Mitigating the Impact of Welfare Reform in Cardiff

March 2013

County Council of The City and County of Cardiff
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CHAIR’S FOREWORD

The UK Government’s Welfare Reform programme brings with it huge challenges for the individuals affected and for local communities. Committee Members recognise this and were concerned to learn about the known and anticipated impact for Cardiff. As local Members we know that the economic recession, coupled with Welfare Reform, is already affecting some of our constituents, as can be seen by the increased use of food banks in Cardiff. The full impact of Welfare Reform is still to be felt, as changes such as Universal Credit have yet to be implemented. Members recognise that it is imperative that Cardiff Council works with partners to strive to mitigate the impact of Welfare Reform on the most disadvantaged.

This report details the significant work that is already underway in Cardiff to help those affected by Welfare Reform. Members were impressed by the commitment of statutory and voluntary partners to work together to raise awareness of the issues and to develop projects to address these.

Having considered the evidence, Members have made a number of recommendations aimed at building on this work to ensure we are prepared for the challenges of 2014 onwards. This report will also be shared with Welsh Government Ministers to ensure they are aware of the position in Cardiff.

I wish to thank my fellow Members from this Committee who participated in the task group, Councillors Dan De’Ath and David Groves, as well as Councillor Siobhan Corria, Chair Children & Young People Scrutiny Committee and Councillor Paul Mitchell, Member of Environmental Scrutiny Committee and Policy Review and Performance Committee. I also wish to thank all those who gave evidence to the Inquiry and scrutiny officers that supported the Inquiry.

Councillor Ramesh Patel  
Chair, Community & Adult Services Scrutiny Committee  
21 March 2013
TERMS OF REFERENCE

To gain an understanding of the known and anticipated impact of Welfare Reform changes for citizens in Cardiff.

To gain an understanding of the work being undertaken and planned by Cardiff Council and partner organisations to mitigate the impact of the Welfare Reform for citizens in Cardiff, including assistance, support and signposting.

To keep abreast of updates issued on Welfare Reform during the Inquiry, including the Council Tax Support Scheme.

To examine approaches taken by local authorities in the UK to prepare, plan and mitigate the impact of Welfare Reform for their residents to see if there are any good practice lessons that Cardiff can learn from these.

To make informed recommendations to all relevant parties on the most appropriate approaches to take to mitigate and ameliorate the impact of Welfare Reform in Cardiff.

To highlight to the Cabinet (by Chair’s Letter) before the Budget is agreed, anything that is deemed critical.

Members of the Task & Finish Group were:

- Councillor Ramesh Patel (Chair)
- Councillor Siobhan Corria
- Councillor Daniel De’Ath
- Councillor David Groves
- Councillor Paul Mitchell
OVERVIEW OF WELFARE REFORM

The Government's Welfare Reform Bill, which has now received Royal Assent, introduces a wide range of reforms with the stated aim of making the benefit and tax credits system simpler by:

- creating incentives to get more people into work by ensuring that work always pays;
- merging out of work benefits and tax credits to create a single Universal Credit (UC); and
- reforms to other benefits aimed at reducing the cost of the benefits system.

The main stated elements of the Act are:

- the introduction of Universal Credit together with a benefit cap to provide a single streamlined benefit;
- a stronger approach to reducing fraud and error with tougher penalties for the most serious offences;
- a new ‘claimant commitment’ showing clearly what is expected of claimants while giving protection to those with the greatest needs;
- reforms to Disability Living Allowance (DLA), through the introduction of the Personal Independence Payment (PIP);
- creating a new approach to Housing Benefit (HB);
- driving out abuse of the social fund system by giving greater power to local authorities;
- reforming Employment and Support Allowance (ESA) with the aim of making the benefit fairer and to ensure that help goes to those with the greatest need;
- changes to support a new system of child support; and
- provision to abolish Council Tax Benefit, paving the way for the introduction of localised Council Tax Support in the Local Government Finance Bill.
The timings of these are staggered, with a series of pilots for a number of the above being used to inform the final schemes that will be rolled out across the UK.

**Universal Credit.** The introduction of Universal Credit (UC) will see Housing Benefit merged into this new single benefit which, in all but exceptional circumstances, will be paid monthly direct to claimants. It is the Government's wish that 80% of UC transactions take place online.

**Benefit cap.** The Act makes provision for the introduction of a benefit cap for out-of-work households, which will restrict the amount of benefit a household can receive to broadly the average earned income of a working household after tax and national insurance. It will apply to workless households and the proposal is to set it at £500 a week for couples and lone parent households and £350 a week for single person households. Until UC is introduced it will be enforced by councils through Housing Benefit. In order to mitigate the impact of the benefit cap, the Department of Work & Pensions (DWP) is making available an additional £130m to councils to fund Discretionary Housing Payments (DHP); £80m in 2013/14 and £50m in 2014/15.

**Introduction of PIP.** Personal Independence Plans, with a 20 per cent budget cut, will replace Disability Living Allowance (DLA) from April 2013. It will be delivered through a focus on the most disabled.

**Application of CPI to Local Housing Allowance (LHA).** In addition to other LHA reforms introduced over the past 18 months, the Welfare Reform Act makes provision for LHA to be uprated annually by the lesser of either CPI or rent officer review. The Government hopes that, in conjunction with the other LHA reforms, this will help to drive rents down and keep them at more affordable levels. Many commentators question whether this will happen.

**Under-occupancy of social housing - ‘bedroom tax’.** In order to contain the growing Housing Benefit expenditure; encourage greater mobility in the social rented sector; strengthen work incentives; and make better use of
available social housing, the Act applies the size eligibility criteria applying in the private rented sector to social housing. This would mean that anyone deemed to be under occupying would either need to move or face a reduction in their Housing Benefit.

The DWP has announced additional £30 million per year in Discretionary Housing Payments to mitigate the impact of the bedroom tax. The extra funding is specifically aimed at disabled people living in significantly adapted accommodation and foster carers. There is also an additional £40m per year until 2014/15 to mitigate the LHA reforms.

**Localisation of support for Council Tax.** Rather than being a centrally-supported benefit, the new localised support will be funded from non-ring fenced grants paid directly to both billing and precepting authorities in proportion to their share of Council Tax. The grants will reflect a 10% saving on the current Council Tax Benefit bill. The Welsh Government has used reserves to meet the costs in 2013-14 so that the 10% saving is not passed onto residents. However, billing authorities will still be responsible for developing localised schemes and for consulting both with precepting authorities and the public on the schemes prior to having schemes adopted by no later than 31 January 2013, and the end of January each year thereafter. The design of schemes will need to take account of the Government's intention to maintain the current level of pensioner council tax support and of councils' responsibilities in relation to other vulnerable groups. Although councils will be free to revise schemes between years, they will not be allowed to revise them in-year, because of the need to provide certainty to claimants.

**Serious Fraud Investigation Service (SFIS).** With the SFIS focused purely on benefit and tax credit fraud, there will be a need to develop an approach to addressing other types of fraud, such as council tax and tenancy fraud. DWP has acknowledged the need for SFIS to have close working relationships with councils to ensure effective fraud investigation across the board.

**Replacement of elements of the discretionary social fund with local welfare assistance.** The discretionary social fund is currently administered through Job Centre Plus and comprises: Budgeting loans; Community care
grants; and Crisis loans. The Act abolishes community care grants and crisis loans for living expenses. Budgeting loans will be replaced by a new nationally-administered advance of benefit facility. In Wales, Northgate will be administering a grant to provide assistance to vulnerable groups. This could be payment in kind (that is, the granting of second-hand furniture or white goods) or in cash. There are concerns over whether the grant provided to deliver these last resort services will be sufficient to meet the needs of the community.
KEY FINDINGS

KNOWN AND ANTICIPATED IMPACT OF WELFARE REFORM

KF1. Officers were able to provide clear, up to date information about the numbers of citizens of Cardiff affected by the individual Welfare Reform changes and the probable impact of these. This information demonstrates the scale of the direct impact in Cardiff, with thousands of households affected and the local economy losing an estimated £100m, equating to 1,050 full-time equivalent (FTE) jobs. Members recognise that the actual and cumulative direct impact cannot be known until all the Welfare Reform changes have been implemented.

KF2. Members heard that there are a range of secondary impacts associated with periods of economic downturn. Members believe that Welfare Reform is highly likely to accentuate these secondary impacts for the sub-set of the population affected by Welfare Reform and note that several partner organisations have considered this.

KF3. Members are concerned about the ‘demonising’ of those who are entitled to Welfare Benefits and are concerned that this may lead to an increase in hate crime. Members are pleased to note evidence from South Wales Police that they take hate crime extremely seriously and have dedicated resources in place and strong guidance for front-line staff.

KF4. Members believe that the real impact of Welfare Reform will not be felt immediately but months later, as people struggle to continue where they are; this might well result in their health and well-being being undermined as they deal with high levels of stress. Members recognise that there is an element of disbelief amongst citizens affected by the Welfare Reform
changes. Members recognise that once the impact of Welfare Reform is felt, people will need help quickly and agencies need to be ready for this.

KF5. Members heard that there are direct and indirect impacts for local authorities, in terms of loss of revenue, increased costs, operational reconfiguration, increased pressures on some services and increased risks for frontline staff. Flowing from this, Members heard that there is a clear role for local authorities in responding to the impact of Welfare Reform and that the role they choose to take will be crucial in influencing the behavioural changes required by Welfare Reform. Members heard that the role can include the following elements: strategic work; partnership working; cross-departmental co-ordination; information and data collation and sharing; identification of service pressures and redesign; training for staff; providing advice and support for communities; and communications.

WORK UNDERWAY TO MITIGATE WELFARE REFORM

KF6. Cardiff Council has led on concerted awareness raising with partners and Council staff and on the establishment of a multi-agency Task Group and several sub-groups to co-ordinate work on mitigating the impact of the Welfare Reforms. Detailed and comprehensive action plans have been developed by these groups and Members were impressed by the volume and scope of this work. Members feel that procedurally, witnesses appear to be on target with the work they have set themselves. Members note that many of the external witnesses stated that the work to date has been exemplary, which is pleasing to hear, but Members also note the point made by Diverse Cymru that, to date, this work has been Council-centric and could now be expanded to include work to support all partners affected by Welfare Reform.

KF7. Members were pleased to hear from partner organisations, such as South Wales Fire and Rescue Services and Cardiff & Vale University Health Board, that they have undertaken work to identify and mitigate possible impacts in their areas. Members were also pleased to hear that
the two housing associations that gave evidence to this Inquiry have recruited additional staff to provide advice and support to tenants who are affected by Welfare Reform.

