 <p><b>Brent</b></p>	<p><b>Scrutiny Committee</b> 26 April 2016</p> <p><b>Report from Director of Resources</b></p>
<p>For Information</p>	
<p><b>Impact of the Overall Benefit Cap in Brent</b></p>	

## **1.0 Summary**

- 1.1 This report identifies the main impacts of the Overall Benefit Cap after 2.5 years of implementation, and the potential implications of the proposed reduction in the cap from Autumn 2016.

## **2.0 Recommendations**

- 2.1 Members are asked to note:-

- 2.1.1 the impacts of the Overall Benefit Cap and mitigation activities undertaken since 2013
- 2.1.2 the forecast impacts of the reduction in the Cap from Autumn 2016 and the proposed strategy to respond to these

## **3.0 Executive summary**

- 3.1 Brent is one of the boroughs most significantly impacted by the Overall Benefit Cap (and welfare reform generally) since 2013. The Council's response to this has been to place a much greater emphasis on employment and skills provision, and the linking of this focus with that of homelessness prevention and Benefits administration.
- 3.2 Considerable resources have been put into mitigation of the Cap, and tracking of affected cases, particularly in the first 18 months of introduction, and these have reaped significant rewards in assisting residents to move into work or relocate. There has understandably been some resistance to relocation outside of the borough but the economic and housing situation makes this option unavoidable in some cases.

- 3.3 Residents have in many cases avoided the cap through their own actions, and to a degree claimants finding employment is reflective of many Benefit claimants' general experience of regularly being in and out of work. However the reductions in the headline figures of those capped does indicate on some level that the cap has delivered the government's intent, though what is less clear is the hidden cost of evictions and potential relocation to unfamiliar areas with limited support networks.
- 3.4 The impacts of the Cap have arguably been less than anticipated, due to a combination of factors; firstly volumes were less than indicated by the DWP; secondly it has provided possible to utilise Discretionary Housing Payments (DHP) effectively to mitigate some of the worst impacts; relatively few capped cases have been relocated although the wider welfare reforms have had a more significant impact on homelessness and relocation generally. Finally significant amounts of resource have been put into both general and targeted mitigation activities and working with affected claimants either directly or through partners eg job brokerage services.
- 3.5 However, the planned lowering of the Cap from Autumn 2016 will present greater challenges to a larger number of claimants; in particular single people will be impacted who will generally not be statutorily homeless if they present to the Council, so there is potential for increased sofa-surfing, street sleeping, mental health and related social issues. The lowering of the cap elsewhere in the country will even make relocating out of London a less viable option.
- 3.6 The effect of austerity and public sector cuts generally means that the Council is now less able to take an interventionist approach with affected claimants and the new Welfare Reform Strategy reflects a greater need to work together with partners, with the Council fulfilling more of a strategic and co-ordinating role, though there will still be intervention on a targeted basis towards the most vulnerable claimants; however, there will be a greater expectation on non-vulnerable claimants to take responsibility for their own outcomes (with appropriate signposting). Finally the Council's limited discretionary funding will have to stretch further and therefore provide less of a safety net for residents in future.
- 3.7 For these reasons the new welfare reform strategy will continue to place employment and skills at the heart of the Council's approach and to integrate the employment and skills offer with homelessness prevention and its overall customer service offer.

#### **4.0 Background**

- 4.1 The Overall Benefits Cap (OBC) was introduced by the Department of Work & pensions (DWP) over a six week period in August - September 2013. The cap limits the total amount of welfare benefits which can be received by a household to £500 per week for a couple or family, or £350 per week for a single person with no dependants.

4.2 Most welfare benefits are included in the calculation of the benefit claimant's income, including Housing Benefit (HB), administered by the local authority (but not Council Tax Support). The cap is applied to the claimant's HB entitlement.

4.3 The cap is applicable to all working age benefit claimants unless they, their partner or any children that live with them, qualify for any of these benefits:-

- Working tax credit
- Attendance allowance
- Disability living allowance
- Personal independence payment
- Employment and support allowance (support component)
- Industrial injuries benefits (and equivalent payments as part of a war disablement pension or the armed forces compensation scheme)
- War widow or war widower's pension

4.4 The cap is applicable nationwide but has predominantly impacted on claimants in London and other areas of high rents (and therefore high HB entitlement). Brent is both a high rent area and has significant numbers of large families (and therefore large amounts of other welfare benefits received by claimants), resulting in it initially being the most impacted borough in the country.

4.5 As an illustration, a single parent with three children living in private rented accommodation in the south of Brent may typically receive:

Income Support	£73.10
Child Tax Credits	£170.99
Child Benefit	£48.10
Housing Benefit (A)	£417.00
Total benefit entitlement	£709.19
Amount above cap (B)	£209.19
Housing Benefit after cap applied (A – B)	£207.81

4.6 Assuming the claimant's rent is set at the Local Housing Allowance rate, their shortfall in rent in this example would therefore be £209.19 per week.

