
REPORT FOR: CABINET

Date of Meeting:	14 July 2016
Subject:	Response to Scrutiny's Review of the Impacts of Welfare Reform in Harrow
Key Decision:	No
Responsible Officer:	Tom Whiting, Corporate Director of Resources and Commercial Tom McCourt, Corporate Director of Community
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation Councillor Keith Ferry, Portfolio Holder for Business Planning and Regeneration, Councillor Glen Hearnden, Portfolio Holder for Housing and Employment
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Report by the Welfare Reform Scrutiny Review Group dated May 2016

Section 1 – Summary and Recommendations

The report provides members with officer feedback in response to the Welfare Reform Scrutiny review report and relevant recommendations.

Recommendations:

Cabinet is requested to:

- I. Note the recommendations of the Scrutiny Review report.
- II. Agree the response and proposed actions to the recommendations as set out in this report.

Section 2 – Report

Introductory paragraph

The scope of the Scrutiny review was to understand the experiences of benefit claimants and those who have needed to claim benefits in the past or may need to in future. It was also 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 these policies are.

The outcomes were set out in a number of recommendations which along with Officers responses, are set out in table A later in this report.

Background

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 Welfare Reform Act 2012 saw the start of significant reform to welfare provision in Britain. The 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, 25% of claimants will not be eligible for any Personal Independence Payment and many others will see their payment reduced.

The increased use of sanctions by the DWP against claimants 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.

Several recommendations were made from the review and Table A below sets these out together with the relevant officer responses.

Table A

Officer Responses & actions to the recommendations from the Overview and Scrutiny Group deriving from the review on THE IMPACT OF WELFARE REFORMS IN HARROW

Recommendations	Action & Response
<p>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</p>	<p>There are 16 self-serve terminals based in the One Stop Shop where staff are at hand to help facilitate.</p> <p>The Customer Service team has also met (and continues to meet) with community groups to share how the digital platform can be utilised more effectively.</p> <p>Customers can contact the Council by telephone to request a service although there is a diminishing resource available to handle this.</p>
<p>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</p>	<p>The Council Tax email box has been closed and replaced with an intelligent web form which not only ensures that all the relevant information is captured but also integrates into the back office system.</p> <p>For the time being customers can also present personally at Access Harrow one stop shop with complex queries, albeit through an appointment system.</p> <p>Moving away from a self service digital delivery model would go against the current strategy. As it would also increase Access Harrow costs and require extra staff resources. There is no additional funding available and any additional costs would need to be met from savings made elsewhere.</p>
<p>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</p>	<p>Residents who struggle to understand and/or speak English can request a translation through the Council's translation service.</p>
<p>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).</p>	<p>The Council is investigating available technology to notify customers via text messages.</p>
<p>5. Harrow Council to contact residents who are likely to be affected by the</p>	<p>We are planning to contact families we believe will be affected by the reduced benefit cap to offer an</p>

<p>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</p>	<p>Housing Advice interview where we will discuss their income and housing options to try to prevent them becoming homeless. We will liaise with other services as required.</p> <p>The best option is to avoid the cap by gaining employment (A minimum of 16 hours for a lone parent or 24 hours for a couple. There is generally still plenty of entry level part time employment available).</p> <p>We were very successful with this process when the cap was originally introduced in 2012.</p>
<p>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.</p>	<p>Housing officers already receive a high level of training on housing and welfare benefits so they are able to give expert advice.</p> <p>The only limiting factor is the large workload that we currently deal with, and the extra pressure the benefit cap will cause.</p> <p>Staff are experienced in advising and know when to intervene.</p>
<p>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</p>	<p>After we have given affected households expert advice, if there are other non priority debt problems, we refer to specialist organisations such as Money Advice Trust.</p>
<p>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.</p>	<p>Care Act focus: As part of the contract monitoring and review of the information and advice and Independent Care Act Advocacy Service contracts we have been working closely with the winning providers (SWISH and Community Solutions) to ensure that the services are as responsive as possible to the needs of individual clients while also meeting our Care Act 2014 statutory obligations.</p> <p>There remains a Care Act information and advice working group, which is a cross directorate group aimed at updating and amending information on the Council website in order to support the Council in achieving its information and advice requirements.</p>
<p>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</p>	<p>Staff in Revenues are currently undertaking a review and revised document versions will be discussed with Portfolio Holders before implementation. Some changes are restricted by legislation as certain letters need to comply with prescribed text.</p> <p>Many of the comments regarding the perceived</p>

