

PREPARING FOR BENEFIT CHANGES

Report of the Chief Executive

1. SUMMARY

This report sets out our proposals to manage the impact of the changes in housing benefit.

2. RECOMMENDATION

To support the way forward as set out in the report.

3. MATTER FOR CONSIDERATION

3.1 The presentation by Clair Turner at the meeting in May 2011 identified a range of changes that will affect Council tenants. These are shown, in summary below:

- Non-dependant deductions.

The first changes to non-dependant deductions were introduced in April 2011. After being frozen for the last ten years increases have now been applied to charges for non-dependants living within households. The effect is that benefit payments are reduced in line with the income of the non-dependant. The increases will continue in 2012 and 2013.

The impact on council housing is an increased likelihood and risk of rent arrears, potentially greater pressure on housing need as households become less likely to care for non-dependants within the home and less disposable income available for day to day living.

- Under-occupation.

This proposal is timetabled to take effect from April 2013 and will limit housing benefit for working tenants to cover appropriate property size. This will effectively mean that a tenant who is living in a property and under occupying by will have their housing benefit reduced and will be expected to make up the shortfall. The impact within the East Midlands is estimated at 37% of working age tenants will be affected by an average reduction of £11.00 per week.

The impact on council housing is severe and as above there is an increased likelihood and risk of rent arrears if this situation is not addressed and suitable alternatives available for tenants who are affected by this change.

- Single Room Rate/Under 25 Rule

This proposal affects those tenants under the age of 25 years, and from January 2012 will apply to tenants in the private sector, and then January 2013 in the social sector, where private rented properties are used.

The proposal increases the age limit from 25 years to 35 years for shared accommodation. In practise this means that individuals under the age of 35 will not receive sufficient benefit to cover rent charges and may need cheaper accommodation and support with moving costs. The impact for us at present is on private rent accommodation that we manage. There is an increased likelihood and risk that rent arrears will increase on such properties. There may also be an unintended consequence that allocations to these properties become more difficult in the future.

- Disability Allowances Review

Reviews on entitlement to disability allowances are ongoing and may impact on tenants' ability to afford rent payments. Disability allowances are currently exempt income for housing benefit purposes and therefore form additional disposable income. Removal of disability allowances could increase financial pressures for some households and increase the likelihood and risk of rent arrears.

- Universal Credit.

Current proposals look to replace the existing benefit system with a Universal Credit from October 2013 for all new claimants. Existing claimants will be phased onto the new system from April 2015 and be completed by 2017. Put simply this means that claimants will receive one payment which covers their total entitlement rather than the current system which can mean income from a number of sources of benefits.

The impact on council housing, should the current proposal be implemented, is significant. At present local authority landlords receive direct payments. The new proposals are to make payment direct to tenants, as is currently the case in the private sector. Recent suggestions are that central government may be considering a monthly payment as opposed to weekly. There is an increased likelihood and risk of serious rent arrears for council housing.

- Limiting out of work benefits

From April 2013 it is proposed to introduce limits on benefits to £350 per week for single people and £500 per week for couples of working age.

Large households are likely to face a reduction in benefits, single parents with 3 or more dependants or couples with 4 or more dependants are likely to be affected. It is not known yet but even households who are under the limit in April 2013 may be affected by the introduction of Universal Credit in the future.

The impact for council housing is an increased likelihood and risk of rent arrears for households affected by the changes.

3.2 Managing the Risks

3.2.1 Understanding our customer profile

We are already carrying out work to identify who, amongst our customers will or is likely to be affected by the proposals. Prior to April 2011 we contacted all tenants who were to be affected by the changes to non-dependant charges and offered advice and assistance. We are currently carrying out similar exercises to identify the extent of under occupation within the stock, looking to develop support and assistance for those tenants who are willing to move to smaller more appropriate accommodation prior to the changes taking effect. We are also using this data to help inform investment priorities for the future.