4.7 Claimants who are not exempt through disability will generally have limited options: to find work with sufficient hours per week to entitled them to Working Tax Credit (16 hours for a lone parent; 24 hours for a couple; 30 hours for a single person.); move to a cheaper property; fund the rent shortfall themselves or negotiate a reduced rent with their landlord. In the above example, the latter two options are unlikely to be viable.

4.8 In some cases (currently about 11%) the cap is alleviated through the use of Discretionary Housing Payment awards to cover the rent shortfall.

- 4.9 Following the initial implementation exercise in 2013, 1320 cases were capped. (4% of the working age Housing Benefit caseload.) This was actually significantly less than had been predicted by DWP, and was constituted as follows:-

**Table 1: Initial capped caseload at 30<sup>th</sup> October 2013**

Temporary Accommodation	454
Private Rented Sector	746
Social Rented Sector	120
<b>Total</b>	<b>1320</b>

- 4.10 This report indicates below the steps taken by the Council to mitigate the impacts of the Cap, in particular through targeted mitigation work in 2013/14 and 2014/15, and via mainstreaming of mitigation activity in 2015/16.
- 4.11 The impact of the cap in Brent has been lower than initially anticipated, although it has still had significant impacts. Among these, the relocation of families outside of Brent has been high profile, but affects only a minority of OBC cases (22 in 2015/16); there are generally broader factors including the wider welfare reforms (especially Local Housing Allowance caps) and the lack of affordable accommodation in Brent which have impacted on homelessness and the need to rehouse families outside the borough; OBC itself has played a relatively small part in this and the majority of resolved cases have been through employment.
- 4.12 The following table shows the capped caseload at 31<sup>st</sup> March 2016, and a marked reduction achieved since the introduction of the Cap. The table also indicates the number of cases which are currently supported by ongoing awards of Discretionary Housing Payments (DHP):-

**Table 2: Capped cases as at 31<sup>st</sup> March 2016**

	<b>Temp Accom</b>	<b>Private Rented</b>	<b>Social Rented</b>	<b>Total</b>
<b>Total Capped Cases</b>	<b>87</b>	<b>434</b>	<b>133</b>	<b>654</b>
Average new caps per month 2015/16	12	33	14	59
Average caps removed per month 2015/16	16	40	15	71
<b>Breakdown:</b>				
DHP award covering shortfall	36	10	28	74
Capped £0-£9.99	13	55	22	90
Capped £10-£24.99	11	148	20	179
Capped £25-£50	8	75	37	120
Total Capped Under £50/week	32	278	79	389

## **5.0 Response to OBC**

- 5.1 The Council's response to OBC (and welfare reform generally) has been a much greater emphasis on employment and skills across the Council, and the linking of this focus with that of homelessness prevention and Benefit administration. Initially, this was centred around a multi-agency, co-located team comprising officers from Housing Benefit, Housing Needs, Employment Navigators, Jobcentre Plus and Citizens Advice Bureau. This team worked with affected claimants in advance and following OBC implementation, providing advice and assistance, particularly related to employment support and the prevention of potential homelessness, through negotiation with landlords or relocation to cheaper accommodation, often outside of the borough. In 2012 and 2013 the Council also undertook a significant publicity campaign on both a general and targeted basis.
- 5.2 Of key importance was the need to engage and work with partner organisations and this was co-ordinated through the early establishment of a partner network group including the voluntary sector (eg CAB, Lift, Advice 4 Renters), community groups (eg Help Somalia Foundation) and Registered Social Landlords. This has enabled mitigation activity to be planned and joined-up across the borough as a whole, as well as providing a valuable forum for information sharing. The group has met monthly since the introduction of the first welfare reforms and will be an even more important element of mitigation strategy in future.
- 5.3 The co-located team was largely resourced through temporary funding provided by DWP and DCLG, and the Council's own funding of the Employment Navigators. All team members provided basic advice on employment, housing and welfare issues, with specialist intervention for claimants furthest from the job market provided by Employment Navigators, and referrals to two job brokerage schemes, provided by Ashford Place and Lift and funded through the DWP Flexible Fund and Discretionary Housing Payments, which provided support in job seeking, writing CV's, interview skills etc.
- 5.4 Collectively the job brokerage schemes supported 250 residents of whom 37% secured employment, above the industry standard. Furthermore 94% of claimants sustained their employment for 13 weeks and 85% for 26 weeks.
- 5.5 The Housing Needs team focused specifically on households in Temporary Accommodation (TA) affected by the Cap, working with Housing Associations to maintain tenancies and to secure accommodation outside the borough. For claimants unable to secure employment, even after engaging in job brokerage, the team procured properties and arranged relocation to alternative affordable accommodation outside borough
- 5.6 Discretionary Housing Payments (DHP), funded by DWP were utilised to mitigate some impacts of the cap and were used primarily to incentivise desired behaviours (eg support whilst seeking work, or help with moving costs) or as a safety net for the most vulnerable claimants impacted.
- 5.7 In the 2.5 years since initial implementation of OBC, the Council's response has become less specialised and more integrated into mainstream activity. The

