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| SCRUTINY COMMISSION FOR RURAL COMMUNITIES | Agenda Item No. 4 |
| 17 JUNE 2013 | Public Report |

Report of the Executive Director of

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THE IMPACT OF WELFARE REFORM

1. PURPOSE

To inform the Committee of the impacts of Welfare Reform and the work being undertaken through the Peterborough Community Assistance Scheme to tackle poverty and destitution.

2. RECOMMENDATIONS

To review the programmes of work identified to tackle poverty and endorse or make recommendations for amendments and/or additions.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- Creating Stronger and Safer Communities by making Peterborough Safer and empowering local communities
- Creating Opportunity, Tackling Inequality by supporting vulnerable people, improving skills, education and health
- Delivering Substantial and truly sustainable growth by increasing economic prosperity.

4. BACKGROUND

In 2012 the Welfare Reform Act was introduced to the UK. This was the biggest reform of social security in 60 years.

The reform of the welfare system was designed to deliver £18billion savings nationally initially, with a further £10billion thereafter.

The aims were also to make the system of benefits and tax credits fairer and simpler, create incentives to get more people into work by ensuring that 'work always pays', protect the most vulnerable in our society and deliver fairness to those claiming benefit and to the tax payer.

The changes for Peterborough include

- Council Tax Benefit (c8,000 households now paying for the first time)
- Under occupancy rules (1,737 households will be unable to meet their rents through housing benefit payment)
- Social Fund and Community Care Grants (£1.2m removed in grants and loans, but replaced with Local Welfare Provision)
- Benefit Cap (expected to affect c200 households in Peterborough from July 2013)

There are also some major infrastructure changes in the way that benefits will be awarded including the introduction of Universal Credit in early 2014 to replace current welfare benefit support, the introduction of Personal Independence Payments for new claimants (October 2015)

for existing claims) and Employment Support Allowance (income benefit/income support – claims limited to one year)

Total loss of direct benefit income to Peterborough as a result of welfare reform is estimated to be in the region of £26.20m.

Our research into the impacts of welfare reform also included looking at the unintended consequences which we believe may include:

- A reduction in High Street economy
- Increased evictions
- Overcrowding
- Increased acquisitive crime and shoplifting
- Domestic Abuse
- Loan sharks
- Substance misuse
- Mental and Public Health issues
- Fuel Poverty

5. KEY ISSUES

In replacement of the £1.2m social fund, which incorporated Crisis Loans and Community Care Grants, Peterborough City Council was this year awarded £803,904 to tackle poverty and destitution.

To ensure these funds would mitigate the significant impacts of Welfare Reform, a group of strategic partners from the voluntary, private and statutory sector, working on issues to tackle poverty, were brought together to form a Welfare Reform Steering Group.

The purpose of this group is to:

- Provide a strategic overview of future welfare changes and implications
- Oversee delivery of a Peterborough Community Assistance Scheme (PCAS) and any emerging trends/issues
- Understand the impact of Universal Credit and other welfare changes and to provide the necessary support and resources to enable a smooth transition for affected clients in Peterborough

