reform Scrutiny Review Group was established in August 2015 and due to the area of welfare reform being both vast, complicated and fast moving, it sought to focus on the Benefit Cap and low pay, and the impact these specific areas were having on the local population. The Group's aim was to understand what the Council and its partners and stakeholders could potentially do better to improve the lives of those who may be adversely affected and enable them to come off, live better on, or avoid needing benefits.

Several key themes emerged during the course of the Review including the barriers to employment and improving the employment prospects faced by those where English was not their first language. Harrow is proud of being a diverse Borough, but it is important to recognise that with this diversity comes particular challenges, and this was one such challenge which, although not unique to Harrow, became apparent as a key issue in the Review.

Another key area investigated was the impact that Harrow Council could have in relation to its pensions fund investments and procurement practices and a number of recommendations have been made around potentially gaining Living Wage accredited status for the Borough.

The recommendations from the Review seek to address the key issues raised by Service users and expert witnesses.

## Methodology

**Literature Review** – Each member researched a number of written sources, (briefings, government papers, articles etc.) and set aside one meeting in the Review to feedback and discuss the available literature.

Three **Challenge Panels** were held, with internal officers and external organisations being invited to provide expert opinion on the subject areas

An “**Out and About**” **phase**: where members visited organisations and service users in the local community, to gain further insight into the effect that the welfare reforms were having on the local population.

The Group formed recommendations after each stage of the Review and these are outlined below.

## Recommendations

*Please note the context around each recommendation is set out further on in the report.*

1. Harrow Council should ensure that sufficient provision remains in place for residents who will struggle to complete transactions with the Council using the internet and set out robust measures for determining if this is being achieved
2. Harrow Council should ensure that residents are able to transact with Harrow Council about their Council Tax using email, rather than simply by post
3. Harrow Council should record first or preferred languages for people with poor English and explore the use of vetted volunteers to translate information relating to debt and support options into first languages where required
4. Officers to investigate ways of ensuring that appointments are not automatically cancelled through failure to respond to a confirmation email (often due to lack of regular internet access)

5. Harrow Council to contact residents who are likely to be affected by the reduced Benefit Cap at the earliest possible opportunity and often thereafter, ensuring a joined up package of support across departments and organisations is provided; this should go beyond sending letters and be tailored to the needs of the individual households
6. Harrow Council should ensure that housing officers and other relevant officers are trained to understand how best to work with clients in order to encourage them to recognise and address debt issues at the earliest opportunity. This includes behavioural aspects and how and when to engage to achieve the best outcome
7. All households affected or likely to be affected by the Benefit Cap to be offered a referral to a relevant voluntary sector organisation for holistic financial advice to maximise income, reduce outgoings and deal with emergencies and priority debts
8. Undertake a journey mapping exercise to understand the experiences of people using information and advice services to inform Harrow Council's information, advice and advocacy strategy development. This could include a focus on Care Act related services as they are relatively new services
9. Harrow Council should ensure that letters regarding Council Tax arrears are easy to understand and more supportive, and not threatening, in terms of the language used. They should include details of the local Citizens Advice and other relevant organisations that may be able to offer assistance and how residents can appeal decisions made by Harrow Council
10. Harrow Council should consider whether to provide a Discretionary Housing Payment to all those who are applying for a Benefit Cap exemption benefit (e.g. Personal Independence Payment) until the outcome is known
11. Officers to monitor how many Council Tax support claimants are subject to legal proceedings each year, and to report back on this to the Performance and Finance Scrutiny Sub Committee
12. Officers to investigate signing up to the best practice protocol, produced jointly by the Local Government Association and Citizens Advice, on collecting Council Tax arrears
13. Vulnerable clients (as defined by the Council's Vulnerability Policy) to receive more proactive support with debt or money related issues at an early stage when they become known to Harrow Council
14. Monitor how many people who receive an Emergency Relief Scheme award are subject to the Benefit Cap and use this intelligence to understand what is driving emergency needs and how best to respond to it
15. Make the Council's policy on the allocation of Discretionary Housing Payment available to all relevant voluntary and community sector organisations
16. Harrow Council to ensure that departments share information about households to better understand, for instance, the impact of housing, debt or poverty issues on other needs, outcomes and services. This information should be used to improve the way services are delivered to individual families and build business cases for wider change
17. Encourage schools to be aware of good practice in relation to identifying families at risk of homelessness and helping them to prevent this by signposting when possible
18. Investigate whether concerns expressed about the potential for carers to have to give up responsibility for caring for people (who don't live with them), with subsequent additional costs for the local authority, are actually happening