Employment Navigator team, and the temporary Housing TA team for OBC Mitigation, ceased from 2015, at which point TA mitigation was mainstreamed with other TA work. Resources have also been reduced within the Benefit Service's Welfare team.

## 6.0 Impacts

### First 12 months

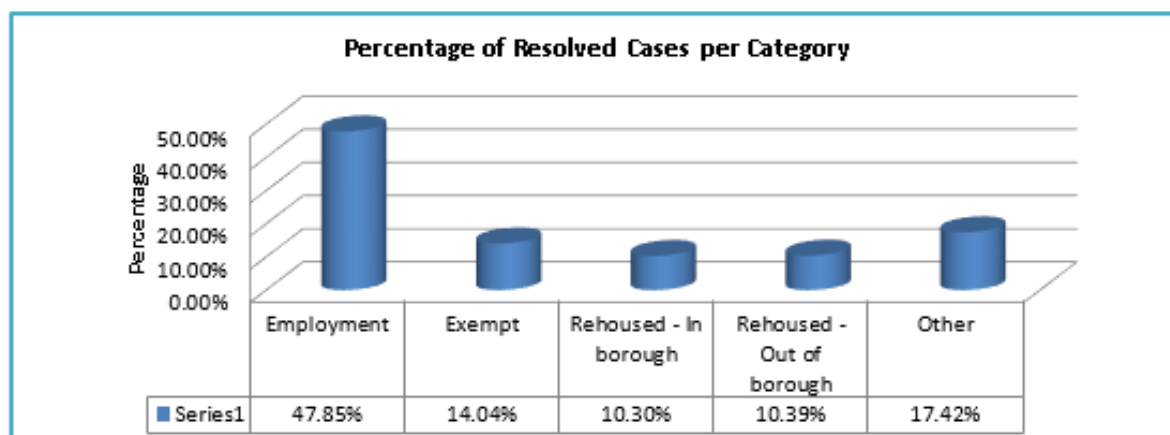
- 6.1 Over the first year of implementation, to 31<sup>st</sup> August 2014, 2,322 households were capped. It should be noted that Benefit claimants often move between periods of employment and unemployment, so caps will periodically come off as a claimant starts work, to be reapplied when they become unemployed again.

**Table 3: Caps applied to 31<sup>st</sup> August 2014**

Cap Difference (£ p/w)	Number of New OBC Cases	% of OBC Cases
Upto £50.00	1133	48.79%
£50.01-£100.00	518	22.31%
£100.01-£150.00	266	11.46%
£150.01-£200.00	150	6.46%
£201.00-£250.00	106	4.57%
£250.01-£300.00	55	2.37%
£300.01-£350.00	28	1.21%
£350.01-£400.00	33	1.42%
£400.01+	33	1.42%
Total	2322	100.00%

- 6.2 As the table shows, 49% (1133) of these cases had caps of less than £50.00 per week (albeit still a significant amount for a benefit claimant), though 11% (255) were impacted by over £200 per week. A particular challenge related to households in Temporary Accommodation, where rents are often higher than elsewhere and where the Council owes a statutory duty to rehouse claimants. This led to the Council having to pursue a policy of utilising temporary accommodation – and permanent offers – outside of the borough.
- 6.3 Lone parents represented over half (53%) of the cases capped and households with dependants accounted for over 77% of all cases. Single claimants were less likely to be capped as they were likely to be living in smaller properties and so entitled to less benefit. In terms of ethnicity, claimants from the black ethnic group were disproportionately impacted by the OBC, relative to their proportion of the overall HB caseload.
- 6.4 In the first year, when engaged by officers in the co-located team, some 488 customers advised that they were addressing the shortfall themselves, and a further 1,068 managed to resolve their situation, through employment (48%), relocation (21%) or exemption (14%).

**Chart 1: Resolutions of OBC cases up to 31<sup>st</sup> August 2014**



- 6.5 Almost 50% of households meeting the shortfall themselves were lone parents, and of the cases resolved through employment, 57% were lone parents and 38% couples with dependents, reflecting their disproportionate capped status compared to the overall caseload. Similarly, the black ethnic group, though most impacted by the cap, also had disproportionately high resolutions through employment or relocation.