KF8. Members note that not all the Council services that they would expect to be actively involved in work to prepare for and mitigate Welfare Reform are involved, namely Children’s Services, Education Services and Economic Development. Members note that there has been some limited involvement with Children’s Services to date. With regard to Schools, Members note that presentations have taken place to secondary school head teachers and that offers for presentations and nominations for attendees for task groups have been made to the education service. Given that the impact of some aspects of Welfare Reform will particularly affect primary school age children, Members feel there is an opportunity to add to the current work. With regard to Economic Development, Members recognise that a critical aspect of mitigating the impact of Welfare Reform will be to provide economic activity opportunities to those citizens who are able to utilise these. Members note that some aspects of economic development work are being undertaken by other teams within the Council and partner organisations. Members appreciate these efforts but feel there is still a role for the Economic Development section to be involved in order to ensure that economic activity opportunities are realised during major redevelopment and growth projects. Similarly, Members note the opportunity for local authorities to use their commissioning and procurement work to secure economic activities as part of community benefits.

KF9. Members were pleased to hear that mechanisms had been found to enable partner organisations to share and analyse data to provide an intelligence-based, shared common understanding of the impact of Welfare Reform in Cardiff. Members note that this in turn enables the Task Group and sub-groups to have a quick and flexible response to issues and challenges identified.
KF10. With regard to debt recovery, Members note that work is underway to develop a joined-up, holistic approach across the Council, which takes a whole person approach. Members note that officers are aware that there is an opportunity to use 2013-14 to trial different ways of working in order to prepare for the possibility that the Council Tax Reduction Scheme protection offered by the Welsh Government will not be there in the years ahead. Members recognise that, should this happen, a further 27,500 citizens in Cardiff will be negatively affected. On a related note, Members believe that the Welsh Government protection in 2013-14 should mean that the anticipated reduction in Council Tax collection rates will now not happen, realising an additional £650,000 in 2013-14.

KF11. With regard to financial inclusion, Members were pleased to hear about the proactive work with Cardiff Credit Union and Moneyline Cymru, which will benefit financially-excluded citizens in Cardiff. Members were impressed by the evident commitment of the witnesses from this sub-group who gave evidence to this Inquiry to work together in the best interests of citizens to find alternatives to loan sharks and high interest loan companies.

KF12. With regard to work on the Local Housing Allowance, Members note that citizens in Cardiff entitled to welfare benefits face a ‘double whammy’ of reducing household income caused by the Benefits Cap at the same time as increasing demand and rents in the private sector. Members were pleased to see the range of work being undertaken to mitigate this and that Cadwyn Housing Association are trialling shared accommodation for under 34 year olds.

KF13. Members note that a major area of concern is the lack of commitment from Central Government to continue the level of funding for Discretionary Housing Payments, which Members can see are critical to ameliorate the impact of Welfare Reform for highly vulnerable claimants. Members note that administration of these payments is complex and challenging and that officers are working across service areas and organisations to scope the
possible need. With regard to foster carers, Members note that initial work indicates there should be sufficient monies to use these payments where needed.

KF14. Members note the work underway to deliver digital inclusion, including the £6m ICT Digital Inclusion Grant Training & Equipment bid to Welsh Government and the possibility of a scheme to loan equipment to low-income families. Members also note the intention to use libraries and hubs as access points, with the possibility of using leisure centres currently being debated, and with staff providing support to applicants. Members have several concerns with the approach described, including: staff and ICT equipment in libraries seem to them to be fully utilised, with no spare capacity to meet the increasing demand that will result from the rollout of Welfare Reform; staff in libraries and hubs may not be sufficiently trained to enable applicants to fully maximise their income; the reach of libraries and hubs in Cardiff is not even or universal and other locations may be needed; the budget for 2013-14 included the closure of libraries one day a week and this limits access.

KF15. Members note the relevant findings from the ‘Meeting Affordable Housing Need in Cardiff’ Inquiry Report, CASSC (February 2013) with regards to the impact of the ‘bedroom tax’ and the work underway to tackle this, namely:

The ‘bedroom tax’ means that c. 2,277 working age council tenants and c. 1,800 RSL tenants will now be deemed to be under-occupying and will receive reduced financial assistance. The calculated loss of benefit will be £14 per week for those tenants deemed to be under-occupying by one bedroom and £24 per week for those tenants deemed to be under-occupying by two or more bedrooms.

The Council has contacted all tenants who are affected and 30% of all re-lets will be made available to those tenants who apply to downsize. However, there will not be enough affordable housing of a suitable size
available to meet these down-sizing needs; this then has an impact on the availability of social housing re-lets to meet other housing needs. Work is underway to provide smaller units via planning gain and the Housing Partnership Programme; however, this has to balance with the housing needs of those who require larger properties.

KF16. With regard to the work on communications, Members like the branding used. However, Members feel that there had been an inversion, with a mainstream message being communicated via mainstream channels, meaning that those who need it least receive it most and, conversely, those who need it most receive it least. Members recognise the need to spread the message as widely as possible and believe this is a clear case of ‘invest to save’ - the cost of Welfare Reform is going to be high for Cardiff and it is in everyone’s interest to ameliorate the impact.

KF17. With regard to the use of the Council’s website to communicate Welfare Reform changes, Members are pleased that the Welfare Reform section on the website ranks highly when compared to other Welsh local authority websites but note that there is no signposting to disability agencies able to provide support and no information about Child Benefit changes and Local Housing Allowance uplift rates.

KF18. Members are concerned about the need to ensure that the work to mitigate the impact of Welfare Reform is as inclusive as possible, for both minority communities in Cardiff and for people with impairments. This covers the need to ensure that specific work on digital inclusion and communications is accessible and fit for purpose.
IMPACT OF BUDGET SETTING PROCESS FOR 2013-14

KF19. This inquiry took place at the same time as the Council was setting its budget for 2013-14. As such, Members considered the draft budgetary proposals and received evidence from several organisations affected by the proposals. Members of the Inquiry had several concerns following their considerations of the evidence and wrote to the Leader expressing these concerns.

KF20. Members were concerned to hear from some external witnesses that they felt that there had been insufficient dialogue with them about the cuts to grants to some third sector organisations and that this could lead to the relationship with the Council being damaged.

KF21. Members also noted that several advice agencies in Cardiff told them that they had serious concerns about the intention to establish a city centre hub to provide advice and support via council staff, CAB, Cardiff Credit Union and, hopefully, ‘Want to Work’. Members heard that Cardiff Council’s proposals should be viewed alongside Central Government cuts to Legal Aid and advice agencies. Taken together, Members heard from several advice agencies that there was concern that there would be a lack of specialist advice being available in Cardiff.

KF22. Members recognise that an additional £55,000 was included in the final budget to provide transitional assistance to some third sector organisations. However, Members feel that this is not sufficient when compared to the £550,000 cuts to grants to third sector organisations.
LEARNING FROM OTHER LOCAL AUTHORITIES

KF23. Members heard from several witnesses that there is an opportunity to learn from the DWP pilots currently underway and to use this learning to advocate and lobby for changes before the pilots are rolled out nationwide. Members also heard that there is an opportunity for Cardiff Council to bid to be a pilot for Pension Credit and, potentially, to join the Fast Track pilot in Caerphilly.
RECOMMENDATIONS

This short inquiry was undertaken to provide a snapshot of the current position with regard to mitigating the impact of Welfare Reform in Cardiff. Members recognise that significant and far-reaching work has been undertaken by Cardiff Council and partner agencies and Members wish to pay tribute to all those who have worked hard to achieve so much in so short a time. In order to build on this work, Members recommend that the Cabinet:

Raising Awareness

R1. Task officers to ensure that primary school head teachers are briefed fully on the impact of Welfare Reform and where to signpost to find support.

Supported by Key Findings 5 & 8

R2. Task officers to enhance the communications and marketing campaign by: making it clearer that people in low-income work are affected by Welfare Reform; including signposting on literature that flyers and leaflets are available in community languages; including flyers in Council Tax reminder letters; exploring whether a better price could be negotiated for advertising on Cardiff Bus; ensuring that posters and flyers are displayed in libraries; and updating the Welfare Reform section on the website to include signposting to disability advice agencies and information on Child Benefit changes and Local Housing Allowance uplift rates.

Supported by Key Findings 16, 17 & 18

R3. Ensure that the review of the Council’s website that is currently underway results in the facility for users to translate content into community languages.

Supported by Key Finding 18
**Improving Partnership Working**

R4. Ensure that the Children’s Services and Education Services service areas and the Economic Development section fully participate in the welfare reform task group and relevant sub-groups.

*Supported by Key Findings 5 & 8*

R5. Task officers to work with specific impairment groups and be guided by them to ensure that the requirements of people with impairments are met, with regard to accessible communication, digital inclusion and economic activity.

*Supported by Key Findings 8, 14 & 18*

R6. Task officers to ensure that the focus of the Welfare Reform task group includes work to support all partners, including the third sector, to cope with the impact of welfare reform.

*Supported by Key Finding 6*

R7. Ensure that the process followed in 2013/14 to develop budgetary proposals involves on-going meaningful conversations with partners, including the third sector, in order to develop co-owned solutions and to ensure partners affected by savings proposals have time to properly plan for these.

*Supported by Key Finding 20*

**Boosting Economic Activity Opportunities**

R8. Ensure that the Council’s Commissioning and Procurement processes are creatively utilised to deliver economic activity opportunities as a community benefit whenever possible.

*Supported by Key Finding 8*

R9. Task officers to work with partners to ensure that appropriate support mechanisms are in place for disabled people starting work with the Council and that the work is appropriate and properly remunerated.

*Supported by Key Findings 8 & 18*
Meeting need in 2013/14
R10. Reflect on recent announcements from the Government regarding foster carers and whether they are subject to the ‘bedroom tax’ and ensure that, if required, all foster carers who are eligible for Discretionary Housing Payments receive these, irrespective of whether they are temporary foster carers offering regular respite or permanent foster carers.
Supported by Key Finding 13

Prepare for 2014 onwards
R11. Task officers to explore every avenue to find alternative funds or solutions to meet the needs of those currently receiving Discretionary Housing Payments, in recognition that this funding may not continue beyond 2013-14.
Supported by Key Finding 13

R12. Task officers to reflect upon and utilise the lessons coming from DWP pilots covering digital inclusion and direct payments, including looking at the training offered to frontline staff in libraries and hubs.
Supported by Key Finding 14

R13. Task officers to explore the usefulness of becoming a pilot for Pension Credit and of participating in an extension of the Fast Track pilot currently underway in Caerphilly Borough County Council.
Supported by Key Finding 23

R14. Task officers to take account of future Government announcements with regard to Welfare Reform, including the Council Tax Reduction Scheme, and ensure that appropriate measures to alleviate the impact of these are considered and implemented.
Supported by Key Findings 1, 2, 4, 5, 9 & 10

R15. Continue to discuss and negotiate with the Welsh Government with regard to the impact that Welfare Reform has in Cardiff and work that
Welsh Government can do to assist in the mitigation of this in Cardiff and across Wales.