19. The Leader of the Council to write to the relevant Minister to request that the Government reduce the time taken for information about changes in benefit entitlement to be communicated to Harrow Council, to enable timely payment of appropriate benefits to residents. Officers to provide data to substantiate this claim
  20. Harrow Council should undertake a quicker assessment of housing benefit claims and reassessment in response to changes in income (people on zero hours contracts, moving in or out of work, or self employed etc.)
  21. Investigate how often housing benefit forms are returned to applicant because they are not completed properly, and whether anything needs to be done as a result
  22. Investigate whether Harrow Council and its partners could do more to support victims of domestic abuse who have left the abuser and are living in unaffordable temporary accommodation, or are not leaving for financial reasons. This should include clarifying the scale of such issues
  23. Recommend to the Pension Fund Forum that it considers participation in the Investor Collaborative by signing joint investor letters; selecting particular companies for deeper engagement (i.e. at AGMs); and speaking directly to Asset Managers about areas of concern
  24. Officers to consider the Social Value weighting in procurement to determine whether there is any scope for extending this beyond 10%, or any way of expanding/ clarifying the questions for this section of the tender documentation to encourage companies to pay the living wage and to see this as a positive move
  25. That the issue of low pay is identified in Harrow Council's Corporate Plan as a priority area for tackling in Harrow – this will allow Procurement colleagues to identify low pay as a particular issue in the Social Value section of the tendering documentation
  26. Officers to contact the Living Wage Foundation with a view to getting advice towards Harrow Council becoming Living Wage accredited, and how to tackle the issues it faces in this (around contractors paying the Living Wage in particular)
  27. Officers investigate whether there are any London Borough's comparable to Harrow that are Living Wage accredited, and if so to have a discussion with them to gain information as to how they have managed this.
- Note: London Boroughs currently accredited are Brent, Camden, Lambeth, Croydon, Ealing, Enfield, Hounslow, Islington, Lewisham, Southwark, Tower Hamlets, Greenwich and City of London.*
28. Officers to investigate ways of highlighting workers' rights to particular areas of the community (ie those who do not speak/ understand English well)
  29. Officers to investigate ways of extending access to ESOL (English for speakers of other languages) classes in the Borough
  30. Officers to investigate opportunities for upskilling start up businesses in financial management
  31. Officers to investigate Camden Council's pilot into utilising flexi working in apprenticeships to enable young parents to take up places, and to assess as to whether a similar project could be run in this Borough
  32. Officers to undertake pilot research on the prevalence of payment below the minimum wage and National Living Wage, with a focus on high risk sectors and apprentices.



## Context

### Benefit Cap – Meeting of 19 October 2015

The Benefit Cap was announced by the government in the 2010 spending review as part of its strategy to reform welfare for people of working age; the rationale being that work is the best route out of poverty and whilst income is important, poverty is about more than income in isolation, it is about lack of opportunity and being caught in a cycle of deprivation. The government's aim was to strike the balance between increasing incentives to work, introducing greater fairness, making financial savings, all whilst continuing to protect vulnerable claimants for who work is not an option. The Benefit Cap sets a limit on the total amount of benefits that working age households can receive so that, generally, households on out of work benefits will not receive more in welfare payments than the average weekly wage. As announced in the Queen's Speech 2015, the Benefit Cap will be lowered from £26,000 to £20,000 (£23,000 in London), capping the amount a household can receive at £442 per week, down from £500. A single person without dependent children is currently capped at £350 per week.

Implementation of the Benefit Cap in **Harrow** commenced in August 2013. 282 households (of approximately 90,000) were capped in July 2014, and there has been a gradual decline in the number of households capped, since the October 2013 peak at 353.

**Benefits and tax credits** (with the exception of working tax credit and housing benefit for those living in supported accommodation) that provide an out of work income for adults, or support for children and housing are **taken into account** in applying the Benefit Cap (including child benefit, child tax credit, housing benefit, incapacity benefit, income support and job seekers allowance), and where the household's total amount of benefit income exceeds the Cap, the local authority will reduce the household's housing benefit by the amount of the excess. Legislation specifically **excludes state pension and pension credit**, as the policy is aimed at working age people; it also excludes one off payments, non cash benefits (including free school meals) and payments not made by the government (including statutory sick pay). Working tax credit and some **disability related benefits** are also **exempt** from the Cap and an exemption also applies if the claimant or their partner has been in employment for at least 50 weeks out of the 52 weeks before their last day of work.