3.2.2 Publicity

We will continue to publish articles in Derby Homes News and on the website that inform tenants of the proposed changes and how they may be affected. Individual targeting will continue as above. Wherever possible we will look to use national publicity campaigns to help better inform our tenants.

3.2.3 Working in Partnership

We are working closely with Derby Benefits and the Welfare Benefits /Money Advice service in the Council to run joint campaigns to raise awareness of the changes. Welfare Benefits are running training courses which staff and Board Members may wish to attend (Appendix 1).

3.2.4 Additional Resources

Negotiations are in hand with the Council to fund 2 extra money/welfare advice posts from the HRA for next 3 years to help prepare for these changes, and to support Derby Homes in the following ways:

- train front line staff, change processes, raise awareness and implement new practices ahead of the changes
- liaise with Derby Benefits to exchange data and use IT to identify the impact on individual tenants
- ensure effective publicity and communications to tenants
- visit individual tenants who are affected and ensure they access welfare benefit advice and discuss what changes they will need to consider, such as re ordering their household expenditure, transfer to smaller properties.

3.2.5 Restructure within Income Management Team

The Income Management Team has been restructured to create a flatter structure which will allow greater flexibility within the team and enable us to respond to challenges and changes more easily. The restructure has retained a focus on financial inclusion and welfare benefit advice to continue our aim of increasing the amount of preventative work we undertake.

We will need to monitor the impact of the welfare reform changes very closely and need to be aware that there may be a need to increase resources to cope with rising levels of rent arrears.

3.2.6 Campaigning

The National Housing Federation and the Chartered Institute of Housing have lobbied the Government against aspects of the proposals. Specifically they are asking the Government :

- to allow tenants to select direct payment of housing benefit to their landlord, and
- to exempt disabled tenants who have had adaptations fitted to their homes from the under occupation rules.

Derby Homes and the Council could add their voice to this by writing to the Government and MPs.

4. CONSULTATION IMPLICATIONS

The changes in benefits will be publicised through consultation meetings such as Housing Focus Groups and DACP meetings.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

The future funding of the HRA is very dependent on the collection of rents. If arrears were allowed to climb then this would reduce the amount of funds available for future repairs and services.

6. PERSONNEL IMPLICATIONS

The recruitment of additional staff will be discussed with the Council and it may be possible to second staff to Derby Homes from the Council.

7. EQUALITIES IMPACT ASSESSMENT

The impact of the welfare benefit changes will have a very large impact on people who are on low incomes, and rely on benefits. As 64% of Derby Homes tenants qualify for housing benefit it is a policy change with major implications for our customers.

8. RISK IMPLICATIONS

The risk that arrears will rise and there will be a loss of funds to pay for repairs and services

The areas listed below have no implications directly arising from this report:

- Environmental
- Council
- Health & Safety
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

Author: Maria Murphy / Director of Housing & Customer Service / 01332 888522 /
maria.murphy@derbyhomes.org