Supported by all Key Findings

The Community & Adult Services Scrutiny Committee invites the Cabinet to accept the above recommendations and in their response, detail the work to be undertaken for those recommendations that are accepted and, if any recommendations are rejected, the reasons for this.

In addition, the Community & Adult Services Scrutiny Committee recognise that, due to the cross-cutting nature of Welfare Reform, several areas that have arisen as part of this Inquiry fall within the remit of other scrutiny committees. Members therefore request that:


R17. The Policy Review and Performance Scrutiny Committee considers the need to scrutinise the interface between the Council and the voluntary sector, particularly with regards to grant arrangements and bearing in mind the evidence submitted to this Inquiry.

R18. The Economy & Culture Scrutiny Committee considers the need to investigate the role the Council plays in working with partners to boost the opportunities for economic activity including: training, sponsorships, apprenticeships, internships and job opportunities, particularly those flowing from major projects and developments in Cardiff.

The Committee recommends that the future Community & Adult Services Scrutiny Committee includes in its work programme for 2013-14 a six month update on the impact of Welfare Reform and the relevant budget decisions, to include inviting evidence from organisations affected by budget savings.
Known and Anticipated Impact of Welfare Reform

Impact for Wales

1. The Welsh Government commissioned a series of reports to better understand the impact of the welfare reforms. Two of these reports have been published\(^1\) and show that the changes to the UK welfare system announced prior to December 2012 will reduce total benefit and tax credit entitlements in Wales by around £590m in 2014-15. Additional cuts announced in the December 2012 Budget Statement mean losses will be even higher than this.

2. Overall, families with children and those from low to middle income families will suffer the most from the changes. Reforms to Disability Living Allowance account for some of the greatest cuts in Wales. Around 42,500 people in Wales are estimated to lose their entitlement as a result of this reform - an average loss of up to £83 per claimant per week and an annual loss of up to £183m in Wales as a whole.

3. The reports indicate that the reduction in income is likely to lead to a reduction in spending on goods and services, taking more money out of the Welsh economy. Education and Skills Minister Leighton Andrews said:

>“The UK Government’s welfare reforms will have a huge and damaging effect on Wales as a whole.”

>“The reports published today by the Institute for Fiscal Studies and Welsh Government confirm our worst fears about the changes.”

>“From the most vulnerable in our society, through to low-middle income families, these cuts from the UK Government are devastating.”\(^2\)

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\(^1\) Analysing the impact of the UK Government’s welfare reforms in Wales – Stage 1 analysis (February 2012) and Stage 2 analysis (February 2013) - Welsh Government.

4. On average, households in Wales can expect to lose 4.1% of their income (£1,110 per year). The impact is the fifth largest out of the 12 regions and countries analysed by IFS and the average loss as a percentage of income is greater in Wales than in the rest of the UK as Wales has lower average income levels.

Impact for Cardiff

5. The Welsh Government reports highlight that the inner city areas of Cardiff are likely to be disproportionately impacted by the benefit changes due to proportion of low income and out of work benefit households. This is against a backdrop of already having one fifth of Cardiff living in the 10% most deprived wards in Wales.

6. Cardiff Council has worked with partners to bring together strands of data and indicators to anticipate and monitor the overall impact of Welfare Reform changes. This includes data on a range of benefit recipients, workforce, economic activity, health, economic impacts, crime, and impact on services, resident perceptions and policy implications. This work is continuing via the Welfare Reform Data Sub-Group in recognition that the impact assessment needs to be ever evolving as more information becomes available about the changes to Welfare Reform criteria and as more data is shared between partners. Members heard from witnesses that this impact assessment is leading to a shared common understanding and the ability to have a quick and flexible response.

7. Members heard from a number of witnesses that there is recognition of the interconnectedness of the impact of Welfare Reform - the combined impact of the various elements of welfare reforms provides the true picture of the impact, rather than the impact of the separate strands of welfare reform. Members heard from witnesses that there is also a need to look at the changes to the tax regime and to the funding of legal aid in order to fully appreciate the impact for citizens.
Known and Anticipated Impact on citizens of Cardiff - as at December 2012

Benefit Claimants by Tenure

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<th>Figures</th>
<th>Percentage</th>
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<td>Owner Occupier</td>
<td>9,007</td>
<td>23%</td>
</tr>
<tr>
<td>Local Authority tenants</td>
<td>11,131</td>
<td>28%</td>
</tr>
<tr>
<td>RSL tenants</td>
<td>9,210</td>
<td>23%</td>
</tr>
<tr>
<td>Private tenants</td>
<td>10,541</td>
<td>26%</td>
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Reductions in Housing Benefit for Private Tenants

- 10,541 claimants live within the private sector - all affected by reduction in Local Housing Allowance to 30th percentile
- 100% increase in claims since 2008
- 5 bedroom rate removed (maximum loss £86) - 72 families known to be affected
- Single room rate restriction increased from 24 to 34 (maximum loss £42) - 270 applicants known to be affected.

Social Housing Size Restrictions

- 14% restriction for one room (£13.50)
- 25% restriction for two rooms (£24.00)
- Higher proportion cut if not on full benefit
- 2,300 working age council tenants in Cardiff currently under occupy (527 by 2 rooms)
- 1,800 Housing Association claimants will have a reduction (326 by 2 rooms)
- At least 880 households affected are in receipt of DLA.

Changes to Disability Benefits

- Everyone to be reassessed - 13,000 cases
- Estimated 20% reduction in claims
- Other benefits reduce as a result including WTC / HB /CTB and Motability – loss could be £200+ per week.

Universal Credit

- Not expected to affect Cardiff until Feb 2014.

Benefit cap

- Approx 400 households affected in Cardiff
- 100 households will lose over £100 pw
- 95% have children, 41% have 5 or more children
- 51% are council or housing association tenants.
8. Members heard that the Cardiff Input/Output model was used to identify the impact of Welfare Reform re the Cardiff economy; this shows that the Cardiff economy could lose in excess of £100m as a result of Welfare Reform changes (£75m economic output and £32m gross value added). This could equate to approximately 1,050 FTE jobs. Officers believe these estimates to be conservative - it could be as much as £119m.

9. In terms of further understanding the impact for citizens, the Council's consultation on the Council Tax Reduction Scheme, undertaken in December 2012 and January 2013, asked households what they thought the impact would be for them. Two thirds of respondents said they would have reduced household income to pay utility bills and three fifths said they would have to reduce their spending on food. In addition, the results showed concerns about managing the cost of childcare and transport.

10. Members heard from Diverse Cymru that the next big issues will be the introduction of Universal Credit and the introduction of Personal Independence Payments (PIP). PIP is to be introduced incrementally, starting in Manchester and Liverpool, and so there may be changes resulting from the piloting - it is due to be introduced in Wales in 2015 for existing claimants and in 2013 for all new claimants. Diverse Cymru highlighted that, if the re-assessment resulted in a client not getting PIP, there would be other consequences with regard to passported benefits and to a loss of motability car schemes; there are likely to be 200,000 motability cars returned to the market in 2013-2014. Given this, there is a need to think about more accessible public transport; whilst many physical barriers have been addressed, attitudinal barriers are still very much there.

11. Members heard from Moneyline Cymru that their staff are starting to notice the impact of Work Capacity Assessments. Members heard from Advice UK that ‘the process for reassessment of claimants entitled to Incapacity Benefit, which has been ongoing since April 2011, is an example of a DWP process which is widely acknowledged to have
generated large volumes of preventable demand for advice services, claimants and public services. The poor quality of initial decision making has resulted in many claimants approaching advice services for support and a large proportion of decisions being overturned on appeal.'

**Secondary impacts**

12. The introduction of changes with the scope and reach of those contained in the Welfare Reform, tax regime and legal aid changes is unprecedented. In terms of identifying secondary impacts, it is important to recognise that it is difficult to attribute these directly to Welfare Reform changes, given that these changes are new. There are studies that provide evidence regarding the impact that reduction in income levels has on health and crime; however, Members heard from witnesses that there is a need to avoid making too many assumptions from literature that applies to the impact of economic recession as it is not clear yet that the same impacts will follow Welfare Reform. In addition, the actual impacts should vary according to the structures and support systems that are in place in different areas.

13. With regards to impacts on health, a report from University College of London, ‘The Impact of the Economic Downturn and Policy Changes on Health Inequalities in London’\(^3\), provides evidence that an overall drop in household income can have an impact longer term over the life course. The possible impacts on health include increased rates of depression and suicide, fewer road traffic accidents, higher rates of infectious disease and wider differences in mortality rates.

14. With regards to impacts on crime and disorder, Members heard from South Wales Police that they have considered how the changes brought about by Welfare Reform are likely to manifest themselves from a policing perspective and that ‘**Whilst there may be a widely accepted correlation between deprivation and crime this does not necessarily**

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\(^3\) Dr Angela Dorkin, UCL Institute of Health Equity published 19\(^{th}\) June 2013
imply causation." Members heard from other witnesses that there have been discussions in the Welfare Reform Data Sub-Group relating to potential increases in crime and anti-social behaviour as a result of changes to Welfare Reform - for example, an increase in acquisitive crime, prostitution, theft, robbery, shoplifting and burglary, anti-social behaviour, begging, domestic abuse and assault. It is intended to closely monitor these.

15. Members heard from Diverse Cymru that they were concerned that there may be an increase in hate crime, caused by the trend in some areas of the media to ‘demonise’ those who claimed benefits. South Wales Police commented that ‘There has not been any evidence that suggests hate crime against disabled people is likely to increase – we take such offences extremely seriously and have dedicated resources in place who deal directly with victims as well as strong guidance for front-line staff. Hate crime is not commonplace in Cardiff and crime itself across South Wales is currently at a thirty-year low. We will be maintaining our focus in this area to continue to prevent crime and bring offenders to justice.’

16. The South Wales Fire & Rescue Service highlighted that there are two possible areas of concern for them, with regard to the impact of Welfare Reform. The first is that, currently, 80% of calls are to do with deliberate fire starting/ arson - it is probable that this will increase. The second relates to the Shared Room Rate, which means that there will be a bigger demand for houses in multiple occupation (HMOs). Licensed HMOs have hard-wired smoke alarms whereas unlicensed HMOs may not have all the necessary fire safety measures in place. In terms of the data, the trend for fires in licensed HMOs is decreasing (2009/10 -13, 2010/11 - 7 and 2011/12 -7) whereas unlicensed HMOs showed an increase last year (2009/10 - 9, 2010/11 - 8 and 2011/12 - 12). The Fire Service already collates and shares data on the above and intends to continue monitoring the above carefully.