#### 2015 / 2016

- 6.6 From April 2015, OBC mitigation has largely been assimilated into mainstream activities within Housing Needs and Benefits / Customer Services. Core activity is centred around an integrated approach between Housing Needs, Employment & Skills and Benefits, but increasingly a more targeted approach is being developed working the most vulnerable claimants, eg with colleagues in Mental Health or Working With Families services, and partners in the voluntary sector and social housing provision.
- 6.7 There are a range of challenges faced in these areas some of which are highlighted below.

### **7.0 Housing**

#### Lack of affordable accommodation in the borough

- 7.1 The council currently projects to achieve an average of less than 750 general needs social housing lettings per year over the next four years, with the number of vacant larger properties a small proportion of this figure. These figures are likely to worsen over time by the forthcoming Housing and Planning Act provisions to sell off council and housing association properties.
- 7.2 Private rented accommodation is also increasingly unaffordable to low income households claiming Housing Benefit, with the difference between median rent levels and Local Housing Allowance for a 2-bed property at £194 per week in

the north of the borough and £413 per week in the south<sup>1</sup>. Again, this position will worsen, as LHA levels have been frozen for four years by the government, not to mention landlords' possible increasing reluctance to let to Benefit claimants as more tenants are affected by the OBC or the introduction of Universal Credit.

- 7.3 Over 50% of homelessness acceptances in Brent are now due to the loss of a private rented sector tenancy with the number of acceptances due to the loss of an assured shorthold tenancy more than quadrupling since 2009/10.

#### Large numbers of households in TA and the need to reduce this

- 7.4 The council currently has just under 3,000 households living in temporary accommodation, the fourth highest in the country, and including over 5,000 children. This includes the use of expensive and unsuitable Bed & Breakfast accommodation, hostel accommodation with shared facilities, and other nightly paid accommodation which is not fully covered by Housing Benefit and is subsidised by the Council at an unsustainable cost.

- 7.5 Efforts to reduce the number of households in temporary accommodation are made more difficult by the lack of social housing lets and the difficulty and expense of securing affordable private rented sector accommodation at LHA level rents.

- 7.6 There are a number of measures the Council is already taking or planning to take to help remedy this situation, and reduce the use of temporary accommodation, initially targeting the most expensive and unsuitable schemes. A Temporary Accommodation Reform Plan is being drafted that identifies the main potential areas of improvement. These are outlined below:

- Roll Out of the “Find Your Home” programme, which aims to prevent homelessness by intervening early and empowering households threatened with homelessness to access accommodation in the private rented sector (PRS) in areas they can afford
- Improved procurement of accommodation to prevent homelessness or end a homelessness duty, by reviewing and redesigning the PRS procurement model
- Acquisition of a large portfolio of long term PRS accommodation in which to be able to accommodate homeless households at LHA rates into the future.
- Development of new build LHA rent PRS accommodation

- 7.7. It is difficult to reach a clear conclusion about future levels of homelessness demand leading to a need for temporary accommodation. However there are good reasons to think that homelessness pressures from the PRS will increase

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<sup>1</sup> <https://www.gov.uk/government/statistics/private-rental-market-statistics-may-2015>



significantly with the freeze in welfare benefits for the next four years against likely continued rises in market rents, coupled with a lowering of the overall benefit cap and restrictions on young people's ability to rent privately if they are claiming housing benefit

- 7.8.. However, despite this forecast of increased demand the implementation of Temporary Accommodation Reform Plan will significantly reduce the Council's use of temporary accommodation over the next five years.

## **8.0 Employment and Skills in Brent**

- 8.1 Over the past 15 years Brent's unemployment rate has consistently been 1-3% above the London level; it is currently 2.4% against the London average of 1.9% and 1.8% in the UK. Recent trends however show a closer convergence between Brent and the London and West London figures. This is perhaps a reflection of both improved attainment by existing residents as well as increasing in-migration of an economically active population as house prices continue to spiral across Brent, as well as a more concerted and strategic approach to employment from the Council and its partners.
- 8.2 Notwithstanding this, of particular concern is the 27.1% of working age people who are economically inactive and not seeking employment (based on the ONS Annual Population Survey) - mainly those people unable to work due to a long-term health condition or because they are looking after family or home, although there is also a high number of students in full time education.
- 8.3 The headline level improvements at Borough level tend to mask a more mixed picture at ward-level. In June 2014, unemployment rates varied between 1.3% in Kenton to 9.5% in Harlesden. Over the past twenty years, some wards and neighbourhoods have exhibited a consistent pattern of entrenched and high unemployment, coupled with other indicators of deprivation. There is a particularly striking correlation with the concentrations of social housing in Brent – South Kilburn, Stonebridge, Church End, Roundwood and Chalkhill are all unemployment hotspots.
- 8.4 7.8% of Brent residents have no qualifications, the same as the London proportion.
- 8.5 In an increasingly competitive labour market, the level of formal qualifications and skills achieved becomes even more critical to people's ability to secure meaningful and well paid work. Between 2008 and 2013, the proportion of the working age population with various levels of NVQ in Brent increased, while the proportion with no qualifications remained consistent at 8% (very close to the London average). It is difficult to be clear how much of this improvement is down to the inwards-migration of well qualified and highly skilled new residents.
- 8.6 As with unemployment, ward-level analysis shows concentrations of residents with no qualifications, with Stonebridge and Harlesden recording 26.8% and