The Review Group heard **evidence** from:

- Megan Jarvie – Child Poverty Action Group,
- Jo Silcox – Harrow Law Centre,
- Susan Kearney – Citizens Advice,
- Raksha Pandya – MIND in Harrow,
- Councillors Sachin Shah – Portfolio Holder for Finance and Major Projects,
- Cllr Glen Hearnden – Portfolio Holder for Housing,
- Jon Dalton – Service Manager for Housing Needs,
- Fern Silverio – Head of Collections and Benefits,
- Paul Hewitt – Divisional Director of Children and Young People Services,
- Charisse Monero – Head of Service for Troubled Families Transformation,
- Councillor Simon Brown – Portfolio Holder for Children, Schools and Young People,
- Mark Billington – Head of Economic Development and Research
- Victoria Isaacs – Project Manager – Xcite Project

Megan Jarvie from Child Poverty Action Group, advised that she worked on London wide campaigns and had recently authored research looking at the impact of the welfare reforms on the London population and further that she had undertaken work on the potential impacts of the reduction of the benefit cap. CPAG were lobbying the government on this Bill, with a particular emphasis on protecting children who will be disproportionately affected by the Bill on implementation. Megan provided a synopsis of the households affected by the Bill, in particular advising that only 15% of capped households were in receipt of Job Seekers Allowance, and so the remaining 85% had limitations in terms of seeking employment; with half of this cohort being lone parents with children under 5, and 10% being lone parents with children under 1. Childcare was a significant barrier in terms of these households entering employment. Megan cited the example of the London Borough of Brent where this had been identified as an issue and the council had

taken action to train child minders in certain areas of the Borough, which provided local employment opportunities as well as making childcare more accessible in areas where it was required most.

Jo Silcox from Harrow Law Centre provided an overview of the implications of the Benefit Cap in a national context and advised of the local position and in particular that the Benefit Cap was having a large impact in Harrow due to the large proportion of people living in private rented accommodation, the high rents experienced in temporary accommodation, and the high proportion of larger families in the Borough. She explained that there were also issues for those who were able to gain employment to contend with, including the inflexibility of the system, the high number of people on zero hours contracts (and the problems this creates when assessing entitlement when income varies) and long delays in establishing a claim for housing benefit and reassessment of benefits (especially housing benefit) when income varies. Jo advised that many of her clients were experiencing difficulty in accessing suitable properties, due to landlords not wishing to take on tenants in receipt of housing benefit, or demanding large deposits, or credit checks being required.

Susan Kearney from Citizens Advice raised the issue of people entering into zero hours contract jobs or self employment that did not prove to be very profitable, in response to those affected trying to gain access to employment as a means of getting out of the benefit cap; and Raksha Pandya (MIND) spoke through a number of cases MIND in Harrow had dealt with in relation to the Benefit Cap.

Jon Dalton summarised the action taken by his team prior to the introduction of the Benefit Cap, advising that they had contacted 700 households, but this number had been inaccurate and only around 200 households had actually been affected by August 2013. In Harrow, it was generally larger families who were affected by the Cap, so it was difficult to source alternative housing for them as they were more likely to have one or more child in a key stage of education; support was provided through Discretionary Housing Payments. Around 200 families were being supported, with around 50% of these from the original cohort. The introduction of the reduced cap would affect smaller households, and those in both housing association and local authority housing. The team had estimated that 400 additional families would be affected by the lowering of the cap, but this number may fall. It may be easier to find alternative housing for smaller households as they were less likely to have children in key stages of education, but in his view, the more effective way of assisting these households was through them gaining employment.

Fern Silverio advised that the Discretionary Housing Payment budget had been reduced, and that officers were not aware as to what the future allocation of this fund would be.

Councillor Shah continued that the Council's budget was currently projected to overspend and that this was mainly due to housing needs and homelessness; this was having an impact across the Council as all departments had to make further savings to mitigate against this.

Paul Hewitt advised that his Service did not collect data on the Benefit Cap but that there was a clear impact on families with the number of families requiring debt support having increased, and also the first response team are dealing with around five households a week affected by homelessness; and Victoria provided a synopsis of the services provided by the team. Work was undertaken on a one to one basis to ascertain individual needs, then officers would consider options, including job matching and CV workshops. In particular she outlined services offered for those with serious mental health conditions, in collaboration with the Central and North West London Mental Health Trust (CV writing, interview practice, help in assessing their skills and assistance in looking for local job opportunities). This was slow work but had moved people closer to the labour market, and one into one work so far, with work experience negotiated for others.