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4 Written Submission from Chief Inspector Dan Howe, received 25th February 2013
5 Ibid
Impact for local authorities

17. Members heard that the Local Government Association has identified potential impacts for local authorities, in terms of direct operational consequences, potential transfers of cost pressures from central government to local government and indirect consequences. These include:

- Needing to reconfigure teams or services to cope with changes e.g. to Housing Benefit/ Universal Credit.
- Additional resources being needed - for affordable housing, Bed & Breakfast accommodation for homeless households, development, consultation & implementation costs re Council Tax Benefit Scheme, possible increase in demand for social services assessment services and support, and for schools and social services caused by the movement of households re-locating to cheaper locations.
- Reduction in resources - lower rent collection, lower council tax collection, scrapping of full costs of specialist housing support in Housing Benefit, passing assessment of additional costs to councils
- Needing to improve approaches to tenancy and benefit fraud.
- Staff and Councils being blamed for Welfare Reform impacts, leading to an increase in attacks on staff.

18. The Local Government Association states that ‘councils might want to consider increasing reserves to cover the risks associated with the implementation of the Act.’

19. The Centre for Local Economic Strategies report$^{7}$ splits the impacts into place impacts, service impacts and people impacts, as follows:

- Place impacts - disproportionate impact on areas with high proportion of low income/ out of work benefit household areas, which has a knock-on impact for the local economy with decreases in spending

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$^{7}$ The Cumulative Impact of Welfare Reform, CLES, August 2012 - downloaded 28th January 2013
powers, or increase if employment gained; population movement and
migration from more expensive areas to cheaper areas to cope with
reduced income and changes to housing allowances etc.

- Service impacts - increased demand for specialist advice re finance,
  benefits, debts, appeals etc. Increased demand for Social Services
  and Health. Changing demand for revenues and benefits services.
  Greater responsibility placed on local authorities as communicators of
  Welfare Reform changes.

- People impacts - impact differently on different parts of the population
  - most adversely affected will be large families on low incomes,
  disabled people, tenants in private rented accommodation and people
  in social housing under-occupying. May also be an emerging cohort
  of population who move off benefits but still in need of support.
  Burden shifts onto informal economy and service providers.

Impact for Cardiff Council

20. Members heard that Cardiff Council recognises that there will be impacts
on its services and role and has employed Marsh Consultancy to prepare
a Risk Inventory. The draft Risk Inventory identifies strategic, people,
operational, hazard, financial and external risks and covers schools,
Adult Services, Housing, Revenue & Benefits, ICT, HR, Communications
and C2C.

21. Members heard from Adult Services that officers have identified two
strands of impact - the impact on service users and the impact on the
service area and are developing an Action Plan for officers. The impacts
identified are:

- Impacts on service users - Adult Services service users have a wide
  spectrum of needs, impairments and vulnerabilities. Whilst many
  service users will not be on housing benefits as they may be home
  owners or have occupational pensions, they may be affected by other
  Welfare Reform changes, such as DLA to PIP. Approximately half of
  current service users pay towards their services and so, if their
income reduces, their ability to pay for council and other services will reduce. Where the Welfare Reform changes will impact on an individual’s living circumstances, Adult Services staff will be working with service users to ensure the most efficient and most sustainable service is offered. For example, Occupational Therapists will need to ensure that the tenancy of a property is sustainable when recommending a Disabled Facilities Grant. Adult Services also recognise that re ESA assessments, individuals may need support if they are unable to advocate for themselves e.g. mental health clients. DWP, health and social care organisations will need to be alert to the need to link individuals to appropriate resources of support in the community.

- Impacts for Adult Services - Adult Services recognises that case managers need to be equipped to signpost for advice and support but not to offer this themselves as it is not their role to do so and, therefore, they have not received the appropriate level of training to do so. Information is being collated for these staff re appropriate signposting links, and advice and advocacy agencies. Adult Services finance and visiting officers have received appropriate training to ensure the correct information is collected when dealing with financial assessments, advising service users etc. Financial forms will be amended accordingly to reflect the different information required. Joint work is taking place with the Benefits Section of Housing to enable more targeted work to support those most affected by the changes. Approximately half of current service users pay towards their services and so, if their income reduces, they may fall under the threshold, therefore the income level for Adult Services would reduce.

22. Members heard that, within the housing profession, there are concerns that Welfare Reform will lead to rent arrears and an increase in evictions, housing need, homelessness and increased costs of rent collection and recovery of low level debt. Officers have calculated that Cardiff Council will need to collect an additional £1.8m from low income council tenants.
23. With regards to Council Tax collection rates, Members heard that local authorities have to provide an estimate every December of the anticipated council tax collection rate for the forthcoming year. Cardiff Council had a collection rate of 98.2% in 2012-13. Officers estimated a 0.5% reduction to 97.7% for 2013/14 - 0.5% equates to approximately £650,000. This was estimated and provided before the Welsh Government provided extra funding to protect against the changes. Officers stressed that it is an estimate as it is unclear what other Welfare Reform changes will happen in 2013-14 and what impact these will have.

24. Linked to this, Members heard there are concerns that an increase in debt could lead to an increase in the use of loan sharks and payday loan companies and that there is therefore a need for more appropriate financial advice, products and services so that people can avoid using high-interest loan companies and loan sharks.

25. Members heard that, more generally, the movement caused by the need for households to relocate to cheaper areas would lead to: a greater concentration of poverty and greater inequality; the possible removal of support networks; disrupted education and a possible mismatch in school placements caused by children having to move schools.

26. Overall, Members heard that Welfare Reform is likely to lead to an increase in child poverty as the poorest households with children will lose the largest proportion of their income.
The role of local authorities

27. Members read that the Local Government Association thinks that the role a local authority adopts will be crucial in influencing the behavioural change the Government is seeking, particularly in the housing market. The Local Government Association has highlighted the following tasks for local authorities:

- Utilise the strategic housing role to balance impact of Welfare Reform on the housing system
- Consider issues re foster carers, adopters and people who need live-in carers on an occasional basis
- Develop services to help people back into work
- Consider developing new services to help re budgeting
- Consider how to counter loan sharks
- Improve communications and information sharing within and between local authorities.

28. The Centre for Local Economic Strategies’ report looks at the responses from some local authorities to date and notes the following:

- Cross-departmental co-ordination of work to tackle the impact of Welfare Reform
- Local authorities working to provide advice and support to communities
- Training for staff on the impact of Welfare Reform
- Partnership working to address the impact of Welfare Reform
- Specific initiatives to address the impact of Welfare Reform.

29. The Centre for Local Economic Strategies’ report recommends the following for local authorities:

- Analyse the cumulative impact of welfare reform
- Consider implications for housing and put in place support to minimise impact
- Embed Welfare Reform as a cross-departmental and cross-partner concern including: economic development, corporate procurement,
communications, health, housing, social services and revenue and benefits

- Utilise area and neighbourhood structures to provide targeted advice and support, and
- Work with Jobcentre Plus and Work Programme providers.

30. Members heard from Diverse Cymru that, as well as the above, Cardiff Council needs to consider how to make public transport more accessible and how to create a safe and supportive employment market for disabled people.
The current work

Overview

31. Members heard from witnesses that Cardiff Council carried out an initial impact assessment re the citizens of Cardiff, which identified the different strands of Welfare Reform and the numbers of people affected. This was then used by Cardiff Council as part of their concerted awareness raising with partners and council staff, via presentations and briefings to Cardiff Partnership Board, political group meetings and staff. Cardiff Council has also met with Huw Lewis AM to explain to him the impact in Cardiff and the work underway.

32. Following the awareness raising briefing, Cardiff Partnership Board identified mitigating Welfare Reform as a key topic and tasked Sarah McGill (Corporate Chief Officer, Communities) to establish a multi-agency task group to ensure the impact assessment is correct and to put actions in place to mitigate. There is recognition that the impact assessment is ever evolving as more information becomes available about the changes to Welfare Reform criteria and as more data is shared between partners. Members heard that the partnership work underway to update the impact assessment is leading to a shared common understanding and the ability to have a quick and flexible response.

Welfare Reform Task Group

33. Members heard that an overarching multi agency task group and a series of sub-groups have been established, covering the main areas of work resulting from the welfare reforms such as: debt recovery; financial inclusion; local housing allowance; digital inclusion; communications and public relations; and data sharing. The terms of reference and membership of the task group and sub-groups are attached at Appendix A.

34. Members received evidence from members of these groups, which provided an overview of the work to date and the work planned.
Members also received a copy of the action plans that capture this work. Further information on these is detailed below in points 35 - 71.

**Financial Inclusion Sub Group**

35. Members heard that the main issues that have been discussed by this group have been budgeting on a weekly income, support needs for some people, advice services available, availability of appropriate financial products and services and the overall impact of Welfare Reform for the council and housing associations.

36. Members heard that the sub-group has:

- Offered training to relevant frontline staff and volunteers - such as Communities First staff - re priority debt budgeting
- Looked at the BDO Review of Advice Services report to identify issues re the provision of advice services in Cardiff
- Recognised the need to provide alternative financial products to vulnerable citizens as otherwise it is highly likely they will end up using loan shark products.

37. With regards to advice services, Members were informed that, as part of the Budgetary Proposals 2013-14, the Council is proposing an Advice Hub, based in Marland House, with the following:

- Upstairs - customer access, reception and waiting area, self service PCs for on line applications (with assistance available as required from council staff), telephone, CAB, Credit Union and council staff offering advice
- A training room for skills training
- Back Office space for co-location of services e.g. CAB to help cut costs
- Links to services via Web and signposting - C3SC are collating a database of information on available advice services.
38. In addition, officers are working with DWP and are hoping to have a ‘Want to Work’ presence at Marland House.

39. The sub group is working with Cardiff Credit Union and with MoneyLine Cymru to see what alternative financial products they can offer.

**Cardiff Credit Union** (CCU) gave evidence to the Inquiry that they are prioritising awareness raising work that they offer alternatives to high interest payday loan companies, with a communications campaign for council tenants and the wider population planned.

CCU are running a one year pilot scheme for council tenants - a jam jar account - whereby welfare benefits are paid into a credit union account and the rent comes out before the account holder can access their money. The pilot is being promoted via rent arrears letters and via CCU attending the council’s Rent Arrears Panels. This scheme offers help re budgeting and prioritising, helps avoid rent arrears and homelessness and helps protect landlords’ income and therefore the landlord functions.

CCU also offer a pre-paid debit card, which is very useful for those without bank accounts, as it allows them to access the best buys often only available on-line.

With regard to loans, decisions are based on ability to repay and, for customers who are on benefits, the loan limit for the first loan is £250.

40. Members also heard from Moneyline Cymru about the alternative financial products that they offer.
Moneyline Cymru - is a not for profit organisation, (CDFI) that has won ‘Responsible Lender of the Year’ for the last 2 years. It works in partnership with a number of housing associations in South East Wales that identified the need for affordable loans for some tenants who are financially excluded. Moneyline Cymru is promoted via: housing associations marketing to tenants; word of mouth; and shop fronts (Canton). This has resulted in many of their clients being Cardiff Council tenants. Moneyline Cymru offers the following products:

Basic bank account - via NatWest - so that customers can set up Direct Debits, but there is no lending (cheques or overdrafts). Initially high number of clients needed this but slowing down – currently approximately 400/450 clients.