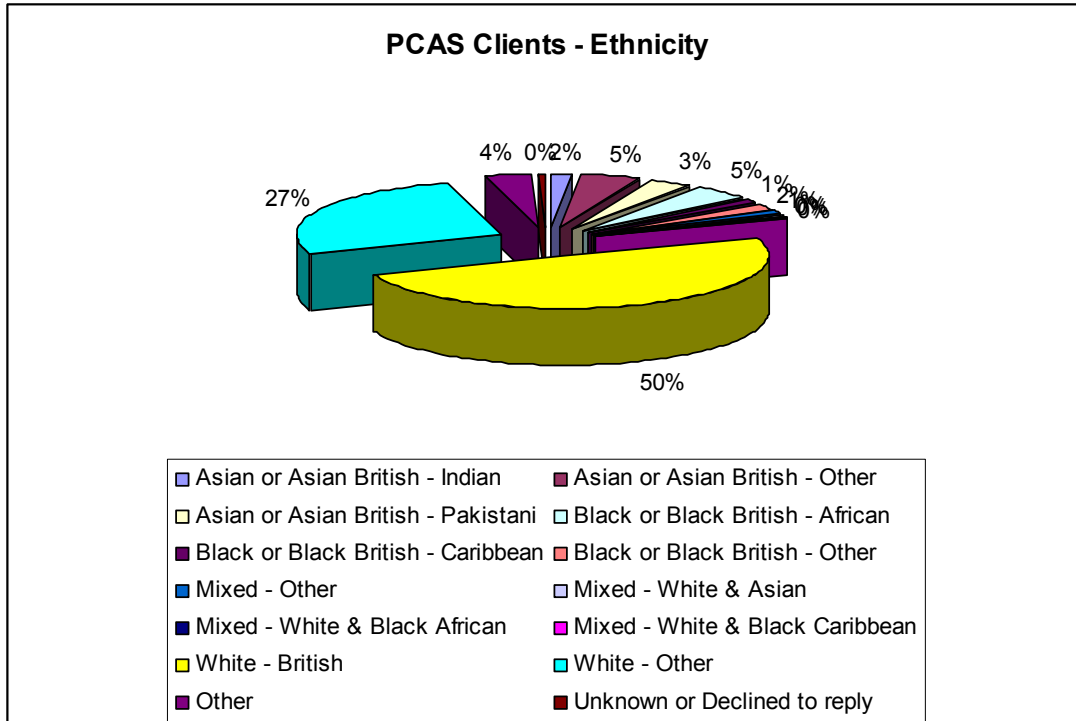
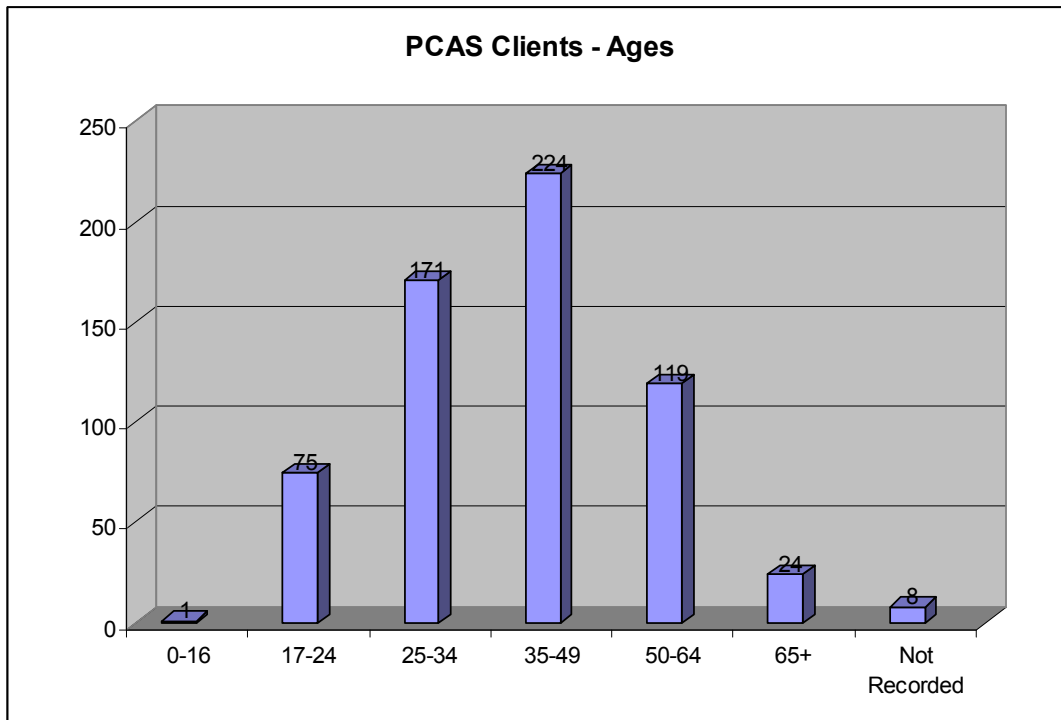
Through research and wider consultation the group have agreed an action plan to provide the following outcomes for Peterborough:

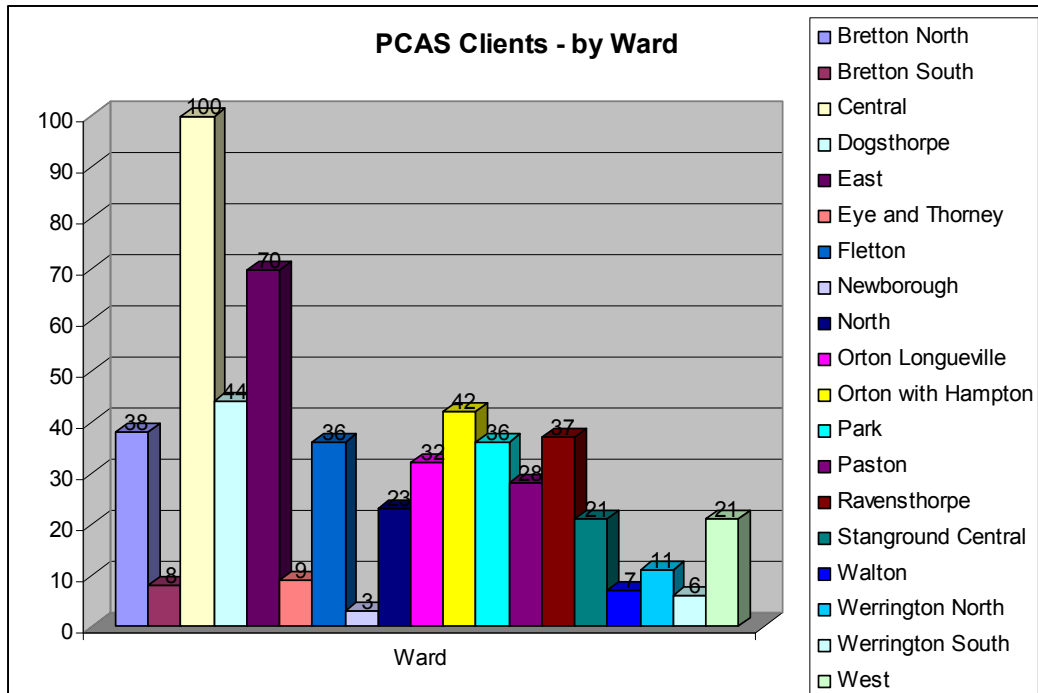
- Maximisation of Income
- Reduction of debt
- Crisis intervention