Mark Billington advised that the team had received funding from London Councils and European funding for an individual placement service for those with common mental health conditions; this was currently out to tender and he hoped to have the service in operation by January 2016.

#### “Out and About”

The Review Group undertook on the ground research to inform their deliberations. This was referred to as the “Out and About” phase of the Review. Councillors visited three local organisations (detailed below) to

talk to service users and staff about their experiences, circulated a written account of these visits to members of the Review Group and highlighted key points at the following meeting:

- MIND in Harrow
- Citizens Advice
- Harrow Association of Somali Voluntary Organisations

Further to the varied input from all in attendance, and the evidence gathered at the “Out and About” phase of the project, the Group made the following **recommendations**:

### **Customer Service**

Councillors visiting HASVO reported that the residents they met reported that they sometimes found they could not get access online when they attempted to use the My Harrow Account and when they telephoned through for support they were referred back to online services. It was also noted that many claimants of benefits asked their children to set up My Harrow Accounts and make appointments on their behalf.

Whilst only around 8% of Harrow residents do not have access to the internet either at home or at work, many others may not feel confident using the internet for transactions.

- 1. Harrow Council should ensure that sufficient provision remains in place for residents who will struggle to complete transactions with Harrow Council using the internet and set out robust measures for determining if this is being achieved**

A number of Councillors reported receiving correspondence from constituents who had emailed the Council regarding their Council Tax/ Council Tax Support, to be told that the email address was not being checked. Some report being advised to use the post instead. Case studies were provided to the Group.

- 2. Harrow Council should ensure that residents are able to transact with Harrow Council about their Council Tax using email, rather than simply by post**

Councillors who visited MIND reported that the service users they spoke to identified that it would be helpful if there were “letters from the Council which were written in their first language explaining the help that is available on debt management”

- 3. Harrow Council should record first or preferred languages for people with poor English and explore the use of vetted volunteer to translate information relating to debt and support options into first languages where required**

Councillors visiting HASVO reported that “many claimants of benefit do not have IT accounts. When someone offers them an appointment some of them have to use their children’s accounts to make this. The system is that two days before the appointment they have to confirm their attendance but because they’re using their children’s accounts they don’t hear about the appointment in time and therefore do not have a chance to confirm and they lose the appointment”

- 4. Officers to investigate ways of ensuring that appointments are not automatically cancelled through failure to respond to a confirmation email (often due to lack of regular internet access)**

Officers advised that in advance of the introduction of the Benefit Cap, the households that were thought likely to be affected were contacted by the Council to inform them and to ask them to make contact so that proactive support could be offered to improve their situation and prevent or minimise the negative consequences of the Benefit Cap upon the households. It was reported that this contact, whilst consuming resources, resulted in limited engagement from the households contacted and as such, the conclusion was arrived at that ‘it is not worth starting intensive casework too soon’. As such, the Housing Needs departments were not intending to contact households likely to be affected by the reduction in the Benefit

Cap until the implementation date was relatively close. This concerned Review Group members, who felt that residents should be given as much warning and support to change their circumstances as possible.

Citizens Advice related more positive experiences of past interventions to support those affected by welfare reforms and asked, “whether a council steering group could be set up to support the larger group of clients who may be affected (by the reduction in the Benefit Cap level) as they have been effective in the past.” The organisation asked that “the Council takes action to ensure that all households have sufficient advance warning of the cap to allow enough time for them to take action prior to being affected, using proactive communication, particularly where households have little current engagement with the Borough or a housing provider; housing associations could be effective allies in this work, but sufficient attention should also be paid to the private rented sector.”

- 5. Officers to contact people who are likely to be affected by the reduced Benefit Cap at the earliest possible opportunity and often thereafter, ensuring a joined up package of support across departments and organisations is provided; this should go beyond sending letters and be tailored to the needs of the individual households**
- 6. Harrow Council should ensure that Housing Officers and other relevant officers are trained to understand how best to work with clients in order to encourage them to recognise and address debt issues at the earliest opportunity. This includes behavioural aspects and how and went to engage to get the best outcomes**
- 7. All households affected or likely to be affected by the Benefit Cap to be offered a referral to a relevant voluntary sector organisation for holistic financial advice to maximise income, reduce outgoings and deal with emergencies and priority debts**

Harrow Law Centre told the Review Group that before clients of the Law Centre become known to them, “they have often been signposted from one agency to another without anyone managing to sort out the problem. Consequently the issue has often escalated to the point where they are facing homelessness. There is a need for early intervention and good quality casework advice rather than just signposting”.