Loans - Moneyline Cymru targets those who need affordable loans but would not be considered by high street lenders. The interest rate is approximately 50% lower than that of a typical door step lender and considerably lower than those being charged by payday loan companies and loan sharks. Moneyline is a low value loan provider with no minimum or maximum loan amount. Moneyline Cymru is unique in that they offer a three tiered interest rate which gradually reduces the interest rate for repeat customers who have built up positive borrowing history with Moneyline; no other company offers this.

Savings - Moneyline Cymru offer to round up a loan repayment amount (by small amounts normally) and then put the extra amount into savings - helps to establish the habit of saving, even if small amounts – Moneyline has seen a positive response to the savings account – many customers are saving and use their savings at expensive times of the year e.g. Christmas / Summer holidays which results in the customer either not needing to borrow money or needing to apply for a reduced amount.

In-House Money Advice - provides advice to clients to maximise income.
41. Members were pleased to hear that there are mutual referral systems between CCU and Moneyline Cymru, where this is in the interest of the client, and that both companies also refer to fuel poverty and other relevant agencies such as Welsh Water Assist.

42. Members heard that these products vary greatly from those offered by the typical door step lenders / payday loan companies or loan sharks. A typical door step lender charges around 219% APR, has no responsible lending ethics, knocks door to door and uses agents incentivised to get as many loans as possible. Members heard that these companies operate within the law but are unscrupulous in targeting the financially excluded.

43. Members asked whether all tenants will receive direct payment of benefits or whether some will be classified as vulnerable and therefore exempt from direct payments. Officers stated that they were waiting for clarification as to the final DWP definition of vulnerable to see who would be exempt. Officers explained that they would be monitoring rent arrears and hope that this will enable them to signpost tenants in need of additional support and apply for suspension of Direct Payments.

**Digital Inclusion Sub Group**

44. This sub group has the brief to ‘plan and agree a way forward to ensure claimants have equal access and equal ability to cope with the shift to online applications. Taking into consideration lessons learnt from the pilot. This could include training and development to increase access to computers and wi-fi hot spots.’

45. The aim is for Cardiff to be prepared for the implementation of Universal Credit and to ensure that there is no duplication of services. Members heard that the DWP has 6 access points in Cardiff for Job Seeker Allowance (JSA) applicants, which will not be enough to deal with
Universal Credit applicants and therefore the sub group is looking at other ways to provide access, for example via Libraries and Hubs.

46. The sub group has achieved the following:
   • Immediate crisis of digital change for JSA and Universal Job Match (UJM) identified and resolved, with DWP providing training for relevant Cardiff Council staff and DWP customers directed to Libraries and Hubs to use PCs for help assistance
   • Feedback mechanisms are in place to capture staff’s views and experiences and help prepare for UC
   • Mapping of public access PCs & training venues near completion
   • £6m ICT Digital Inclusion Grant Training & Equipment bid submitted to Welsh Government
   • Identified a Welsh Government funded company in Wales where customers are able to buy affordable PC’s & laptops - Information circulated to all front lines and distributed to all partners/groups to increase Digital Inclusion.
   • Publicity plan and further website pages to be developed
   • Developing partnership to extend digital access i.e. to RSLs & Diverse Cymru.

47. Members heard that monitoring is underway in Libraries and Hubs of those using PCs for JSA or UJM in order to gauge the likely requirements for Universal Credit.

48. Members heard that there are discussions underway about the use of the Welsh Government ICT grant to:
   • Trial broadband in tower blocks and blocks of flats
   • Operate a loan scheme for laptops / tablets and other adaptations for the disabled - Taff Housing Association already offer this.

49. Members heard that the following tasks have been identified by the sub group for completion:
• Identify gaps in training
• Consider buying in training for Council tenants
• Consider YouTube training videos for digital access
• Provide training material for digital access, such as how to log on to a computer and how to create an email address
• Provide a website page for a directory on digital access for Advice agencies/Partners/Training Providers
• Consider how to promote and publicise for both staff and customers.

50. Members heard that Cardiff Council is currently reviewing its website and is setting up a ‘Digital Cardiff’ website, which will provide a click to website links to all Digital Services available. A new Cardiff ‘App’ is currently being developed for smart phones, which will be similar to services currently provided on Cardiff Council’s website.

51. Members asked about how it is planned to reach all those affected, including minority communities and disabled people and ensure help is available. Officers heard that Council staff in Housing Benefits speak community languages and these staff move between the Hubs on rotation to provide appropriate language support; the Council also uses Language Line although it is recognised that this is not always appropriate. In addition, disabled people should have a JSA Assistant who would help them with benefit applications. Officers highlighted that, as Cardiff Council’s website is being redesigned, there is an opportunity to look at how best to use this to help people. Officers stated that they would be looking to involve community groups and to consider customers with learning disabilities/mental health issues and to include their carers in the discussions.

52. With regard to the DWP pilots for Direct Payments and digital inclusion, Members heard that officers were planning to look at the Torfaen pilot to learn lessons and think about the resource levels required.
Local Housing Allowance Sub Group

53. The Local Housing Allowance (LHA) Sub Group has focused on the following changes to LHA:
   - Removal of 5 Bedroom Rate
   - Introduction of 30th Percentile rents for LHA
   - Extension of shared room rate
   - Increase of LHA in line with CPI.

54. The LHA Sub Group has organised the following:
   - Letters in advance to affected customers (landlords where permissions allow)
   - Promotion of Discretionary Housing Payment
   - Negotiation of rent levels with private landlords
   - Assistance with moving costs
   - Assistance with rent in advance
   - Assistance with bond payments
   - Use of the Welsh Government Assisted Tenancy Fund to help families remain in properties (rent rescue)
   - Use of Direct payment to landlords where rent is at LHA level
   - Sent information to landlords and invitation to attend workshop on changes
   - Created the Houseshare Wales website
   - Work with RSLs to communicate the need for shared accommodation.

55. Members heard that officers are aware that some private sector housing landlords have reduced their rent levels to LHA in return for Direct Payments. Systems are now in place to record the number of landlords that have reduced their rent levels to LHA in return for direct payments.

56. Members heard that RSLs have been helpful and flexible and that Cadwyn Housing Association is piloting a shared accommodation scheme for 25-34 years olds; whilst it is recognised this may not be ideal,
officers stated that it’s a pragmatic response to Welfare Reform and the shortage of suitable accommodation for this age group in Cardiff.

57. Members heard that the biggest challenge, other than available suitable accommodation, was the increasing demand for Discretionary Housing Payments (DHP) as there is not enough money to pay everyone who asks and therefore officers have to look at exceptional cases. Members heard that DHP is very difficult to administer as officers cannot commit it all at the beginning of the year in case an emergency case emerges later in the year. Members heard that:

- Annual spend on DHP has increased as follows:
  2011-12 = £250,941. 2012-13 = £485,000. 2013-14 = £1.1m
- There is no on-going commitment from DWP re the DHP funding and so there is a need to be careful not to have on-going commitments
- DHP is not used to pay every case where tenants have visiting rights for children - cases are looked at individually
- DHP is used flexibly to help where tenants are just coming up to 35 years, normally within six months unless exceptional circumstances e.g. disabled tenants
- Officers have worked with Fostering Services to share data to work out the proportion of foster parents who are affected by Welfare Reform. Early indications are that it will be a manageable on-going commitment for the DHP fund
- There is an appeals panel for dispute about DHP decisions.

Debt Recovery Sub Group

58. Members heard from witnesses that work is underway to look at debt recovery across the Council, so that there can be a joined-up, holistic approach. Officers are working to take a whole person approach to Council debt in total, as opposed to the current practices of different sections of the Council pursuing debt recovery in multiple ways. For example, Members heard that, until now, Council Tax collection has
been very process driven but work is now taking place to join up debt recovery work across Housing and Council Tax in terms of debt prevention - targeting advice, assistance and support to citizens - and utilising one meeting to tackle rent arrears and Council Tax arrears. Officers are also looking to target relevant citizens in the summer to try to avoid arrears reaching the stage where a summons has to be issued.

59. In addition, Members heard that the sub-group has:

- Discussed Discretionary Housing Payments and agreed how to target help e.g. towards disabled households who are affected by changes.
- Agreed an approach for social housing tenants who have been identified as under-occupying.
- Looked at the letting policy for smaller bed size properties
- Looked at the possibility of writing off court costs for partial Council Tax Reduction customers if they can repay the arrears in year, although this area of policy is not devolved to Wales and is subject to UK Government changes via the Ministry of Justice, which is currently consulting on rationalising court costs.
- Aimed to see how else to help the 7,500 customers in Cardiff who have a partial Council Tax reduction, for example by enabling more frequent payments of Council Tax, such as smaller amounts being paid more frequently
- Recognised that there is an opportunity to use 2013-14 to trial different ways of working so that partners will know how best to deal with the estimated 27,500 customers who will be affected by the Council Tax Reduction Scheme in 2014-15, when Welsh Government protection re the Council Tax Reduction Scheme may not be available.

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8 Welsh Government has capped costs at £70. However, the Ministry of Justice has consulted re rationalising court costs across debts and are proposing a single charge of £75 for letter and £200 for court costs including bailiff fees - this was issued last week in England and is due to come in 2014 - it is not clear what the impact will be for Wales but if applies here, Cardiff Council will not be able to write off costs.
60. Members heard that the DWP have written to all claimants affected by the benefit cap and Cardiff Council has provided information to Housing Associations so they can help tenants affected by the bedroom tax and letters have been sent to all affected council tenants. The letter provides the full range of options available, including publicising DWP and Want to Work schemes to assist those who want to return to work. At the moment, there is a 50% response rate. Reminder letters have been sent and officers are telephoning tenants who have not made contact. Extra resources have been made available to assist with the phone calls, by moving existing benefit staff into different teams, and taking on trainees into rent teams to help re contact. Visits will be made to tenants who do not have a phone or who need a visit. A list is being kept of those who are saying that they intend to pay and the plan is to then contact them to offer them money advice.

61. Members heard that, as the RSLs are part of the Common Housing Waiting List, RSLs are operating the same policy as Cardiff Council re offers to tenants who are under-occupying and who wish to. This includes:

- Separate priority waiting list and shortened application form for those affected. 30% of available lets allocated to this list
- Two offers are made in their area of choice - offers that are withdrawn are not counted
- Applications are fast tracked
- Pay removal costs for Council tenants if they want to downsize (each RSL is operating its own assistance scheme)
- Allowing tenants to transfer if they are in arrears with their rent account
- Allowing tenants to transfer if their property is in disrepair (though may be charged for damage)
- Resources to Social Lettings Unit to allow a pro active approach to identifying suitable properties for those affected e.g. look at matching those under occupied and over crowded
• Working with Disabled Facilities for disabled people affected, can we move adaptations to new property or install new adaptations
• Promoting [www.homeswapper.co.uk](http://www.homeswapper.co.uk) for those who wish to exchange.