22.6% respectively. Clearly the lack of a recognised qualification is increasingly likely to reduce the chances of an individual securing sustained employment.

8.7 In late 2015, a new Job Brokerage contract was tendered and awarded to Reed

Employment; this seeks to assist 100 residents on Housing Benefit, 80% affected by welfare reform, to find sustainable work. The Employment & Skills offer now also includes:-

- The 'Brent Works' offer, including;
  - Job and apprenticeship brokerage
  - CV writing, interview skills
  - Adult education / work-focused courses
- Place-based support:
  - The Living Room (St Raphael's) offer
  - Other place-based provision, such as Hyde Housing employment support in Stonebridge, or Catalyst Housing in Church End.
- Specialist support:
  - Referrals can be made by Brent Works to a wider range of specialist support (through the CVS or private providers), such as responding to mental health needs.

## 9.0 Discretionary spending

9.1 The Benefit Service administers two discretionary funds which are for the alleviation of hardship for benefit claimants, not exclusively aimed at those affected by welfare reforms, but heavily utilised by those claimants:-

- The **Local Welfare Assistance (LWA) scheme** has no base budget but is currently being administered from reserves accumulated from underspends in the previous two years. LWA provides emergency payments to vulnerable residents in crisis situations or for large one-off costs (eg white goods). A review is under way to establish a more sustainable long-term provision for assisting residents in crisis, potentially via a voluntary sector partner.
- The **Discretionary Housing Payment (DHP)** fund has an annual government grant (which authorities may supplement with their own funds) to assist Benefit claimants (on HB or UC) who are experiencing hardship through housing-related costs. Priority areas are reviewed at least annually, with Lead Member oversight, and are aimed at encouraging desired claimant behaviour (eg seeking work) or as a safety net for the most vulnerable. Payments may be one-off (eg costs associated with moving to a more affordable property) or ongoing for prescribed periods (eg paying the shortfall in rent while the claimant undertakes a job brokerage course; or assisting a particularly vulnerable claimant to avoid homelessness).

**Table 4: DHP expenditure by category in 2015/16**

Reason	Total	
	Number of awards*	Amount
Bedroom Tax downsizing incentive	49	£74,938.80
Bedroom Tax shortfalls	1195	£469,901.88
Childcare assistance	305	£64,378.07
'Find your home' Strategy – assistance with moving etc	16	£38,365.02
Employment assistance	230	£66,839.41
Job brokerage	85	£69,151.19
Landlord incentives / Private sector shortfalls	293	£612,839.13
Non-TA shortfalls / relocation	78	£73,638.13
Vulnerable / subject to circumstances of the case	447	£349,156.00
Temporary accommodation (TA)	659	£823,570.92
Universal Credit	6	£4,776.97
<b>Grand Total</b>	<b>3363</b>	<b>£2,647,555.52</b>

\*Some cases will have more than one award during the year

9.2 Brent's DHP budget has fallen from £4.8M in 2013/14 to £2.6M in 2015/16. The

national pot will increase by 20% in 2016/17, but Brent's share will only rise by 10% to £2.9M, despite a much larger projected increase in capped cases this year (see below).

## **10.0 Lowering of the OBC from Autumn 2016**

10.1 A further set of welfare reforms were announced in the Summer Budget 2015 and Autumn Statement / Comprehensive Spending Review 2015, and will present a range of challenges for Brent residents, the Council and its partners from 2016 onwards.

10.2 One of the most significant new reforms is the reduction in the OBC to £23,000

in Greater London (and £20,000 elsewhere in the country). (Lower rates apply for single claimants.) In Brent, this means a weekly reduction from £500 to £442 for families; and from £350 to £296 for single claimants. The reduced cap will be rolled out in Autumn 2016.