<p>organisations that may be able to offer assistance and how residents can appeal decisions made by Harrow Council</p>	<p>harshness of the wording referred to Housing letters and staff in Housing collections will also review their services' documents that are sent to customers</p>
<p>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</p>	<p>DHP is a limited pot of money where demand exceeds available funds. To pay a household who later become exempt will divert funds from other households who are not expected to have the cap removed. Should a household be refused an exempting benefit they can apply for a DHP retrospectively.</p>
<p>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</p>	<p>Implementing this would require separating CTS claimants out of the automatic recovery runs and to monitor manually. This would require staff resources and incur additional cost. Any additional costs will need to be funded from existing budgets or from compensatory savings made.</p>
<p>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</p>	<p>The protocol has already been considered and many suggestions contained within the protocol were implemented as part of Harrow's council tax recovery policy.</p>
<p>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</p>	<p>As part of the revised recovery policy implementation, the council tax recovery policy now defines vulnerable clients and caters for them where identified. Access Harrow staff have also been trained on the new policy and vulnerability. Policy is on Council's website.</p> <p>Due to Harrow providing no specialised debt advice service, this can only be done by sign posting or through the voluntary sector, eg organisations such as the citizens advice bureau (CAB).</p> <p>This could be provided through commissioned services and officers will see if it is possible to incorporate this within the information, advice and advocacy strategy which is currently being developed, as well as other commissioning arrangements for the voluntary community sector (VCS). However funding for this area is already under pressure so this will need to be considered as part of the wider budget setting process.</p>
<p>14. Monitor how many people who receive an Emergency Relief Scheme award are subject to the</p>	<p>Currently around 500 applications are received annually of which around 250 are successful. The data will be analysed and shared with Housing to</p>

<p>Benefit Cap and use this intelligence to understand what is driving emergency needs and how best to respond to it</p>	<p>see if it can be linked to specific needs and the Benefit cap.</p>
<p>15. Make the Council's policy on the allocation of Discretionary Housing Payment available to all relevant voluntary and community sector organisations</p>	<p>This will be circulated to all voluntary sector interested parties. It is already published on Harrow's website at www.harrow.gov.uk/dhp</p>
<p>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</p>	<p>Information sharing already takes place with specific pieces of work, and through the Together with Families Programme (Troubled Families) there is a clear desire to share information on vulnerable families to best support developing and delivering effective interventions. The work to develop an Information, Advice and Advocacy strategy will also support this area from the perspective of understanding the needs of residents and supporting arrangements to give them early support where necessary and appropriate.</p>
<p>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</p>	<p>The viability of compiling a list of indicators that may identify families at risk of homelessness will be explored in consultation with housing and welfare services. Should this be successful, schools will be provided with these indicators and a summary list of contacts so schools may share this with and / or publish to parents as appropriate.</p>
<p>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</p>	<p>A statistical analysis completed by Harrow's BIU (Business Intelligence Unit) on the Carers Survey showed that the two most significant factors associated with carers feeling under excessive pressure (and at risk of breakdown) were not being able to maintain social contacts and becoming socially isolated, and feeling that they were not receiving enough encouragement and support. Both are issues that can be addressed by services and support offered by the Council. It is suggested that these areas are prioritised in carer assessments. However Harrow reablement services for carers provide support addressing these issues. In addition a draft Carers strategy is being produce by the local authority and CCG to address these issues in a coordinated way.</p>
<p>19. The Leader of the Council to write to the relevant Minister to request that the Government reduce the time taken for information about</p>	<p>Should case investigations substantiate the fact that DWP data takes too long to reach the authority, the Head of Service in Housing Benefits will discuss the issue with the Leader with a view to a letter being</p>

<p>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</p>	<p>sent to the Department of Work and Pensions (DWP) in order to lobby Government regarding the timely issue of information regarding DWP known changes of circumstances so quicker housing benefit assessment can occur.</p>
<p>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.)</p>	<p>Harrow has the joint highest proportion of in-work private sector Housing Benefit claims in the country. The majority of changes in circumstances received are therefore from in-work households. It is not possible to prioritise these claims due to the volumes. The service has however recently reviewed the way it treats earnings in an attempt to simplify the process. The turnaround time for all changes in circumstances is currently 12 days.</p>
<p>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.</p>	<p>The housing benefit application form (new claim and change in circumstances) is now an automated web form. This online solution allows us to offer online help at the relevant parts of the application process and a form cannot be submitted without all the relevant information being available. Accuracy of claims completed is under review with planned changes to the form to simplify the process and additional guidance is to be made available for common areas of error.</p>
<p>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</p>	<p>Rent for Temporary Accommodation offered by the council is within HB limits, so is affordable. If requested we are usually able to assist with a move to cheaper accommodation away from the area, outside London. This is usually the only option where affordability is an issue. For existing social housing tenants, we work with our neighbouring boroughs to get a reciprocal offer of a similar social tenancy in another area.</p>
<p>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</p>	<p>The Harrow Pension Fund is committed to pursuing a responsible investment policy and has recently changed its Statement of Investment Principles to reflect this.</p> <p>The Fund is pursuing a multi-strand strategy to engage actively on these issues:</p> <ul style="list-style-type: none"> • Writing to all fund managers to ensure they are signed up the UN Principles of Responsible Investment and other appropriate codes of practice • Identifying particular areas where environmental, social, and governance risks could impact financial performance