62. Members asked about the help available to tenants from minority communities and were informed by officers that council staff in the relevant housing and benefits teams speak 14 community languages and there are no issues with contacting minority community tenants.

63. Members heard that, in order to prevent debt, it has been agreed to:
• Accept advanced claims for DHP – people will know before April if they will be awarded DHP
• Use DHP for bond and rent in advance for those who wish to move to smaller private property
• Have a welfare benefits visiting service for income maximisation.

64. Members heard from the WLGA that they have received positive feedback from the Benefit Cap team in London, that mentioned that they were impressed with how Cardiff is handling the change e.g. a direct telephone number is being put on the Benefit Cap letters in Cardiff so that claimants can speak to a local person rather than the DWP contact centre. This has come about as a result of liaison between Cardiff Council and the DWP.

**Data Sub Group**

65. The Welfare Reform Data Sub Group brings together strands of data and indicators to support the work of the wider Welfare Reform Task Group. These cover a wide range of intelligence that can be used to monitor the overall impact of Welfare Reform changes. This includes data on a range of benefit recipients, workforce, economic activity, health, economic impacts, crime, and impact on services, resident perceptions and policy implications.
66. Members heard that the findings and information detailed above is shared with the overall Task Group and the lead officers who attend this, who then cascade the information into their Sub Groups. Members heard that it also works vice versa as sub groups can feed in what they would like the Data Sub Group to focus on. The information is also published on the Consultative and Statistics website (the new “Ask Cardiff”).

67. Members heard that it is vital to monitor and analyse this data and also to ensure that all partners are using the same data so that there is coherence.

**Communications & PR Sub Group**

68. Members heard that this sub group had been tasked with getting Welfare Reform into the mainstream and complementing the engagement work being done by the Council and partners. In order to do this, a range of approaches has been taken, including:

- Developing a strong brand and using it in all material
- Having lead articles in two editions of the Capital Times, which is delivered to over 140,000 households. This is unprecedented and due to support of the Leader and Cllr Thorne.
- Having articles in Cardiff Council’s Tenant Times, delivered to over 14,000 households
- Sharing articles with housing associations and other partners so that there is one message and one voice - helps to reduce confusion and assist with signposting
- Developing posters, flyers and other branding, such as pop-ups and flag banners, and using these at relevant events
- Using libraries, housing and benefits offices, hubs and health centres and surgeries to display posters and flyers
- Holding road shows
- Utilising direct mailing
• Utilising the Council Website - prominent ‘Countdown to Benefit Changes’ on the Council Homepage and an easy to use web address advertised on all publicity
• Utilising the Council Twitter account- at least 15,866 people follow Cardiff Council on Twitter
• Utilising internal council communications, including employee newsletters, Intranet and notice boards
• Utilising the Queen Street video screen, this has an average daily footfall of 55,000.

69. Member also heard that it is planned to have an advertising campaign on Radio Cardiff. Members asked whether there were plans to have advertisements on Cardiff Bus but were advised that this was not felt to be needed as it would duplicate work being undertaken via other channels. An officer highlighted that adverts on Cardiff Bus are relatively expensive compared to other avenues that are being used.

70. As part of the work for this Inquiry, Members commissioned the Scrutiny Research Team9 to undertake a review of other Welsh local authority websites with regard to their content on Welfare Reform. This found that:
  ▪ Cardiff Council and Blaenau Gwent websites provide information on a greater number of Welfare Reform changes than any of the other local authorities included in this research. Cardiff Council provides a greater number of information-based resources on Welfare Reform compared to the other comparative local authorities in Wales.
  ▪ However, there was no information available on Cardiff Council’s Welfare Reform Website pages about the Child Benefit changes, or the changes in how Local Housing Allowance rates will be uplifted for private tenants
  ▪ Cardiff Council website not only provided factsheets on the Welfare Reform changes but also provided information and advice which

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9 Full report is attached at Appendix C of this Report
included details on what the citizen can do in response to these changes

- Cardiff Council website provided signposting to financial, housing and employment advice agencies but not disability organisations.

**Other work undertaken by Partners**

71. Members heard from a number of external witnesses about work that their organisation undertakes, which will help to mitigate the impact of Welfare Reform. Members also heard about specific pieces of work that have been put in place in response to Welfare Reform. These are detailed below:

- **South Wales Fire & Rescue** - The Fire Service will continue to offer Home Fire Safety Checks, specialist alarms for hard of hearing, flame retardant bedding etc. It will also continue with its education and awareness raising work - road shows and school visits, youth engagement and advocacy all aimed at fire safety advice and home fire safety and reducing risks. The Fire Service will continue to work with social housing organisations, environmental health officers, Social Services, midwives and health visitors, Education/Schools and other blue lamp partners and will also utilise the Neighbourhood Management teams.

- **Cardiff & Vale University Health Board** - their representative on the Welfare Reform task group has brought together the service leads from services where it is thought there will be most impact. This includes: mental health; substance misuse; primary, community and intermediate care (inc. community services, health element of learning disability, frail older people/continuing health care); adult & children safeguarding; children & women’s health (inc for example health visiting and community paediatrics); public health; patient experience; patient environment; communications and HR (as recognise a lot of low paid staff will be affected). An action plan has been prepared covering the work of the Health Board. The actions include: raising awareness amongst staff re Welfare Reform so that they understand the impact for
the population they work with and they can signpost appropriately; cascading training; reviewing whether specialist benefits advice drop in support is sufficient; and monitoring particular indicators, such as those to do with demand on mental health services. The Health and Social Care Facilitators for the two third sector umbrella organisations in Cardiff and Vale of Glamorgan have prepared a signposting document that can be provided to staff, which outlines a range of agencies that can provide individuals with support.

- **Wales and West Housing Association (WWHA)** - have invested a lot of time in understanding tenants’ household characteristics and are now using this information in order to align support appropriately. WWHA are offering personal contact in the tenant’s home and think this is the best way to finding solutions; it also helps re-spreading awareness as the message passes quickly amongst neighbours. They have taken on four staff members recently who have the knowledge and experience to offer appropriate help e.g. ex-CAB workers.

- **Taff Housing Association** - have taken on extra permanent staff to have personal contact and visits and offer support. Also looking at training needs, such as offering budgeting training to frontline staff, and joining up the training across organisations so that consistent level of advice is offered. Have also offered Basic Skills training to their tenants.

- **Diverse Cymru** - is carrying out work to raise awareness of the impact of Welfare Reform, including holding an event at the Senedd on Friday 8th February 2013 to launch a series of road shows. Diverse Cymru currently has 2 key workers - an Advice Officer and a Benefits Officer who have a case load of 133 cases, of which 63% are appeals/tribunals. With regard to the other 37% of cases, 25% come for help with other issues and 12% want to appeal but their cases are not likely to be successful and other support is offered.

- **Cardiff Third Sector Council (C3SC)** - has 4 posts that provide direct infrastructure support re Welfare Reform. C3SC is working with Wales Council for Voluntary Action and other CVCs in Wales to put in place support mechanisms for organisations re signposting to opportunities
and targeting support where most needed to assist organisations in the new climate. C3SC is compiling a database of which advice organisations provides which service in Cardiff and at what level, to enable effective referrals. C3SC is currently in discussions with the Volunteer Centre to explore options for translation services and also working to build links with minority community infrastructure organisations so that can work together to help minority communities where Welfare Reform will have a big impact, which should assist re minority languages and provision for disabled people.

- **Riverside Advice Centre** - has the largest Social Welfare Legal Aid contract in Wales and is currently the largest Welfare Rights organisation in Cardiff. It delivers Welfare Rights services through partnership working with support organisations to ensure that services are being delivered to the most vulnerable. Currently recovers £3m a year on incorrect decision making for vulnerable clients.

- **Cardiff Law Centre** - provides generalist advice and specialist welfare benefits, housing and employment law casework to clients who live or work in Cardiff. It currently undertakes significant welfare benefits casework under the Legal Help Scheme. In the year 2011-12, the Law Centre generated a total of ongoing increased income for clients and lump sums/arrears awarded of £1.2m. Welfare benefits specialist casework resulted in 105 renewal claims and reviews being successful and 134 successful appeals.

- **Cardiff Council Adult Services** - staff will be given up to date information about where advice can be obtained e.g. advice centres, advocacy organisations in relation to the welfare reform changes.
**Witnesses’ views of current work**

72. Members heard that the range of different organisations involved in the task group and sub-groups has the benefit of bringing together differences in perspectives which has been a good learning experience for all involved.

73. Generally, the feedback from external organisations involved in the work was positive:
   - South Wales Fire & Rescue Services - ‘Cardiff Council has done well in the timescale and the right partners and agencies are involved’
   - South Wales Police - ‘The breadth of responsibility and experience that has been gathered has made progress over a short period in this multi-faceted task’
   - Housing Associations - the work on Welfare Reform is the best example of Cardiff Council working with partners to address problems that experienced in all time working in Cardiff - the talk leads to action.
   - Wales and West Housing Association - operates across in 12 other local authorities in Wales and is not having these conversations in the other 11 local authorities.
   - WLGA - DWP and Job Centre Plus view Cardiff as doing a considerable amount of work in preparation for the Welfare Reform changes.

74. Members heard that the work of the task group and sub-groups has enabled:
   - Awareness raising across partner organisations about welfare reforms and how individuals would be affected
   - Sharing of up to date information on the progress of reforms and the activities of partners
   - Scoping of the likely impact of particular provisions and consultation for attendees’ organisations and information to enable attendees to engage with key colleagues re specific areas in order to manage and mitigate the impact and associated risks
Specific initiatives to be agreed, for example re the circumstances where Discretionary Housing Payments will apply.

75. However, Members heard that, despite goodwill on both sides to work together, there were external limits that prevented partners from working as closely as they would wish to e.g. the Council and Job Centre Plus are not able to share data as fully as they would wish to due to the Data Protection Act.

76. Members also heard from Diverse Cymru that there was room for improvement in that the work to date has tended to be primarily focused on the housing changes and is council-centric, with work focusing on how partner organisations, including the third sector, can support Cardiff Council. Whilst this has been useful, Members heard that there is now an opportunity to build on the foundations laid and move the work on to look at how the third sector and partners can support one another, for example through the Advice Providers Network.

