


<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>ECONOMIC REGENERATION HOUSING AND THE ARTS POLICY &amp; ACCOUNTABILITY COMMITTEE</b></p> <p align="center">26 April 2017</p>	
<p><b>TACKLING WORKLESSNESS</b></p>	
<p><b>Report of the Cabinet Member for Housing, Councillor Lisa Homan</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification</b> - For Information  <b>Key Decision:</b> No</p>	
<p><b>Other services consulted:</b> None</p>	
<p><b>Wards Affected:</b> All</p>	
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## 1. EXECUTIVE SUMMARY

- 1.1. This report assesses the impact of the Government's welfare reforms and the measures undertaken by the Council to help people back into work, including the OnePlace project with JobCentre Plus.

## 2. RECOMMENDATIONS

- 2.1. The Committee is requested to review and comment on the contents of the report.

## 3. PROPOSAL AND ISSUES

### Welfare Reform Measures Primarily Impacting Worklessness

- 3.1. In line with the Council's priorities, the Housing Solutions Service analyse, monitor, and mitigate against the impact of Welfare Reform to address

poverty and worklessness and minimise financial risk to, while optimising income for, the Council.

3.2. This report will focus on two Welfare Reform measures that directly affect unemployed households and have significant impact on personal finances, child poverty and housing if mitigating action is not applied. These are:

- **Overall Benefit Cap** - which limits or ‘caps’ the total amount of benefits, including Housing Benefit, received by unemployed households but gives exemptions to those who qualify for Working Tax Credit, and to those less able to work due to disability and in receipt of certain disability related benefit. The reduction in benefit due to OBC is applied solely to Housing Benefit but not to ‘subsistence’ related benefits such as Income Support, etc.
- **Universal Credit** – which replaces Housing Benefit plus 5 other benefits, applies the OBC to the total entitlement but also gives OBC exemption to those who are working and are earning more than £430 a month after tax and National Insurance, or are gainfully self-employed for at least 12 months and earning the Minimum Income Floor (MIF)<sup>1</sup>.

### Overall Benefit Cap

3.3. As part of the October 2010 Spending Review, the then Coalition Government announced plans to introduce an Overall Benefit Cap (OBC) on household benefits at £500 per week for a family and £350 per week for a single person with no children. To gain exemption, affected households/individuals would need to qualify for Working Tax Credit, (an in-work benefit), or be entitled to certain types of disability related benefits. Upon enactment, the Welfare Reform Act 2012 set out measures to implement the OBC.

3.4. The OBC rollout was managed over a 10-week period split into two tranches<sup>2</sup>. Hammersmith & Fulham residents were affected during the week of 12 August 2013.

3.5. To date, at least 1,335 Hammersmith and Fulham residents have experienced a reduction in their Housing Benefit because of the cap. As expected, most of the affected households were larger families and those living in high rent areas. Of those affected by the OBC since August 2013, 867 (65%) were no longer capped at March 2017. Please see summary table below:

Tenancy Type	Caps Removed					Still Capped
	To Mar 2014	To Mar 2015	To Mar 2016	To Mar 2017	Total	Apr-17
Temp Accommodation - H&F Managed	76	47	87	48	258	73
Temp Accommodation - H/Assoc Managed	58	87	25	22	192	19
Private Rented Sector	80	59	88	43	270	234
Permanent - H&F	11	20	16	19	66	38
Permanent - Hsg Assoc	18	22	18	23	81	104
<b>Grand Total</b>	<b>243</b>	<b>235</b>	<b>234</b>	<b>155</b>	<b>867</b>	<b>468</b>

<sup>1</sup> The MIF is an assumed level of earnings. This is based on what DWP would expect an employed person to receive in similar circumstances. It's calculated using the National Minimum Wage for the claimant's age group, multiplied by the number of hours they are expected to look for and be available for work.

<sup>2</sup> Tranche 1 included all local authorities with 275 households or fewer - capping commenced on 15 July 2013. Tranche 2 included all local authorities with 276 or more households to be capped – capping commenced in the week of 12 August 2013.

Of these, 480 (55%) had gained exemption through securing employment and therefore entitled to Working Tax Credit, 132 (15%) had claimed disability benefits that exempted them from the cap, while 133 (15%) moved or resettled to more affordable accommodation or areas.