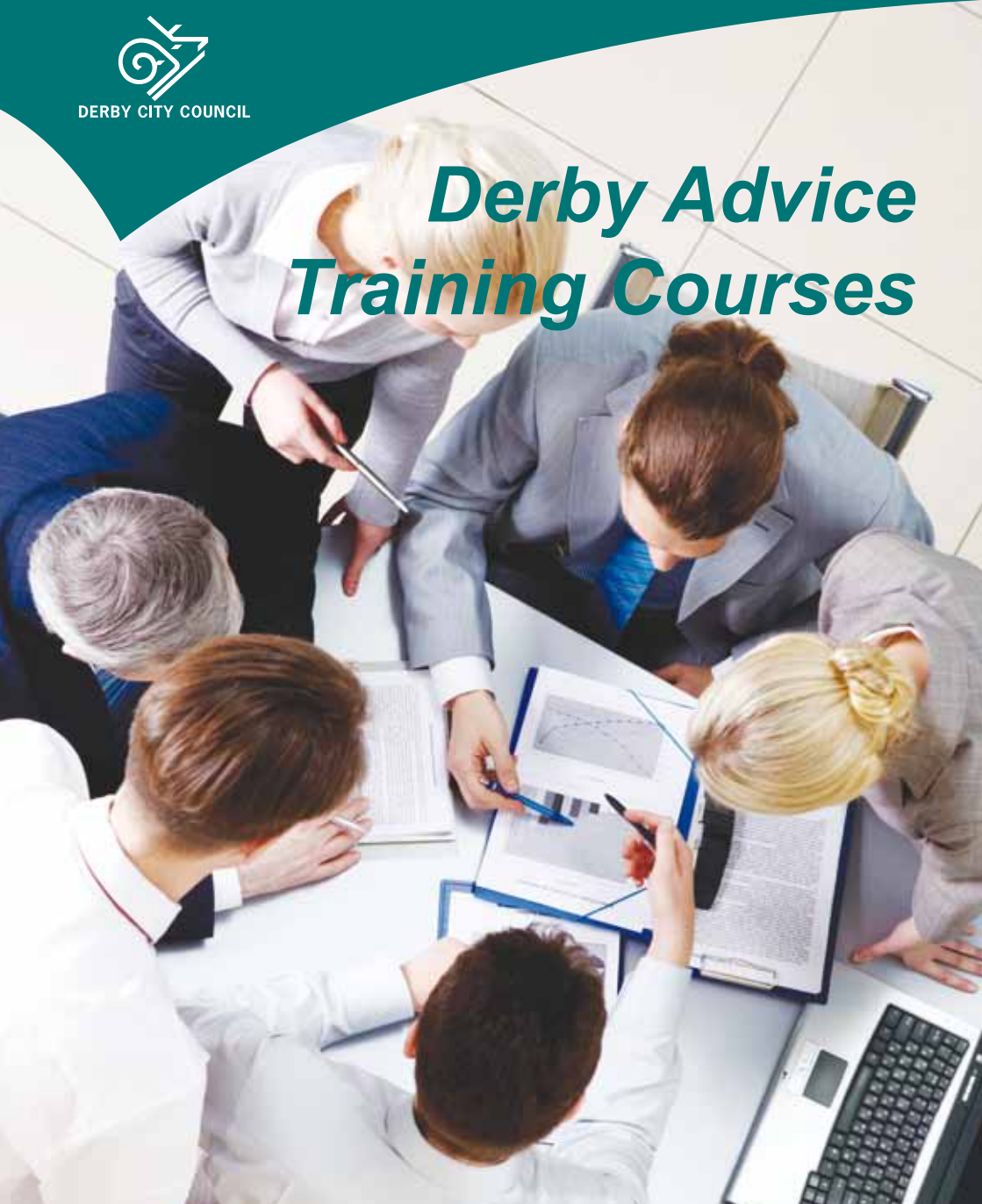
Background Information: None

Supporting Information: None



DERBY CITY COUNCIL

Derby Advice Training Courses



May 2011 - Feb 2012

What is the Derby Advice Training Programme?

Derby Advice is Derby City Council's own in-house advice provider. We provide free, confidential advice about:

- Benefits
- Debt

For the Welfare Rights programme, people with little or no benefits knowledge are recommended to book onto the Introduction to Welfare Rights course first as this provides a basic level of knowledge which should help when attending other courses.

For more details please ring Derby Advice on 01332 643394 or contact us at Derby Advice, Saxon House, Friary Street, Derby DE1 1AN.