77. Members heard from Race Equality First (REF) that ‘the dilemma for REF and other third sector organisations will be how we can continue to pick up the pieces with dwindling resources. REF and many other organisations have offered to work in partnership with the Council to mitigate the changes despite the pressures of lack of funding, staff and resources. The third sector has a great deal to offer due to its engagement and knowledge of the communities that will be most affected by the welfare reforms and could do much more in the right environment. However, for Race Equality First an additional dilemma is that though we are eager to assist the local authority where possible, these objectives are a statutory obligation and completely out of our remit. Advising our clients on benefits and assisting them to apply for benefits online is not within our aims and objectives’.10

10 Written Submission from Aliya Mohammed, received by email 4th February 2013
Comments re draft Budgetary Proposals

78. Members heard from several external witnesses that they were concerned about a number of the budgetary proposals 2013-14, which were draft at the time of these responses. Since then, the budgetary proposals have been passed by Cardiff Council, with a Financial Pressures amendment agreed at Council to provide £55,000 transitional assistance for grants organisations; the budget will be administered by a new Forum consisting of third sector representatives from C3SC, relevant Cabinet Members and officers, and is to assist organisations in making new arrangements to implement new ways of working to cut costs or to share services.

79. Members heard from the Chief Executive of Cardiff Third Sector Council (C3SC) that, whilst they understood the need for challenging conversations to respond to the present pressures, they did not feel that there had been an appropriate approach to enable these conversations to happen. They explained that, in their view, ‘there is no room for anything other than an adult relationship, to be at the table and treated equally and given information in a timely manner; it will otherwise result in being treated as a junior partner.’ C3SC has since met with the Leader and Chief Executive and explained the need for meaningful, ongoing consultation.

80. C3SC explained that in their view, ‘the timing of the reduction in third sector services such as specialist advice agencies felt very disadvantageous - just as demand for these services will be increasing, with people not used to having to seek help now having to.’

81. C3SC acknowledges that in light of budget cuts and service re-organisations, there is a need to move away from short term planning - to think again about how services are planned and how organisations are involved in the delivery of services to the most disadvantaged. However, they stressed that there is a need to remember why third sector
organisations are there in the first place - because of need and demand - and that these will not be going away, they are likely to increase in response to the Welfare Reform and increases in levels of poverty.

82. Members also heard from Director of Policy & Planning, Diverse Cymru that there have been changes in relationships since the draft Budgetary Proposals were announced and that ‘the process of putting together the Council budgetary proposals has the potential to undermine the partnership approach that has been developed over the last 10 years, between the sectors and the partners such as Health, Police, Fire and Third Sector’.

83. Members heard that the draft Budgetary Proposals, which contains cuts to Diverse Cymru funding, cast serious doubt on the future of several of their posts, such as the Benefits Officer and Advocacy posts. Members heard that there will be no one else in Diverse Cymru able to do the case work that these officers do and that other advice agencies in Cardiff are not all able to offer the same type of service and some are also facing funding cuts.

84. With regard to the draft Budgetary Proposal to establish a city centre hub staffed by council officers, the witness from Diverse Cymru expressed the view that ‘these officers will not be as well trained or experienced as the advice agency staff that will be lost with the cuts - the advice hub will not have the quality marks etc that these agencies do’.

85. Members received a written submission from the Chief Executive, Riverside Advice Centre that detailed the proposed cuts to their funding contained in the draft Budgetary proposals 2013/14 and called for the cuts to be stopped. The written submission also states that there has been no engagement, dialogue or communication before the proposed cuts were announced apart from an emailed letter. It also contains concerns about the proposed city centre hub: as this service is Cardiff County Council in-house this is also not independent advice and
concerns on quality and support and expertise for new ‘stand alone’ advice workers.’

86. Following consideration of the evidence provided, Members of this Inquiry wrote to the Leader of the Council, Councillor Heather Joyce, detailing their concerns and requesting that various aspects of the budgetary proposals be amended; a copy of this letter is attached at Appendix B. These proposals were also considered by the whole Committee at their meeting on 19th February 2013; a copy of the letter sent following this meeting is attached at Appendix B.
Challenges and Issues raised

87. During the course of the Inquiry, Members identified a number of challenges and issues facing the work in Cardiff to mitigate Welfare Reform, which are detailed below.

Need to respond quickly

88. Members heard repeatedly from a number of witnesses that the impact of Welfare Reform is still to be felt and that this means it is proving difficult to engage with all those who are affected. However, once Welfare Reform starts to be rolled out and people acknowledge that it is happening to them, organisations need to be ready to provide assistance quickly.

Increasing costs and reducing resources

89. Members heard that officers have estimated an additional £1.8m will need to be collected from low income households to meet the shortfall in rent covered by benefits. In addition, from April 2013, the costs of any new Council Tax Reduction claims will be borne by the local authority. Central Government has transferred monies to local authorities but officers do not think that the amount provided will be enough to cover the need in Cardiff. There is also an impact for the Council in terms of increased transaction costs by enabling more flexible payment of Council Tax, which officers are working to put in place to assist. Members were informed that ‘With regards to the offer of accepting more frequent payments from partial Council Tax Reduction customers, at the moment we have no reliable method of predicting take up. There are variable transaction costs depending on how customers pay e.g. debit card payments cost 16p per transaction, most credit card payments cost 1.6% of the transaction value, whilst Post Office payments cost 50p per transaction. There are currently 7,710 accounts that will be affected next year of which just over 2,000 pay by direct debit, leaving 5,700 paying by alternative methods…. [officers] confirm that no extra budget provision
has been made for this and the additional cost will be monitored and met within existing budgets.’

90. Members heard that a report by the Institute of Fiscal Studies has highlighted that 95% of non-statutory Council work will be cut by 2020. At the same time, there are reductions in partner agency budgets and reductions in national resources for legal help re welfare benefits and the cessation of UK Government funding for Advice UK at the end of this financial year. Legal Services Commission funding is being cut across the UK by Central Government - this equates to approximately £1m for Cardiff. Cardiff Law Centre told the Inquiry:

‘It has been acknowledged that the Welfare Reform changes will result in significant demand for both generalist welfare benefits advice and specialist welfare benefits casework. The removal of such significant Legal Help welfare benefits funding at this time will compound the effect of these changes on the citizens in Cardiff.’

91. Riverside Advice Centre raised similar points, in their written response to the Inquiry:

‘Those people who are just managing to cope under the current regime of welfare benefits entitlements and legal aid for welfare rights assistance will begin fail to cope when their benefits and income fails, and there is no specialist welfare rights service to resolve the complex issues. It is recognised this will result in money, debt and health problems, leading to hospitalisation, homelessness, and prison, which result in far higher than the ‘preventative’ work of welfare rights which is being cut to ‘save costs’. In Cardiff due to deprivation and high need the loss of Social Welfare Law Legal Aid will have a massive impact, with the loss of 3,000 specialist cases. This is one of the highest allocations of cases per area in the UK; (cases allocated due to

11 Written Submission from Cardiff Law Centre, received by email 6th February 2013
deprivation need), consequently Cardiff will experience one of the highest impacts due to the cut in Legal Aid.\textsuperscript{12}

92. Members received a written submission from the Chief Executive of Race Equality First that reiterated that demand for third sector support will increase and suggested that ‘there is scope for the third sector to assist where possible if small pockets of funding were to be ring fenced for organisations by the local authority. This would allow:

- drop-in clinics to be provided by third sector organisations for a few hours per week where a sessional worker who is trained by the local authority could advise and assist individuals in applying for and assessing eligibility of benefits
- Information, advice and practical support for individuals, families and communities
- Peer support to assist families with basic housing related and budgeting support
- Delivery of employment programmes and work-focused interviews - some organisations may be a source of jobs and others may focus on assisting disadvantaged jobseekers move into regular jobs
- Business training / social enterprises for those unlikely to gain employment due to language or other barriers.\textsuperscript{13}

Involving the right service providers and service areas

93. Members recognised that the membership of the overarching Welfare Reform Task Group was critical to engaging the right service providers to mitigate the impact of welfare reform. Members heard that it was the responsibility of the Cardiff Partnership Board members to identify relevant representatives for the Task Group and sub-groups. Having reflected on the areas identified by the LGA and CLES (detailed above at points 27 -29), Members asked about the involvement of some essential

\textsuperscript{12} Written Submission from Riverside Advice Centre, received by email 11\textsuperscript{th} February 2013
\textsuperscript{13} Written submission received from Race Equality First by email, 4\textsuperscript{th} February 2013
Cardiff Council service areas that will either feel the impact of Welfare Reform and/ or need to be involved to help to mitigate the impact, namely: Children’s Services, Education Services and Economic Development. These services appeared to be missing from the work of the overall Task Group and sub-groups.

94. Witnesses explained that Children’s Services have been invited to attend the task group and an Operational Manager has been nominated to represent the service at the full task group meeting. In addition, minutes of the meetings to date have been circulated to the service area; briefings have been offered to Children’s Services staff and there have been meetings with Fostering Services and other meetings are planned re Disabled Children. There has also been a presentation to the Cardiff Partnership Board Families and Young People Programme Board, so that they are aware of the impact of Welfare Reform.

95. Members heard that the Education Services management team have been invited to nominate an attendee to the task group. Education Services have also been offered Welfare Reform briefings and the Welfare Reform Task Group is currently awaiting a date to present to their management team; a presentation to secondary school heads has taken place.

96. Officers stated that there is recognition that there will be an impact for Children’s Services and Education, re families having to move and the impact of reduction in income. Officers stated that there needs to be trend monitoring and analysis, by service areas and the Welfare Reform Task Group.

97. Members heard from witnesses that, whilst the City Development service area is not represented on the Task Group or sub-groups, work was underway to try to find employment opportunities for long term economically inactive citizens: Job Centre Plus are on the Task Group and are involved in work re the city centre hub proposal, (with hopefully
‘Want To Work’ having a presence in the hub); DWP are on a sub-group; and the Local Training & Enterprise Manager is on a sub-group. Basic Skills training, ESOL training and other training, including retail sector training, is available. The Cardiff Partnership Board is looking to see whether partner organisations can offer apprenticeships or sponsorships for training or internships. Cardiff Council currently offers some apprenticeships e.g. via Community Maintenance Services.

98. Members heard from officers that it was probably a longer-term project to involve the Council’s Economic Development section; officers also raised the prospect of needing to consider the need for training and employment opportunities in relation to the community benefits in the Council’s commissioning and procurement processes.

**South West Regional Learning Partnership** - the WLGA Welfare Reform officer recently attended a meeting to talk to the Partnership about Welfare Reform. This led to discussions amongst universities, skills providers, skills based employees, local authorities and Job Centre Plus that they need to look at Welfare Reform from a work-focus perspective - how to assist people who may have been economically inactive in recent times and may even not consider themselves capable of work; they are considering establishing a Task Force approach to address this.