10.3 The new proposed amounts are summarised in the table below:

**Table 5: Reduced Benefits cap limits**

Benefit Cap Limits—per week				
	Outside Greater London		In Greater London	
Situation	Current	Proposed	Current	Proposed
Single	£350	£257.69	£350	£296.35
Lone Parent	£500	£384.62	£500	£442.31
Couple	£500	£384.62	£500	£442.31
Couple with children	£500	£384.62	£500	£442.31

- 10.4 Although the Greater London caps will apply to Brent residents, claimants and officers will also have to be mindful of the caps outside of London if relocation is being considered. The reduced caps outside London will make any “better off” calculation more marginal and will have a significant impact on Temporary Accommodation and homelessness discharges in particular.
- 10.5 Forecasts of future impacts were undertaken in January 2016, when there were 621 currently capped claims. (As already indicated, there is fluctuation in number of caps at any time.) Officers predict that when the OBC is reduced, the number of households capped will increase to 2,353 capped claims<sup>2</sup>, an increase of 279%. (Clearly any currently capped cases will incur a further cap of £57.69 per week.)
- 10.6 The tables below provide the number of claims that will be capped under the new cap thresholds and how by how much based on current incomes.

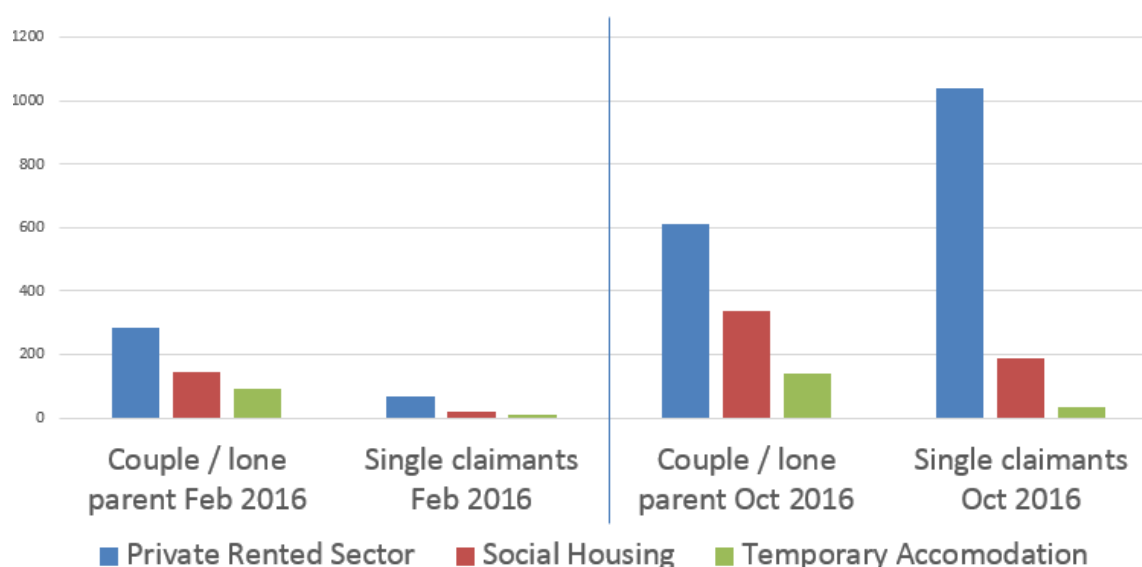
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<sup>2</sup> Reporting subject to potential variance of 10% and to a range of assumptions regarding claimant incomes. Assumptions do not take into account of the other combined Welfare Reform changes taking affect from April 2016, which by decreasing various benefit entitlements may reduce the number of capped cases and / or the weekly capped amount.

**Table 6: current and projected caps by weekly capped amount**

Capped amount	Current cap				Projected cap			% increase
	Couple / lone parent	Single	Total		Couple / lone parent	Single	Total	
£0.01 to £25.00	238	26	264		380	287	667	153%
£25.01 to £50.00	69	58	127		106	778	884	596%
£50.01 to £100.00	89	14	103		375	180	555	439%
£100.01 to £200.00	80	2	82		143	19	162	98%
£200.01 to £300.00	31	0	31		60	1	61	97%
£300.01 or more	14	0	14		24	0	24	71%
<b>Total:</b>	<b>521</b>	<b>100</b>	<b>621</b>		<b>1088</b>	<b>1265</b>	<b>2353</b>	<b>279%</b>
<b>% of total</b>	<b>84%</b>	<b>16%</b>			<b>46%</b>	<b>54%</b>		
<b>% increase</b>					<b>109%</b>	<b>1165%</b>	<b>279%</b>	