Training Programme Dates

Appeals *page 4*

15 June 2011

Care Homes and Benefits *page 4*

14 October 2011, 6 January 2012

Disability Living Allowance and Attendance Allowance *page 5*

17 May 2011, 4 October 2011

Employment and Support Allowance *page 5*

24 May 2011, 7 December 2011

Introduction to Welfare Rights *page 6*

26 May 2011, 5 July 2011, 28 September 2011, 8 November 2011,
2 February 2012

Job Seekers Allowance *page 7*

10 November 2011

Mental Health and Benefits *page 7*

2 December 2011, 3 February 2012

Money Advice *page 8*

29 June 2011, 20 October 2011

Pension Credit *page 8*

9 June 2011

Social Fund *page 9*

11 January 2012,

Welfare Reform *page 6*

19 May 2011, 29 June 2011, 13 July 2011, 5 October 2011,
23 November 2011, 15 December 2011

Young People and Benefits *page 9*

22 February 2012

Derby Advice Training Courses

May 2011 - February 2012

Appeals

A half day course for anyone who needs to be aware of a claimants appeal rights. Participants should have some familiarity with benefits but detailed knowledge is not assumed.

Participants will be able to:

- Write an appropriate letter of appeal
- Understand the appeal process and the role of a tribunal and a representative.

Programme:

- Identifying potential appeals
- Writing a letter of appeal
- The appeal documents
- Researching the law, establishing the facts, gathering evidence
- Representing at a tribunal.

Dates and Times:

- 15 June 2011
from 1.30 - 4.30pm.

Care Homes and Benefits

This half day course will look at the financial assessment made by the Local Authority when someone goes into a residential care or nursing home. It will also consider the effects of going into a home on benefits. Particular issues covered will include: treatment of property, continuing health care, temporary residents, Attendance Allowance/Disability Living Allowance and Housing Benefit. Participants should have some familiarity with benefits.

Participants will be able to:

- Understand the financial assessment
- Explain the impact of going into Residential Care on entitlement to Benefits.

Programme:

Residential Care - The Financial Assessment:

- Treatment of Property
- Continuing Health Care
- s117 Mental Health Act
- Temporary Residents.

Effect on Benefits

- Income Support
- Housing and Council Tax Benefit
- Disability Living Allowance and Attendance Allowance
- The treatment of capital
- Preserved Rights and the 'old rules'.

Dates and Times:

- 14 October 2011
from 9.30am - 1.00pm
- 6 January 2012
from 9.30am - 1.00pm.

Disability Living Allowance and Attendance Allowance

A half day course for anyone working with disabled people of all ages. No prior knowledge is assumed.

Participants will be able to:

- Identify claims
- Explain the Disability Tests
- Complete a claim form.

Programme:

- Who qualifies?
- Needs for personal care
- Mobility difficulties
- The claim form.

Dates and Times:

- 17 May 2011
from 1.30 - 4.30pm
- 4 October 2011
from 1.30 - 4.30pm.

Employment and Support Allowance

Employment and Support Allowance replaced Incapacity Benefit and Incapacity Based Income Support in October 2008, for new claimants. This is a ½ day course for anyone working with adults who may have an illness or disability. No prior knowledge is assumed.

Participants will be able to:

- Identify the conditions of entitlement to Employment & Support Allowance
- Explain the tests associated with determining incapacity.

Programme:

Employment and Support Allowance

- Conditions of entitlement
- Assessment of capability for work and work related activity
- How the allowance is calculated and claimed
- The impact on existing incapacity benefit claimants.

Dates and Times:

- 24 May 2011
from 9.30am - 12.30pm
- 7 December 2011
from 1.30pm - 4.30pm.

Welfare Reform

A half day course covering the benefit changes currently being introduced as a result of the 2010 Budget and Comprehensive Spending Review.

Participants will be able to:

- Understand the changes to the benefit system being introduced for the next four years.
- Understand how these changes are likely to affect your organisation and service users.

Programme:

- What is Universal Credit?
- Changes to Housing Benefit and Local Housing Allowance.
- Changes to disability benefits, tax credits and benefit uprating.

