

Welfare reforms

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A regular update on issues related to Welfare Reform.

Please let us know if there are items that require further explanation or study:

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Included are selected documents, announcements, press stories and statistics relating to the resultant impact of reforms; structured around the Welfare Board's themed working groups for ease of reference.

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Allocations and Financial Inclusion

DCLG: Localising Council Tax support administration subsidy grant determination (2014 to 2015)

Localising Council Tax support is part of the wider set of reforms to the welfare system. This document sets out the distribution of subsidy paid to local authorities in England for administering localised Council Tax support in 2014 to 2015 (total of £80m approx).

Dudley's allocation is £487,556.

Telegraph: Liverpool rejects Help to Work

Liverpool City Council has become the first local authority to boycott the Government's new "Help to Work" scheme. Nick Small, who represents the council's employment, enterprise & skills sector, condemned the scheme as "immoral and unworkable".

Under the scheme claimants are expected to be on a training scheme, community work placement or intensive work preparation – losing their benefit if they fail to comply.

Elsewhere in the FT, Times and Independent:

- **Jobseekers face zero-hours contract mandate**
Jobseekers face losing their benefits for three months or more if they refuse to take zero-hours contract roles, a letter from Esther McVey, an employment minister, has revealed. Benefit claimants are at risk of sanctions if they do not apply for and accept certain zero-hours jobs under the new universal credit system. Currently, people claiming jobseekers' allowance are not required to apply for zero-hours contract vacancies and they do not face penalties for turning them down. Under the new system, Jobcentre "coaches" would be able to "mandate to zero-hours contracts", although they would have discretion about considering whether a role was suitable. Separately, the Times reports that the government's Help to Work scheme could see the long-term unemployed working alongside offenders on "forced volunteering" placements.
- **Jobless to sign on daily**
Rules requiring the long term unemployed to show up at a jobcentre every day or commit to six months of voluntary work are now in force. The latest rules apply to roughly 200,000 unemployed - the one in 30 claimants who has been out of work for three years or more. However, a group of leading charities, including Oxfam, has announced that it is boycotting the new mandatory work placement scheme on the grounds that volunteering should be genuinely voluntary rather than forced.
- **G4S back in the fold**
G4S, despite remaining under investigation by the Serious Fraud Office, has been awarded a key role implementing the government's new Help to Work programme for the long-term unemployed.

Times: 'Bedroom tax' will be scrapped in Scotland

Deputy First Minister Nicola Sturgeon has confirmed that the Scottish Government will use new powers that will effectively abolish the so-called "bedroom tax".

Research and Policy

HouseMark: The impact of welfare reforms on tenants

The National Housing Federation has published its [report](#) into how tenants have prepared for, and reacted to, the UK Government's welfare reforms. The Federation found the majority of working age social housing tenants are not prepared for the roll out of Universal Credit.

The report includes ten case studies, by Ipsos Mori, that provide real-life stories of the thought processes and experiences of tenants who have lived through changes to the welfare system.

The in-depth interviews suggest that the welfare reforms have impacted on tenants both financially and emotionally.

Participants who have been affected by the bedroom tax have reported facing a number of issues:

- how to pay the part of the rent not covered by Housing Benefit
- the disruption of moving to a smaller property
- other consequences, such as no longer having a spare room for a child to stay in or accumulating debt following the costs of moving.

However, the report says there is evidence that after a period of adjustment, some tenants have adapted to their new situations. The full report can be accessed [here](#).

HouseMark's newsletter [issue 676](#) outlines the initial findings from the Ipsos MORI [survey](#) into the impact of welfare reforms on housing association tenants.

HouseMark: Grand Union Housing Report – Bedroom tax tenants face smaller homes shortage

Grand Union Housing Group has produced a [new report](#) showing that, 12 months after its introduction, the Government's bedroom tax has failed to reduce under-occupancy in social housing. Alan Humphreys, Chief Executive of Grand Union Housing Group, said:

"The fact remains that nearly three quarters of people who were affected by the bedroom tax remain unable to downsize because of a chronic shortage of smaller homes."

The report points to a 'postcode lottery' in terms of how LAs allocate support through DHPs. It suggests that:

'There have been some positive individual stories but the number of tenants with rent arrears (42.5%) indicates that many are struggling to cope.'

Work Pensions Committee: Report – Committee concerned over benefits error and fraud

The Work and Pensions Committee has [published a new report](#) raising concerns over how (DWP) will manage the housing costs element of UC without ramping up the risk of error and fraud.