The Review Group were concerned to hear this and keen that the Council determine the extent of such experiences.

- 8. Undertake a journey mapping exercise to understand the experiences of people using information and advice services to inform the councils’ information, advice and advocacy strategy development. This could include a focus on Care Act related services as they are relatively new services**

## **Finance**

Councillors who visited both HASVO and MIND reported how the residents they met found the letters from the Council about benefits and Council Tax debt to be harsh in their wording, citing repossessions, among other things. This was a source of stress and anxiety for these individuals. Moreover, it was felt that there was not enough advice from the Council on how to manage debt.

- 9. Harrow Council should ensure that letters regarding Council Tax arrears are easy to understand and more supportive, rather than threatening, in terms of the language used. They should include details of the local Citizens Advice Bureau and other relevant organisations that may be able to offer assistance and how residents can appeal decisions made by the Council**

Citizens Advice noted that some people may have the Benefit Cap applied to them during the period in which they are applying for, or awaiting the outcome of an application for, a benefit that would give them exemption from the Benefit Cap, for instance Personal Independence Payment. They proposed that the Council should make Discretionary Housing Payment available to all those in this situation.

- 10. Harrow Council should consider whether to provide a Discretionary Housing Payment to all those who are applying for a Benefit Cap exemption benefit (e.g. Personal Independence Payment) until the outcome is known**
- 11. Officers to monitor how many Council Tax support claimants are subject to legal proceedings each year**
- 12. Officers to investigate signing up to the best practice protocol, produced jointly by the Local Government Association and Citizens Advice, on collecting Council Tax arrears**
- 13. Vulnerable clients (as defined by Harrow Council's Vulnerability Policy) to receive more proactive support with debt or money related issues at an early stage when they become known to Harrow Council**

In 2015/16, Harrow allocated £200,000 to an Emergency Relief Scheme. Those who met the eligibility criteria are given a financial or in kind award for basic or essential goods that they could not otherwise afford. In 2015/16, the majority of spend was allocated to white goods and furniture.

Council Officers provided the Review Group with considerable information about the use of the Emergency Relief Scheme but only limited data was available on the characteristics of those who used the ERS. This included whether they were subject to the Benefit Cap.

- 14. Monitor how many people who receive an Emergency Relief Scheme award are subject to the Benefit Cap and use this intelligence to understand what is driving emergency needs and how best to respond to it**

In their written evidence, Citizens Advice noted that they “would like to have more clarity on the way the Discretionary Housing Payment budget is operated. Consideration of how decisions are made and if the criteria is fair would be helpful. We have seen cases where someone who has made repeated Discretionary Housing Payment applications and not moved has been turned down but their circumstances mean they are not able to move to somewhere more affordable.”

The Review Group considered that it was important for organisation such as Citizens Advice that provided advice services to people facing homelessness, to be clear on the Council's policy for the allocation of Discretionary Housing Payment and recommend that the Council rectify this.

- 15. Ensure Harrow Council's policy on the allocation of Discretionary Housing Payment is available to all relevant voluntary and community sector organisations**

#### **Children's Services**

Officers representing Children's Services explained that 'Targeted and Early Intervention Services' work with a number of families who are homeless for a variety of reasons, including the Benefit Cap. The First Response Team dealt with around five households affected by homelessness per week.

Many such families are offered temporary housing outside of Harrow in neighbouring boroughs, but due to having stable school placements and family and social networks in Harrow turn these offers down. The families are then considered to be 'intentionally homeless'. This results in families moving away from their communities and networks, creating isolation and disruption to children's education.

Officers further noted that the number of families requiring debt support had increased.

Data on the number of families who were in contact with Targeted and Early Intervention Services who were subject to the Benefit Cap had not been collected. The Review Group felt that it was important for officers to hold this information and use it both to identify and act upon trends and identify causal

relationships, and to ensure that individual support plans for families were tailored to their circumstances, working with other Council departments where appropriate.