Dates and Times:

- 19 May 2011
from 9.30am - 12.30pm.
- 29 June 2011
from 9.30am - 12.30pm.
- 13 July 2011
from 1.30pm - 4.30pm.
- 5 October 2011
from 1.30pm - 4.30pm.
- 23 November 2011
from 9.30am - 12.30pm.
- 15 December 2011
from 9.30am - 12.30pm.

Introduction to Welfare Rights

A one day course providing an introduction to the benefits system.

Participants will be able to:

- Identify potential Benefit claims
- Assist with the claim process
- Refer appropriately.

Programme:

- Introduction to the Benefits system
- Means Tested Benefits and Tax Credits
- Disability Living Allowance and Attendance Allowance
- Incapacity for work
- The Social Fund
- Benefits Adjudication.

Dates and Times:

- 26 May 2011
from 9.30am - 4.30pm
- 5 July 2011
from 9.30am - 4.30pm
- 28 September 2011
from 9.30am - 4.30pm
- 8 November 2011
from 9.30am - 4.30pm
- 2 February 2012
from 9.30am - 4.30pm.

Job Seekers Allowance

A half day course. No prior knowledge is assumed.

Participants will be able to:

- Identify the conditions of entitlement for Job Seekers Allowance
- Explain the labour market conditions
- Understand the disqualification and hardship Rules.

Programme:

- Who can claim Job Seekers Allowance?
- Availability for work
- Actively seeking work
- The Job Seekers Agreement
- Job Seekers Directions
- Disqualification, sanction and suspension
- Claims on hardship grounds.

Dates and Times:

- 10 November 2011
from 9.30am - 12.30pm.

Mental Health and Benefits

A full day course for anyone who works with people with Mental Health problems.

Participants will be able to:

- Recognise the issues facing people with mental health problems when claiming benefits
- Understand the qualifying rules for Disability Living Allowance and Attendance Allowance
- Complete Disability Living Allowance and Attendance Allowance Claim Forms
- Understand how the Work Capability Assessment applies to people with mental health problems and assist with Employment and Support Allowance claims
- Understand the permitted work rules and other issues facing people going back to work.

Programme:

- Barriers to claiming benefits
- Disability Living Allowance and Attendance Allowance
- Work Capability Assessment
- Returning to work.

Dates and Times:

- 2 December 2011
from 9.30am - 4.30pm
- 3 February 2012
from 9.30am - 4.30pm.

Money Advice

A full day course which provides an introduction to personal debt. Aimed at anyone who works with people experiencing debt. No knowledge is assumed.

Participants will be able to:

- Distinguish between the different types of debt
- Understand the consequences of not paying
- Follow the money advice process.

Programme:

- Who gets into debt
- Priority and non-priority creditors
- Enforcement options
- Financial statements and negotiation
- Bailiffs.

Dates and Times:

- 29 June 2011
from 9.30am - 4.30pm
- 20 October 2011
from 9.30am - 4.30pm..

Pension Credit

A half day course looking at Pension Credit. For anyone who works with elderly people.

Participants will be able to:

- Understand the conditions of entitlements
- Calculate the benefit
- Understand the claim.

Programme:

- Introduction to Pension Credit
- Conditions of entitlement
- Claims and payments.

Dates and Times:

- 9 June 2011
from 9.30am- 12.30pm.

The Social Fund

A half day course. Assumes no prior knowledge.

Participants will be able to:

- Understand the difference between the Regulated Fund and the Discretionary Fund
- Identify potential applications
- Assist with completing application forms.

Programme:

The Regulated Fund

- Funeral payments, Maternity Expenses payments, Cold Weather payments.

The Discretionary Fund

- Community Care Grants
- Budgeting Loans
- Crisis Loans
- The Directions and Guidance
- The application form
- Tactics when applying.

Dates and Times:

- 11 January 2012
from 9.30am - 12.30pm

Young People and Benefits

A half day course for anyone who works with young people, particularly 16/17 year olds.