**Chart 2: current and projected caps by tenure**



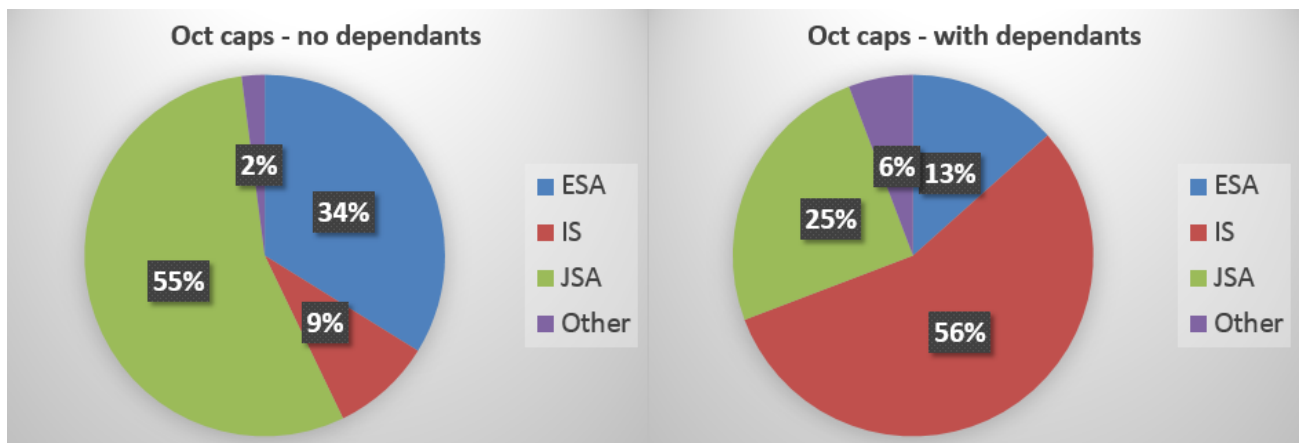
10.7 As can be seen from the table and chart above, the increase in capped cases is most significant amongst single claimants, particularly in the private sector (and aged over 35 - below this age claimants are already subject to restrictions). There are also significant rises in the Social Rented Sector and Temporary Accommodation, though from smaller baselines. Two thirds of claimants are affected by up to £50 per week, itself a significant amount especially for single claimants, while a further 30% are affected by between £50 and £200 per week.

## 10.8 Further segmentation of the cases forecast to be affected by the Cap indicates:-

- 55% of single claimants (without dependants) are on Jobseekers Allowance and therefore arguably closest to the job market. However 34% are on Employment & Support Allowance (ESA) and 11% on Income Support (IS) or other income and likely to find it harder to secure work
- 81% of families affected are single parents, of whom 66% are on IS and 10% on ESA
- Only 14% of affected two-parent families are on IS, with 27% on ESA and the remainder evenly split between JSA and other incomes.

10.9 An overview of affected claimants' income types is displayed in the following tables. This segmentation will be employed in the welfare reform strategy to provide targeted support to different claimant cohorts, and distinguish, in general terms, the amount of support required.

**Chart 3: Forecast OBC by income type**



## 11.0 Welfare Reform Strategy

11.1 A new Welfare Reform strategy has been developed via a coordinated cross-Council approach, and with external partners, to provide a joined-up response to the new reforms, linking together existing and planned initiatives from the Council and its partners. It aims to provide a coherent link between activities and organisations and a clear set of deliverable activities in support of affected residents. In particular it focuses on mitigating the impact of the reduced OBC and equipping claimants for the migration from HB to Universal Credit (UC).

11.2 The new welfare reform strategy reflects a greater need for the Council to work together with partners, with the Council fulfilling more of a strategic and co-ordinating role than the previous interventionist approach, although there will be

still be intervention on a targeted basis towards the most vulnerable residents. Welfare reform mitigation will also be delivered far more within mainstream service delivery than the previous specialised approach.

11.3 The strategy places employment and skills at the heart of the Council's approach and seeks to integrate the employment and skills offer with its overall customer service offer. This will apply to resident interactions generally but will be most evident in an integrated approach between Employment & Skills, Housing and Customer Services, with partner provision from Citizens Advice Bureau and DWP, in the Customer Service Centre at the Civic Centre.

11.4 The priorities of the strategy are:-

- To target assistance for those potentially affected by the Overall Benefit Cap (OBC) who are most vulnerable and / or likely to present a future statutory duty (priority need) on the Council
- To promote employment as the preferred route out of poverty and welfare dependency, and where this is not possible, to take a preventative approach to potential homelessness to minimise a statutory duty later
- To ensure a smooth handover from claiming HB to UC (with specific assistance for certain aspects of UC or for vulnerable cohorts)
- To make general information and advice available to all affected claimants (with appropriate signposting to partner agencies)

11.5 The strategy also incorporates the Council's approach to Council Tax Support (which has remained unchanged for 2016/17 despite further national restrictions to Housing Benefit), and is explicitly linked to Council strategies on Financial Inclusion, Advice provision and the Outcome Based Reviews of Employment & Welfare Reform and Housing Vulnerable Adults.