- 16. Harrow Council to ensure that departments share information about households to better understand, for instance, the impact of housing, debt or poverty issues on other needs, outcomes and services. This information should be used to improve the way services are delivered to individual families and build business cases for wider change**

In relation to Homelessness, representatives of the Children and Families Directorate told the Review Group that in “some cases schools have been supportive, providing pastoral support, after school child care through the pupil premium to help with the challenge of being placed a significant distance from the school creates. This has enabled families to minimise the impact of homelessness on their children and to maintain some stability. In one case a young mother would bring her older child to their school in Harrow and spend the rest of the day in the Borough with a young baby as they could not afford the travel costs to and from Brent. In other cases schools have encouraged families to apply for schools in the borough they have been placed rather than retain a place in Harrow”.

Individual Councillors were also aware of schools that did excellent work identifying families who were at risk of homelessness and providing support to prevent homelessness.

The Review Group welcomed the support provided by schools to vulnerable families and would like to see support of the highest standard available through all schools to all families facing or experiencing homelessness. Officers stated that schools had no duty or capacity to identify or help families to prevent homelessness except to tell them who to approach.

- 17. Encourage schools to be aware of good practice in relation to identifying families at risk of homelessness and helping them to prevent this by signposting when possible**

### **Adult Services**

Harrow Law Centre informed the review that, “a person who is caring for another person and receiving carers allowance for their role is not required to...find work because it is recognised that they provide full time care for the relative. However, they are not exempt from the Benefit Cap. Therefore a person who becomes subject to the cap may find they must make the choice to give up caring for the disabled person to find employment to avoid the Benefit Cap. This obviously has the potential for a significant impact on the Local Authority”.

- 18. Investigate whether concerns expressed about the potential for carers to have to give up responsibility for caring for people (who do not live with them), with subsequent additional costs for the local authority, are actually happening**

### **Housing Support**

Harrow Citizens Advice reported that people “no longer subject to the cap because they have found work are reporting delays in getting the cap removed by Housing Benefit – we understand that this is because Housing Benefit have to wait to hear from the Department for Work and Pensions for authority to remove the Cap”. This was confirmed by Council officers. Citizens Advice expressed concern that “those people in receipt of Housing Benefit will face an enormous challenge to find another private sector home suitable for their family in London if they lose their home because of rent arrears.”

Councillors who visited HASVO identified a similar problem: “A large number of Somali clients are on Zero hours contracts and an advisor at the centre suggested this was around 70%. As a result they have a fluctuating income. This is difficult because they have to be assessed for benefit every month. They have to submit a payslip on a particular day of the month and then have to wait 4 weeks for this to be processed. Some months they have to pay back an amount assessed from the previous month and then they do not earn enough to manage on and have difficulty finding money for food”.

Harrow Citizens Advice also stated that “when changes of circumstances are reported to the Council (either being exempt from the cap or no longer exempt from the cap) their housing benefit is suspended and they are likely to fall into rent arrears or have an overpayment by the time the award goes back into payment”.

Harrow Citizens Advice provided the following case study on this topic: “In order to avoid the Benefit Cap she took on a zero hour job as a part time carer... she is juggling looking after mother and children and she was exhausted. Her reason for seeking advice was that her irregular hours were causing lots of problems with housing benefit. Housing Benefit had to be adjusted on a fortnightly basis, if not Housing Benefit would take an average and it would not be accurate. Client putting everything she could into rent payments to avoid arrears and she was under great financial stress (council tax reminder, utility debts)”.

Harrow Citizens Advice reported that they “have met several clients who appear to have been encouraged into self employment to avoid the Cap without realistic advice about whether their business plan is viable. Many clients have very little turn over and fail to build up a customer base and are living almost entirely on tax credits”. Further, they “are finding that Housing Benefit claims for those who have become exempt from the Benefit Cap through self employment is also a problem and can be interrupted for unusually long periods because people are not skilled in providing the information required by housing benefit. Forms appear to have to be returned fairly often for further information to be supplied”. As a result, Citizens Advice asked “whether short workshops could be held for people who move into self employment and will need to meet obligations”.

- 19. The Leader of the Council to write to the relevant Minister to request that the Government reduce the time taken for information about changes in benefit entitlement to be communicated to Harrow Council, to enable timely payment of appropriate benefits to residents. Officers to provide data to substantiate this claim**
- 20. Harrow Council should undertake a quicker assessment of Housing Benefit claims and reassessment in response to changes in income (people on zero hours contracts, moving in or out of work, or self employed etc.**
- 21. Investigate how often Housing Benefit forms are returned to applicant because they are not completed properly, and whether anything needs to be done as a result**

In their written submission to the Review, Harrow Law Centre argued that “The Cap as it stands particularly affected women fleeing domestic violence. There is currently no exemption from the Cap for temporary accommodation. We are concerned that those who do not access advice may be at risk of returning to a violent partner because they cannot afford to live in temporary accommodation”. The Review Group agreed that this if such instances are occurring in Harrow, this would indeed be concerning.