- 3.6. The Welfare Reform and Work Act 2016 (enacted on 16th March 2016) marked a policy movement away from income-based measures of poverty and removed statutory obligations on Local Authorities to reduce child poverty. Instead, it emphasised tackling worklessness, improving educational attainment and supporting ‘troubled’ families as the most effective ways to address what the Government considers to be the ‘root causes’ of poverty.
- 3.7. The 2016 Act also lowered the OBC annual limits to £20,000 for couples and lone parents with children (£23,000 in Greater London) and £13,400 for single person households (£15,410 in Greater London) from 7 November 2016. This legislation introduced other exempting benefits, namely: Carer’s Allowance and Guardian’s Allowance.

### Universal Credit

- 3.8. At the centre of the Welfare Reform Act 2012 was the introduction of a new benefit – Universal Credit (UC). Key aspects of UC: merging in and out of work benefits into a single monthly household payment and replacing 6 of the main means-tested benefits and tax credits (now described as ‘legacy’ benefits<sup>3</sup>). Existing legacy benefit claimants ‘migrate’ to UC in two ways: following a relevant change of circumstances in-claim (‘natural migration’) or when DWP mandatorily terminates current legacy benefit awards and replaces that with a claim for UC. Natural migration has already been happening. Under current plans, the DWP intends to start an official ‘managed migration’ process in 2019 and complete by March 2022.
- 3.9. The Department for Work and Pensions (DWP) initially piloted the UC ‘Live Service’ in areas covered by Hammersmith Job Centre Plus (JCP) in October 2013, affecting limited categories of claimants – single applicants. This was later expanded to include couples without children. In June 2016 the DWP introduced the UC ‘Full Service’ to W6 and W14 post code areas; this made UC available to all new claims from all households of working age and those who have had a relevant change of circumstances. The Full Service roll out ensued for those who live in W12 and SW6 by December 2016. From July 2017, further roll out will follow for residents within the North Kensington JCP catchment area (W10 6 and W11 4).
- 3.10. Since the full roll out, a total of 1,139 residents are known to us as having either made a new claim for or ‘naturally’ migrated to UC. Breakdown below:

<b>Tenancy Type</b>	<b>No. of UC Claimants</b>
Temporary Accommodation (H&F Managed)	235

<sup>3</sup> Universal Credit replaces housing benefit, income related JSA and ESA, Income Support, Child Tax Credits, and Working Tax Credits.

Council Tenancy	402
Housing Association Tenancy	317
Private Rented Sector Tenancy	185
TOTAL	1,139

- 3.11. The Council was also one of only 20+ social landlords in the country to have been recognised with a Trusted Partner Pilot (TPP) status when DWP invited bids for the special status in November 2015 to deliver UC Universal Support. The pilot ran from February 2016 to February 2017 and whilst it has officially ended, the Council retained the Trusted Partner status and all beneficial arrangements during the pilot period have been embedded both with the Council and the DWP Service Centre/JCP enabling on-going support to residents and effecting mitigation work.
- 3.12. We also have a SPOC (Single Point of Contact) arrangement with the local JCPs where outstanding claims are being worked on and any issues could be escalated with the DWP UC Service Centre and other local JCPs. This effective arrangement is regarded as the operational model going forward.
- 3.13. Following a recent announcement<sup>4</sup>, families with 3 or more dependent children are exempt from claiming UC, which means that they will have to claim the 'legacy' benefits (including Housing Benefits) instead of UC from April 2017.

### **Measures Undertaken by the Council to Help People Back into Work**

- 3.14. Continuing welfare reform changes create increased instability, stresses and pressures for residents regarding their finances and tenancies. As such, it is crucial to support and assist residents in order to deliver key priorities and help our residents to be as resilient as possible. Without intervention and mitigation, tackling worklessness, preventing homelessness, tackling financial exclusion and child poverty, etc. will be far more challenging to deliver.
- 3.15. The Council have set up the following measures to help mitigate the impacts of welfare reform and remove barriers to improve access to training and employment opportunities for excluded and disadvantaged households:

#### H&F Link and Support

- 3.16. The Housing Options Service originally secured funding to set up a team, HB Assist, to deliver the programme of work to address the impact of Welfare Reform 2012 by working with affected households. Following successful delivery of work. Housing Solutions (formerly Housing Options) secured permanent funding to establish and expand the work of HB Assist and relaunch the service as H&F Link and Support, extending the range of services to households and delivering an integrated whole household approach.