11.6 With regard to OBC, the strategy will specifically target vulnerable residents for assistance. A definitive list is being developed, but will include those residents in the following cohorts:-

- Working With Families
- Mental health
- Substance abuse
- Children with disabilities
- Children with a child protection plan
- Families in Temporary Accommodation or at risk of statutory homelessness
- Claimants with learning difficulties or physical disabilities

11.7 In some cases, of course, these claimants' personable circumstances may make them exempt from the OBC.

11.8 The main areas of the overall Welfare Reform strategy are to provide affected claimants with:-

1. General advice and assistance
2. Details of and access to the Council's Employment and skills offer
3. Access and referral to debt, budgeting and other specific advice
4. An integrated offer in the Council's Customer Service Centre linking Benefits, Housing and Employment advice
5. Proactive assistance to address housing and homelessness issues relating to welfare reform
6. Financial assistance for the most vulnerable (eg through DHP)
7. Specific mitigation activities related to the Overall Benefit Cap
8. Specific mitigation activities related to key aspects of Universal Credit

11.9 The strategy broadly relies on the segmentation of the OBC (and UC) caseload. General advice will be available to all claimants via a central information hub (on the Council's website) and associated digital media alerts; similarly basic advice and information will be delivered proactively through mainstream contacts from officers in various council departments. The expectation will be that relevant officers across the Council initiate contact to impacted claimants.

11.10 More specifically, those claimants vulnerable through Mental Health, Working With Families, addiction issues etc and / or likely to present a future statutory demand on the Council will be prioritised for more dedicated support. The greatest impacts of the Cap also coincide broadly with the Council's priority neighbourhoods and will enable more targeted mitigation through the place – based support indicated in paragraph 8.7 above. The Benefit Service will provide relevant data and information to Council colleagues or external partners to enable them to deliver both the central messages and add and interpret this through the prism of their own service provision, thus providing tailored specialist support for claimants.

11.12 The principal pathways will be to employment support or, where this is not a viable solution, proactive homelessness prevention work. Specific tailored messages will be provided to different cohorts within the OBC and UC groups (eg differing messages for single claimants / families on JSA / ESA / IS).

11.13 As mentioned previously, Brent's DHP budget is only increasing by 10% in 2016/17, despite a forecast increase of 279% in capped cases. The impacts of increasing demand and reduced funding per head, may mean many more residents will have to resolve their situation without Council assistance, and indeed some current recipients of DHP may find their awards reduced or ended.

11.14 More detail of the overall provision within the eight categories mentioned above is provided in Appendix A

## **12.0 Conclusion**

12.1 Brent has been one of the boroughs most significantly impacted by the Overall



Benefit Cap (and welfare reform generally) since 2013, although volumes were less than originally anticipated by DWP. The Council's response to this has been to place a much greater emphasis on employment and skills provision, and the linking of this focus with that of homelessness prevention and Benefits administration.

- 12.2 Considerable resources have been put into mitigation of the Cap, and tracking of affected cases, particularly in the first 18 months of introduction, and these have reaped significant outcomes in assisting residents to move into work or relocate. The Council has also utilised DHP effectively to mitigate some of the worst impacts
- 12.3 The reductions in the headline figures of those capped does indicate on some level that the cap has delivered the government's intent, though what is less clear is the hidden cost of evictions and potential relocation to unfamiliar areas with limited support networks.
- 12.4 Relatively few OBC cases have been relocated outside the borough as feared, however the wider welfare reforms have had a more significant impact on homelessness and relocation or housing offers outside London generally are now common practice.
- 12.5 However, the planned lowering of the Cap from Autumn 2016 will present greater challenges to a larger number of claimants, in particular single people will be impacted who will generally not be statutorily homeless, so there is the potential for increased sofa-surfing, street sleeping, mental health and related social issues. The lowering of the cap elsewhere in the country may also make relocating out of London less viable.
- 12.6 The effect of austerity and public sector cuts generally means that the Council is now less able to take an interventionist approach with affected claimants and the new welfare reform strategy reflects a greater need to work together with partners, with the Council fulfilling more of a strategic and co-ordinating role. There will be a greater expectation on non-vulnerable claimants to take responsibility for their own outcomes (with appropriate signposting). Finally the Council's limited discretionary funding will have to stretch further and therefore provide less of a safety net for residents in future.
- 12.7 For these reasons the new welfare reform strategy will continue to place employment and skills at the heart of the Council's approach and to integrate the employment and skills offer with homelessness prevention and its overall customer service offer.

## **Background Papers**

Appendix A – Detail on key areas of the new Welfare Reform strategy

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