- 22. Investigate whether Harrow Council and its partner organisations could do more to support victims of domestic abuse who have left the abuser and are living in unaffordable temporary accommodation, or are not leaving for financial reasons. This should include clarifying the scale of such issues**

#### Low Pay – Pensions and Procurement – Meeting of 2 March 2016

As of April 2016, the government has introduced a higher minimum wage for people aged over 25, which it has called the ‘**national living wage**’. This legal minimum is referred to in the below text by its full name. Other references to the ‘Living Wage’ refer to a notional wage level, intended to represent the minimum pay needed for an employee to maintain an acceptable standard of living.

Outside of London, the Living Wage is linked to the ‘Minimum Income Standard’. London uses a different methodology. The **London Living Wage** is calculated by the Greater London Authority and is based on the average of two methodologies, plus 15% to protect against unforeseen events: Estimate of ‘Low Cost but Acceptable’ budget for various households to achieve adequate warmth and shelter, a healthy palatable diet, social integration, and avoidance of chronic stress. In 2015 this was £7.80; wage required to attain 60% of the median income for London (using different medians for different household types, then

weighting these in the overall calculation). In 2015 this was £8.60. If means tested benefit were not taken into account (that is, tax credits, housing benefits and council tax support) the Living Wage would be approximately £12.00 per hour.

In Harrow in 2015, 41.8% of jobs based in the Borough paid below the (London) Living Wage. The only higher figure was 41.9% of jobs paying below the (outside of London) Living Wage in West Somerset. Whilst this is not a comparison against the same benchmark, it can be considered a valid comparison as the Living Wage levels used are both supposed to reflect the cost of living etc. in each area, which clearly differ. The figure for residents paid less than the London Living Wage is 21.1% (2013/2014 average), reflecting that many of the people who live in Harrow do not work here; 21% of jobs based in Harrow in 2010 paid below the London Living Wage and Harrow has the largest percentage growth of low paying jobs of any London Borough (from 21.1% to 41.8%). Harrow's economy is made up of small businesses and SMEs rather than large multinational organisations. According to the Rowntree Foundation, minimum wage jobs account for 1 in 8 jobs in micro businesses and 1 in 20 jobs in large firms (250 or more employees).

The Review Group heard evidence from:

- Lisa Nathan – Share Action
- Treasury and Pensions Manager – Harrow Council
- The Divisional Director for Commercial, Contracts and Procurement at Harrow Council.

The following recommendations were formed as a result of this meeting:

Share Action made a case for the links between responsible investments and the living wage; in particular outlining the work which had been undertaken on lobbying investors at AGM meetings, and working with Asset Managers to promote the benefits of paying a living wage (the Investor Collaboration).

- 23. To recommend to the Pension Fund Forum that it considers participation in the Investor Collaboration by signing joint investor letters; selecting particular companies for deeper engagement (ie at AGMs); and speak directly to Asset Managers to raise issues of concern**

The Divisional Director for Commercial, Contracts and Procurement at Harrow Council advised the Group of the current practices in Harrow Council in terms of procurement. He advised that there was a social value weighting attributed to the process, and that this was currently 10% of the consideration in tenders. He expanded that low pay was not currently specified in the Council's Plan as a priority area, and if this was the case, he could include it specifically within the social value aspect of tenders in the future.

- 24. To request that officers consider the Social Value weighting in procurement to determine whether there is any scope for extending this beyond 10%, or any way of expanding/clarifying the questions for this section of the tender documentation to encourage companies to pay the Living Wage and to see this as a positive move**
- 25. To recommend to Cabinet that the issue of Low Pay is identified in the Council's Corporate Plan as a priority area for tackling in Harrow – this will allow Procurement colleagues to identify low pay as a particular issue in the Social Value section of the tendering documentation**

Councillors asked Lisa Nathan from Share Action for her advice in relation to how the Council could overcome challenges it faced in relation to becoming an accredited Living Wage employer. She suggested that the Council make contact with the Living Wage Foundation and have discussions with London Boroughs who have attained accredited status.

London Boroughs currently accredited are Brent, Camden, Lambeth, Croydon, Ealing, Enfield, Hounslow, Islington, Lewisham, Southwark, Tower Hamlets, Greenwich and City of London.