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<sup>4</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/592560/g2-2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/592560/g2-2017.pdf)

- 3.17. While H&F Link and Support is now a mainstream provision, a project board also oversees and sets the strategic direction of the service, authorises the programme of work, monitors progress against targets, and protects vulnerable people. The Head of Housing Solutions chairs the Board and the board has representations from Housing Management, Finance, Policy and Strategy, Adult Social Care, Children's Services, H&F Direct, Economic Development and DWP/JCP.
- 3.18. The Board has set the protocol for targeted use of Discretionary Housing Payments (DHPs) to support residents into work or keep them in work and prevent homelessness. The Board has also developed a programme of intervention for H&F Link and Support to deliver in partnership to ensure that assistance and support is provided to affected households, as follows:
- Delivery of support services to residents through the H&F Advice Hub – a co-located service at 145 King Street in partnership with Hammersmith JCP, WorkZone, OnePlace and Adult Learning and Skills Service. The service provides high quality information, advice, and guidance to support residents into work-related training, job brokerage, money management, debt advice, etc. to make up the loss of income and avoid the effects of the Overall Benefit Cap;
  - Deliver Universal Support to enable Universal Credit claimants to manage the new benefit through Personal Budgeting Support and Assisted Digital Support. The Cabinet Members recently authorised Housing Solutions to receive grant funding from the DWP to deliver the Universal Support for 2017/18;
  - Negotiate with landlords to reduce existing rents to within the new subsidy or affordable levels to sustain tenancies and/or prevent homelessness;
  - Organise multi agency panels for vulnerable children and adults to manage risks arising from the loss of income.

### WorkZone

- 3.19. WorkZone, located in Westfield London on the Southern Terrace, is a one stop destination for jobs, apprenticeships, and training needs. Since 2008, WorkZone have been working in partnership with Hammersmith & Fulham Council and Westfield London, providing a free bespoke recruitment service, supporting local people into work and employers recruit locally and retain new talent.
- 3.20. WorkZone offers residents -
- Access to a range of jobs and apprenticeships in retail, customer service, administration, construction, hospitality, and much more
  - One-to-one, information, advice, and guidance towards finding work
  - Access to the right employment and skills training to prepare applicants for employment
  - A dedicated recruitment advisor, offering a bespoke service

3.21. WorkZone have supported in the last financial year:

- 807 people into work of which 228 were H&F residents
- 74 new apprenticeship opportunities in-house and with partners
- Supported 51 residents affected by the OBC at 145 King Street
- Supported 256 residents into accredited training for work – e.g. CSCS cards, Food Hygiene certificate.
- Attended or hosted 7 Jobs Fairs

### OnePlace

3.22. OnePlace was set up in October 2010 between the Council and Job Centre Plus (JCP) West London to explore the value of co-locating within the JCP environment. Staff were brought together from local authority services to provide one-to-one support to the long term unemployed, the vulnerable and people with complex needs, such as: those affected by welfare reform; Benefit Cap, Universal Credit and identified as underprivileged or having a disability.

3.23. Rationale for OnePlace includes:

- reducing duplication of processes
- making better use of data sharing to enhance customers experience and outcomes (officers have access to LA and JCP data, which enables checking information for both, correctness and to avoid fraud)
- provide a seamless process for the customer journey, eradicating the need for customers to duplicate information and move from 'pillar to post'
- align external initiatives with internal organisation priorities connected to core business areas, for example: apprenticeship schemes and volunteer opportunities.

3.24. The service provides a one-to-one holistic response by tailoring interventions in line with the local climate and socio-economic context, whilst considering the needs of the individual's circumstances.

3.25. The offer includes support with Housing Benefit (HB) / Council Tax Support (CTS), other benefit entitlement, adult education and career advice, welfare and debt advice, and employment advice with key support from WorkZone.

3.26. Residents are primarily referred by JCP, housing, FACES (Troubled Families) and other multi-sector partners working towards helping people tackle barriers to employment.

3.27. OnePlace have supported more than 2,000 residents, of which 650 received financial management support and 134 secured work.

## **4. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None.

**5. LIST OF APPENDICES:**

Appendix 1 - H&F Advice Hub (H&F Link and Support) Timetable of Services

Appendix 2 - WorkZone Work Strands

Appendix 3 - OnePlace Overview