	<ul style="list-style-type: none"> Supporting campaigns by Share Action to influence the behaviour of companies on issues such as air pollution or the living wage. <p>The Pension Fund is constrained in that it invests in pooled funds rather than directly in specific company shares. The bulk of action, therefore, must necessarily be to influence the behaviour of fund managers either directly or via the Local Authority Pension Fund Forum.</p> <p>Investment collaboration and asset management engagement will be discussed with the new Chair of the Pension Fund Committee to agree the way to continue and enhance this approach.</p>
<p>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.</p>	<p>Tender documents clearly clarify the metrics that are being used to evaluate social value and the inclusion of a commitment to pay London Living Wage (LLW) to employees and/or to encourage sub-contractors to do this will help contractors in terms of supporting social value. This is stated in the Social Value – Background Information For Bidders document: Promoting fair employment practices.</p>
<p>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</p>	<p>Our Procurement Strategy ensures that payment of the London Living Wage (LLW) is considered in our procurements by seeking contract prices both with and without payment of LLW. We also encourage first tier suppliers to adopt LLW for their wider workforce and sub-contractors employees who deliver services on our behalf.</p> <p>The potential for payment of the London Living Wage within supply chains will continue to be explored.</p>
<p>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).</p>	<p>Economic Development liaised with Caroline Reilly from London Living Wage in November 2014 to participate in an event to promote this to Harrow businesses but were advised that they “are only able to support accredited employers at the moment.”</p> <p>Further discussions were held with LLW and HR (Jon Turner) also liaised with LLW, regarding Harrow becoming accredited. However, requiring contractors to pay the LLW is currently unaffordable. We are continually reviewing options to increase the</p>

	number of people paid the LLW.
<p>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.</p> <p><i>Note: London Boroughs currently accredited are Brent, Camden, Lambeth, Croydon, Ealing, Enfield, Hounslow, Islington, Lewisham, Southwark, Tower Hamlets, Greenwich and City of London.</i></p>	Officers will approach other West London boroughs' procurement teams.
28. Officers to investigate ways of highlighting workers' rights to particular areas of the community (ie those who do not speak/ understand English well).	There is currently no capacity to take this work forward. We have secured funding for skills and employment projects but have no capacity for additional work.
29. Officers to investigate ways of extending access to ESOL (English for speakers of other languages) classes in the Borough.	Skills Escalator funding is being used to extend access to ESOL. JCP will be funding additional provision
30. Officers to investigate opportunities for upskilling start up businesses in financial management.	This is currently available through business support activities funded through our NHB programmes
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.	There appears to be no demand for this initiative, however officers will investigate further the viability of a similar pilot.
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.	There is no capacity to take forward this work.

Risk Management Implications

Risk included on Directorate risk register? No
Separate risk register in place? No

Legal Implications

There are no specific legal implications arising out of the recommendation in this report. Whilst the authority's budgets are under increasing pressure, resulting in the authority being restricted in what it may be able to offer and do for residents, it has to nonetheless be mindful of its statutory obligations and public sector duty in order to minimise the risk of legal challenge.

Financial Implications

Consideration will need to be given to proposed service changes or the adoption of specific policies, and these should only be implemented where changes lead to "invest to save" or overall Council savings. Where implementation of the recommendations may lead to an increase in specific services revenue budgets, funding will need to be found from within existing budgets or by making compensatory savings elsewhere in the budgets.

Equalities implications / Public Sector Equality Duty

Welfare Reform is a Central Government policy and as such it is not for the local authority to conduct Equality Impact Assessments on the matter. However, where the reforms impact on local services, for example as it did on the local Council Tax Support Scheme, comprehensive Equality Impact Assessments (EqIA) are undertaken. However, an EqIA was not carried out specifically for this report as the report includes no specific proposals for service change. Where changes result from the acceptance of this report's responses and further work actions, these will be accompanied by an EqIA.

Council Priorities

By noting this report and agreeing to the actions set out in the responses, Members will be supporting those in financial need. As such, this report reflects the aims of our corporate priorities and will ensure we continue supporting the most vulnerable.

Section 3 - Statutory Officer Clearance

Name: Sharon Daniels	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 7 June 2016		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 10 June 2016		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	NO Not applicable
EqIA cleared by:	Not applicable

Section 4 - Contact Details and Background Papers

Contact:

Fern Silverio (Head of Service – Collections & Housing Benefits),
Tel: 020-8736-6818 / email: fern.silverio@harrow.gov.uk

Background Papers:

None.

Call-In Waived by the Chair of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in applies]</i>
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