Participants will be able to:

- Identify which benefits particular groups of 16/17 year olds are entitled to.

Programme:

- 16/17 year olds who qualify for Income Support
- 16/17 year olds who qualify for Job Seekers Allowance
- Housing Benefit for 16/17 year olds
- Other benefits available to particular groups of 16/17 year olds.

Dates and Times:

- 22 February 2012
from 9.30am - 12.30pm.

Contact Details

Welfare Rights Service

- Specialist advice on all welfare benefits and form completion.
- Tribunal representation.

Welfare Rights Helpline, Monday to Friday from 1 - 4pm

Tel: 01332 643394

Money Advice Service

- Help to sort out debts.
- Welfare Benefit advice.
- Advice and assistance with court procedures.

Tel: 01332 643398

Welfare Rights Advice Sessions

Indian Community Centre, Rawdon Street, Derby
Tuesdays 10am - 12pm (drop-in session)

Disability Direct, DD Enterprise, 20 Royal Scott Road, Pride Park,
Derby, DE24 8AJ
Thursdays 1pm - 3pm

Tel: 01332 404040 for an appointment.

Pear Tree Library, Pear Tree Road, Derby
Mondays 1 - 2.30pm, Wednesdays 1 - 2.30pm (drop-in sessions)
Fridays 10am - 12pm (appointment only)

Tel: 01332 643395 for an appointment.

Southern Derbyshire Pensioners Association, Shop 2,
The Balcony, Market Hall, Derby
Thursdays 10am - 1pm (drop-in session)

New advice services

Advising people on redundancy or moving into work

We are working closely with Jobcentre Plus to respond promptly when companies are forced to make redundancies. In the last year, we have advised employees from Toyota, Bemrose Booth, BMI and Derbyshire Constabulary.

We are supporting residents who are seeking to move from benefits to employment by showing financial benefits to work. People in this situation often don't realise that they can claim work-related benefits, which means they would not be disadvantaged by the move.

We also offer advice, through companies, where there may be part-time or temporary employment opportunities and advice on what is available to offset any reduction in benefits.

We deliver employability workshops for young people who are not in employment, education or training. We provide a 'money matters' session at Derby College focusing on budgeting, bank accounts, credit transactions and paying rent.

Advising vulnerable adults

We run an outreach session for patients recovering from acute mental health problems at the London Road Community Hospital. We take referrals directly from patients and from their consultants.

We work with the Council's 'I Want 2 Work' employment project, which helps people with learning difficulties (who often find it harder than others to learn, understand and communicate), to move into work. We provide benefits advice and information to help people understand the financial impact of starting work. We take referrals from the Fostering and Adoption Centre to ensure that foster carers claim the correct benefits.

Advising carers

Derby Advice has secured funding from the Department of Health to provide advice to carers and the people they look after, in GP surgeries and in their own home.

Advising new and emerging communities

Derby Advice secured funding through the national Migration Impact Fund (raised by increases to migrant fees) to help deal with the short-term pressures that migration can place on local public services, including councils, schools, NHS and the police.

Derby Advice is delivering benefit advice in Eastern European languages to people arriving in Derby from the European Union 'accession states' (Bulgaria, Czech, Romania, Slovakia, Slovenia). We can also advise people about the Worker Registration Scheme.

Booking Details

All courses will take place at Derby City Council, Kedleston Road Training Centre.

To book onto a course you should contact the Derby Advice Administration Team on 01332 643394 to reserve a space.

You will receive joining instructions before the course. If you have any queries about the course content or would like any further information please contact Richard Machin, Derby Advice Manager, on 01332 643380.

We can give you this information in any other way style or language to help you access it.

Phone 01332 643394
Minicom 01332 256666

Derby City Council, Derby Advice, Saxon House,
Heritage Gate, Friary Street Derby DE1 1AN

www.derby.gov.uk