Although the Government, 'has a good understanding of the fraud and error risks in the

benefits system and has allocated considerable resources to fraud and error reduction' the Committee found that 'there has been no statistically significant change in the overall levels of benefit fraud and error since 2005/06.'

HB was said to be 'of particular concern' because, 'the monetary value of HB overpayments is more than double that of any other benefit.'

In terms of technology designed to detect error and fraud, the Committee recommends that the DWP, 'should review and improve the Automated Transfer to Local Authority Systems, to make it easier and less resource-intensive for local authorities to access the DWP data needed to verify Housing Benefit claims.'

Chair of the Work and Pensions Committee, Dame Anne Begg MP, [said](#):

"It is vital that a fully developed and tested IT system, which allows DWP to cross-check data, is in place before Universal Credit is implemented on a national scale. Worryingly, it appears that there is no automated system in use in the Pathfinders and is not clear when or how a system will be available."

Official data shows that there is nearly twice as much error (£2.3 billion of overpayments) in our benefits system as fraud (£1.2 billion). Drawing on findings from an earlier National Audit Office (NAO) report the Committee said:

'By far the largest risk of fraud and error in HB arises from the requirement for claimants accurately to report their income. Incorrect reporting of claimant income accounted for some 47% (£574 million) of HB fraud and error in 2012/13.

'Other notable categories of risk identified by the NAO include "passporting" issues i.e. where entitlement to HB is linked to entitlements to other benefits or services (part of a miscellaneous group of risks which made up 11% of overpayments, £134 million) and people claiming as a single person when they live with a partner (9%, £110 million).'

Report can be accessed [here](#).

DWP: Guidance – what PIP means for local authorities

DWP has updated guidance explaining how Personal Independence Payment (PIP) affects local authorities. It specifically covers:

- the impact on sharing of data between benefit systems
- how access to other disability benefits and services is affected
- exemption from the benefit cap
- where to go for further guidance and support

See [What PIP means for local authorities](#)

Press Release: The expansion of the full Universal Credit benefit to the rest of the north west of England will start in June

Summary of first year of welfare transformation and north west next steps:

- Jobcentres in the north west of England to start claims for new benefit
- new benefit to open to couples

- Claimant Commitment now rolled out to all British Jobcentres
- 26,300 members of staff trained as work coaches
- 10 sites in Britain now accepting Universal Credit claims

Full details of the first Jobcentres outside the Pathfinder areas to start offering Universal Credit in the NW and timetable for the expansion will be announced shortly.

Government are currently in discussion with the 12 local authorities cross the NW axis to be at the forefront of this next stage of expansion:

DWP continue to work closely with the 4 existing Universal Credit Local Authorities: Wigan; Warrington; Tameside and Oldham.

For more details see [here](#).

Times/Independent: IDS accused of burying bad news

The Government has published its annual review into the progress of around 200 projects representing £400bn of public spending, with each rated green, red, or amber to signify its level of risk. The Universal Credit project is the only one to have been given the classification of "reset" by the Major Project Authority (MPA) - which removes the previous amber and red warnings attached to the project. It was previously marked as amber/red, meaning it was in danger of failure. According to the Independent, the Work and Pensions Secretary, Iain Duncan Smith, successfully lobbied to prevent the scale of the project's problems being made public and persuaded Downing Street to release the MPA's report on the day of the local election results to minimise adverse publicity.

The report only briefly discusses UC's special status in an easily missed footnote on [page 12 \(PDF\)](#).

It says: The "reset" category has been applied to the Universal Credit project. We have undertaken significant work to develop a "reset plan" to place the roll-out of Universal Credit on a more secure footing, and the "reset" DCA [delivery confidence assessment] reflects this new status of the project.

The MPA report can be accessed [here](#).

Income Maximisation (individual and organisations)

Chartered Institute of Housing: Briefing – New approaches in tackling tenancy fraud

This briefing explores how housing providers across England have approached the fraudulent use of social housing, including preventing and detecting a range of fraudulent activities. It underlines emerging issues and risks in tackling tenancy fraud and establish good practice from providers in how to meet these new challenges.

The briefing is divided into three main sections:

- the first section asks why should you be tackling tenancy fraud now? It looks at the wider policy influences and recent research findings
- the second asks what are others doing? It explores emerging good practice in preventing and detecting fraud

- the final section asks how do you make sure you get it right? It sets out some key questions colleagues should consider when planning your organisation's approach to tackling tenancy fraud

It is aimed at organisations that are looking to step-up their approach to preventing tenancy fraud, or who may be looking to prepare for future challenges.

It will be useful for both local authorities and registered providers, and for anyone with an interest in, or responsibility for, tackling tenancy fraud.

[See here for report](#)