To ensure delivery of these outcomes the Peterborough Community Assistance Scheme (PCAS) was set up to provide:

- Peterborough's first Credit Union (managed by Rainbow Saver Credit Union)
- A basic needs facility for furniture, white goods and general crisis provision (managed by Carezone, Kingsgate)
- A specialist voluntary information and advice network (incorporating Age UK, Citizens Advice Bureau, Disability Information and Advice Line, Peterborough Council for Voluntary Service and Peterborough and Fenland MIND)
- Peterborough's first citywide Foodbank with 6 outlets to date (led by Kingsgate Church)

The first three months of the programme are to ascertain the need of clients and the level of resources required going forward. The majority of clients eligible for PCAS assistance have been referred directly from the Department of Work of Pensions to the Citizens Advice Bureau for screening and advice. This enables the scheme to ensure that those most in need and eligible for support are assisted to maximise income and reduce debt. A breakdown of the clients who accessed the service in April 2013 is illustrated in the following graphs:





Where appropriate a voucher system enables clients to access basic needs – food, beds, clothing, heating, essential household items, furniture, white goods, etc.

If clients are assessed to require specialist information and advice, i.e disability, mental health, volunteering opportunities etc, they are referred to the relevant PCAS advice agencies.

Data is collected at all points of contact with clients to ascertain trends and issues, including information relating to Equality and Diversity.

During phase one work will be undertaken to provide a City Centre Hub which will be a one stop service for the PCAS scheme. The hub will also incorporate access to employment opportunities, volunteering, business start up, information and advice, fuel poverty initiatives, financial management and budgeting training, ICT access and training.

There will also be a roll out of basic benefits and debt training for community based agencies and groups to provide early intervention and support to local residents and communities affected by welfare reform.

During the coming months we will deliver a Rogue Traders Action Plan and Tackling Illegal Money Lenders action plan.

6. IMPLICATIONS

We are exploring methods to measure the performance of our work which will include:

- Reduction of clients returning after early intervention
- No of clients securing voluntary, business start up or employment opportunities
- No's of individuals and community groups trained in basic advice support
- No' s of clients joining the credit union and undertaking money management training
- Decrease in basic needs provision
- Increase in skills development course completions
- Reduction in rough sleepers and destitution
- Increase of rogue traders and illegal money lenders fined or imprisoned
- Increase in private organisations committed to support the work of PCAS
- Increased befriending and neighbourhood support schemes

7. CONSULTATION

Consultation on this work has been developed from the Tackling Poverty consultation which has been undertaken over the past 2 years. Groups involved in the consultation are below:

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| Accent Nene | MIND |
| Age UK Peterborough | New Hope Charity UK |
| Axiom Housing Association | Peterborough Primary Care Trust |
| Barnardos | Peterborough Citizen's Advice Bureau |
| Birmingham City Council | Peterborough Council for Voluntary Service |
| CHS group | Peterborough Environment City Trust |
| Circle Anglia | Peterborough British Red Cross |
| City College Peterborough | Peterborough RePaint Scheme |
| Cross Keys Homes | Peterborough Streets |
| Department of Work and Pensions | Rainbow Saver Anglia Credit Union |
| DIAL Peterborough | Salvation Army |
| Cambridgeshire Re-Use and Recycle Network CCORN | Serco |
| Faith and Communities Network | Social Finance Group |
| Greater Peterborough Partnership | Sodexo Justice Services |
| St Giles Trust | Spurgeons |
| Home Group | |
| Hyde Housing | |
| Kingsgate Community Church | |

8. NEXT STEPS

- The PCAS steering group will now explore the options for a central one stop service.
- An overarching Poverty Strategy to incorporate the work of PCAS is being developed.
- Data sharing, research and intelligence gathering protocols will be expanded across relevant agencies.
- Monthly performance management reports on outcomes achieved will be shared among partners.
- Networking and good practice sharing with authorities across the UK

9. BACKGROUND DOCUMENTS

None

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10. APPENDICES

Appendix 1 - PCAS Briefing document

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