- 26. To request that officers contact the Living Wage Foundation with a view to getting advice towards the Council becoming Living Wage accredited, and how to tackle the issues it faces in this (around contractors paying the Living Wage in particular)**
- 27. To request that officers investigate whether there are any London Boroughs comparable to Harrow that are Living Wage accredited, and if so to have a discussion with them to gain information as to how they have managed this.**

During the course of discussion, Councillors raised concerns that there were particular pockets of the population in Harrow who were being taken advantage of as they were not aware of their rights, specifically due to language skills.

- 28. To request that officers investigate ways of highlighting workers' rights to particular areas of the community (i.e. those who do not speak/ understand English well)**

#### Low Pay – Enterprise – Meeting of 30 March 2016

As well as **reducing likelihood of being in employment**, the native immigrant **wage gap** in the UK attributable to having **English as an additional language** is about 26% for males and 22% for females. Non native speakers with a good command of English are three times more likely to work in higher professional jobs than those who struggle with English. England is the only UK nation not to have a national strategy for ESOL provision. Demand for **ESOL** (English for speakers of other languages) is increasing, but public funding – through Skills Funding Agency – has reduced 40% in the last 5 years. (The Joseph Roundtree Foundation paper titled Entry to, Progression in and Work). Over five million adults lack functional literacy and numeracy skills, and 11 million do not have basic digital skills. At the current rate of enrolment in learning, it would take 20 years to support all the adults that would benefit from help.

Members heard evidence from:

- Stephen Evans – Deputy CEO Learning and Work Institute
- Mark Billington – Head of Economic Development and Research
- Paddy O'Dwyer – Education Professional Lead and formed the following recommendations based on the evidence presented:

Through the course of discussion it was recognised that due to the make up of the local population there was a real demand for ESOL classes, and that this may be one way of breaking down barriers to people in low paid jobs improving their prospects, and for those not in work to gain employment. In answer to a specific question, Mark Billington stated that financial management was the biggest factor in start up business failure – but that Harrow did have the lowest failure rate in London (45%). Members also made reference to Camden Council's apprenticeship pilot, where flexi working was encouraged as a way of enabling single parents to take up places they would otherwise not be able to commit to and strengthen/build their skills in a particular area to enhance their careers.

- 29. To request that officers investigate ways of extending access to ESOL classes in the Borough**
- 30. To request that officers investigate opportunities for upskilling start up businesses in financial management**
- 31. To request that officers investigate Camden Council's pilot into utilising flexi working in apprenticeships to enable young parents to take up places, and to assess as to whether a similar project could be run in this Borough.**

The Office for National Statistics estimate is that around 1% of jobs (approximately 250,000) pay below the minimum wage, although it is argued that the official figure is likely to be 'much lower than the actual number' due to the methodology used (Settle for Nothing Less, Centre for London). Other research finds:

- 157,000 to 219,000 workers in the care sector were being underpaid the National Minimum Wage, when travel time was taken into account – Kings College 2011
- 14% of apprentices across Great Britain did not receive the basic minimum appropriate for their age (BIS Research Paper No. 207)
- 17% of Newham residents aged over 21 in employment were paid less than the minimum wage in 2013 (Ipsos Mori, Newham Household Panel Survey)

Newham Council (Pay by the Rules) have argued for devolution of the full suite of powers to enforce the National Minimum Wage to local authorities, giving them the freedom to tackle non compliance.

**32. Pilot research on the prevalence of payment below the minimum wage/ national living wage, with a focus on high risk sectors and apprentices.**

**Membership**

- Pamela Fitzpatrick (Chair)
- Councillor Ghazanfar Ali
- Councillor Jeff Anderson
- Councillor Marilyn Ashton
- Councillor Barry Macleod-Cullinane
- Councillor Margaret Davine
- Councillor Josephine Dooley
- Councillor Ameet Jogia
- Councillor Barry Kendler
- Councillor Vina Mithani
- Councillor Chris Mote
- Councillor Janet Mote
- Councillor Phillip O'Dell
- Councillor Christine Robson
- Councillor Rekha Shah

**Section 4 - Contact Details and Background Papers**

**Contacts:** Edward Smith; Rebecka Steven (Policy Team – Strategic Commissioning)

**Background Papers:**

Briefings prepared by the policy team, internal officers and external stakeholders which were presented to this Review Group at the meetings of 19 October 2015, 2 March 2016 and 30 March 2016.

All available via [SharePoint](#)