99. Members asked the Health representative whether the University Health Board group has undertaken any work re the impact that Welfare Reform may have on an increase in prostitution/ sex work, domestic violence/ abuse and admissions to A&E. The Health representative stated that there was no clear evidence that Welfare Reform would have this type of impact; with regard to domestic violence, the causes of domestic violence are multi-faceted, and it is possible that increased poverty in populations could contribute to this issue. However, with regards to domestic violence, safeguarding staff would be aware of any changes internally.
Having the right information

100. Members heard that there are limitations in sharing data across organisations, primarily caused by the Data Protection Act, for example it is not possible to get access to utility companies’ data or to Her Majesty’s Revenue and Customs data. This limits the wider work that could be targeted to tackle associated poverty issues such as water poverty or fuel poverty.

101. Members heard that the Debt Recovery sub-group has discussed targeting Discretionary Housing Payments to help disabled households who are affected by changes. However, officers recognise that the Council will not always have information on households in receipt of Disability Living Allowance and that this then affects the ability to target advice and support.

Flintshire Council - is looking at the cumulative impact of Welfare Reform on citizens. The Council is putting together the information on Housing Benefit, Disability Living Allowance and bedroom tax etc. to enable the local authority to start to identify vulnerable households and target support to them.

Achieving Digital Inclusion

102. Members identified the following concerns with using libraries and hubs:

- Libraries and hubs do not cover all areas of Cardiff and there is a need to have information points in other local facilities; this was acknowledged by officers
- Library staff are busy and it is not clear how staff are going to cope with the additional task of helping people re their UC applications etc. or with the complexity of some of the applications
- Many of the PCs in libraries are being fully utilised already - for example by youngsters to do their homework - and so are not available for use by benefit applicants. Officers explained that they
are working out how many PCs are needed and where best to locate them - it could be that some are located in leisure centres etc.

103. Members heard from the WLGA Welfare Reform officer that Newport City Council is taking part in a DWP pilot to try various means to boost digital inclusion. Caerphilly Borough County Council is also taking part in a DWP ‘Fast Track’ pilot project, in preparation for the roll out of Universal Credit. Members heard that there is a possibility of Cardiff Council being invited to participate in an extension of the Fast Track pilot currently underway in Caerphilly; the WLGA Welfare Reform officer is due to speak to Cardiff Council officers about this.

**Newport City Council** - this pilot is ICT led, with an info station in Newport City Centre, self service kiosks in leisure centres and supermarkets and in libraries. Staff are working at weekends to provide support and signposting; they are also contacting people to explain the on-line process. Newport Council is also developing a mobile phone app.

**Caerphilly Borough County Council** - is using libraries and community centres to provide digital and financial inclusion. Staff are being trained to provide mediated support and a ‘triage’ approach, with basic advice re work activity/ financial position/ digital access and then signposting if more specialist help is required. Caerphilly Council are looking to train ‘entrusted people’ in communities, with CAB providing financial capability training; customers sign a disclaimer so that information can be shared with Job Centre Plus etc. and Caerphilly Council are looking at how to manage data confidentiality re ‘entrusted people’. Staff are able to Fast Track a referral to Job Centre Plus if the applicant wants to find work or increase their hours. Caerphilly Council is capturing feedback from staff as the pilot progresses and is feeding this back to a Universal Credit implementation team.
Meeting the needs of all service users

104. Members heard from Advice UK that ‘the “digital by default” approach to the implementation of Universal Credit will present significant challenges for many advice service users. Lack of access to computers and IT skills, coupled with disability, poor health, and language and literacy barriers will cause the system to fail for many people. Advisers will be left to pick up the pieces. The DWP’s research report, ‘Insight To Support Universal Credit User-centred Design’ noted …“the repeated references to providing help and, if necessary, alternatives, for groups who do not have internet access at home or are not confident internet users.” Face to face advice service capacity is needed to provide people with the ability to access and interact with the new system.’

105. Members heard from the WLGA Welfare Reform officer that ‘there is an expectation from UK Government that 80% of Universal Credit applications will over time transact on-line, so there is an acceptance that for some applicants, the on line route is not appropriate. Initially and only where required, there will be some face to face contact and support, with the expectation that this will taper off as applicants are able to navigate on-line themselves. In terms of on-going support, the long term aspiration is that around 20% will require this, for example people with visual impairments. There is a Support and Exceptions Group run by the DWP UC team, which includes third sector and disabled groups; due to have the first Wales-only meeting next week, in recognition of devolved issues’.

106. Members heard from the WLGA Welfare Reform officer that the Council’s Chief Executive should have received information in mid-February 2013 on ‘the proposed Local Service Support Framework that sets out the principles for how the face-to-face requirement for non-standard customers falling out of UC may be delivered i.e., partnership approach which may involve commissioning with the third sector etc’.
107. Members heard that the WLGA has agreed the Framework in principle but has not signed up to it; it is up to each local authority to decide their involvement and how their local partnership approach may work in conjunction with their JCP District Manager. The Framework is loose and flexible but there is not much detail re funding at this stage.

**Issues with Direct Payments**

108. Members looked at the DWP report on the Direct Payments Demonstration Projects (December 2012). This found that overall for the projects across the UK:

- Over the first four months of the projects - 92% rent collection rates (varying between 88%- 97%)
- 316 tenants switched back to direct payments to landlords (out of 6,220 tenants)
- Most projects found that the level of rent arrears increases initially but then reduces as tenants get used to new process
- Most projects found direct payments to be resource-intensive, in order to get participation, build awareness, develop right communication tools and provide support
- Projects are utilising/ building relationships with partner organisations such as housing associations and CAB to help implement the process and support targeted interventions for the most vulnerable tenants
- The need to prevent arrears by providing appropriate support at the very start of the process of direct payments is key; however, not all tenants are taking up these offers
- Some organisations are looking at restructuring/ changing mind-set and culture, in recognition of different customer relationship.

109. With regard to the Welsh pilot - involving Torfaen County Borough Council, Bron Afon Community Housing and Charter Housing - the headline findings from the DWP report are:

- Payments are taking longer to arrive
- Adverse, upward trend in rent arrears
- Collection costs have risen significantly due to higher ratio of staff to tenants in the project (from 1:1,333 tenants to 1:200 tenants)
- Close & effective partnership with Council’s housing benefit team is essential in mitigating losses and helping to identify support needs
- Difficult to identify and access additional capacity amongst existing support providers locally- leading to further pressure on existing resources
- Switchback to direct payments being made to landlord - occurring due to repeated underpayment as opposed to non-payment (59 out of 535 = 11%)

110. The findings were reported in the South Wales Echo, which noted that:
- rent arrears increased as much as five-fold in six months (£21,457 increased to between £83,000 and £116,000 depending on point in rent cycle);
- the initial results indicate a third of working age tenants will require extensive long term support to cope with change to direct payments; and
- 95% of tenants taking part have no savings to help with the change.

**Appropriate Training of staff**

111. Members heard from some witnesses that there was recognition that, whilst frontline staff needed to be aware of Welfare Reform and the various impacts and be able to signpost clients appropriately, specialist skills were required to support and advise clients. For example, Adult Services stated frontline staff would be trained to provide basic support and signposting but that:

*‘We will not be training any of the staff in Adult Services in the practical detail of the changes as it is not the role of staff to be undertaking this work themselves. The work around the Welfare Reform changes is a*
specialist and ever changing one. The staff that advise and support individuals with applications, appeals, and challenges will need to have in depth knowledge of the changes, criteria for exceptions etc’

112. Members heard that training had been undertaken for various frontline staff across the partner organisations involved in the Welfare Reform work. Health mentioned that some of their teams, such as the integrated mental health teams, have asked for further training.

Tackling poverty

113. Members heard from Health that there is a need to have a cohesive and coordinated approach to tackling poverty, including child poverty and fuel poverty.
M1. The Community and Adult Services Scrutiny Committee applies a project management approach to its inquiries; including mechanisms to consistently prioritise topics suggested for scrutiny, scoping reports and project plans. The aim of these is to ensure there is a dialogue with the services involved in the scrutiny process with the ultimate aim of improving overall service delivery and enabling effective scrutiny.

M2. Members held two full day meetings to hear from the following Council officer witnesses:

- **Sarah McGill** - Corporate Chief Officer, Communities
- **Jane Thomas** - Operational Manager - Benefits, Finance and Tenant Services
- **Helen Evans** - Welfare Reform Manager
- **Gary Watkins** - Revenue Services Manager
- **Kate Hustler** - Benefit Assessment Manager
- **Beverley Lloyd** - Housing and Benefit Enquiry Manager
- **Steve Jarman** - Operational Manager - Customer and Business Knowledge
- **Isabel Bull** - Service Manager, Adult Services
- **Jeremy Rhys** - Communications Officer
- **Luke Burton** - Principal Citizen Focus Officer

M3. Members also heard from the following external witnesses:

- **Janet Bochel** - Taff Housing Association
- **Shayne Hembrow** - Wales & West Housing Association
- **Fiona Kinghorn** - Public Health, Cardiff & Vale UHB
- **Martin Critcher** - South Wales Fire & Rescue
- **Sheila Henrickson-Brown** - C3SC
- **Paul Warren** - Diverse Cymru
- **Leanne Herberg** - Cardiff Credit Union
- **Paul Hillberg** - Moneyline Cymru
- **Paula Holland** - WLGA.

M4. Members also received written submissions from the following:
- **Aliya Mohammed** - Race Equality First
- **Dan Howe** - Chief Inspector, South Wales Police
- Advice UK
- Cardiff Law Centre
- Riverside Advice Centre.

M5. In order to review the different approaches taken by other local authorities with regard to the use of their websites, Scrutiny Research Services conducted a desk-based review and prepared a short briefing report, which is attached at **Appendix C**. This research, coupled with evidence from internal and external witnesses, was used to identify suitable findings from the Inquiry.
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FINANCIAL IMPLICATIONS

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications.

LEGAL IMPLICATIONS

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without modification. Any report with recommendations for decision that goes to Cabinet / Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal power of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.
To scrutinise, measure and actively promote improvement in the Council’s performance in the provision of services and compliance with Council policies, aims and objectives in the area of community and adult services, including:

- Public and Private Housing
- Adult Social Care
- Disabled Facilities Grants
- Community Care Services
- Community Safety
- Mental Health & Physical Disabilities
- Neighbourhood Renewal and Communities Next
- Commissioning Strategy
- Health Partnership
- Advice & Benefit
- Local Service Board
- Consumer Protection
- Older Persons Strategy

To assess the impact of partnerships with and resources and services provided by external organisations, including the Welsh Assembly Government, Assembly-sponsored public bodies, quasi- departmental non-governmental bodies and health services on the effectiveness of Council service delivery.

To report to an appropriate Executive or Council meeting on its findings and to make recommendations on measures which may enhance the Authority’s performance in this area.

To be the Council’s Crime and Disorder Committee as required by the Police and Justice Act 2006 and any re-enactment or modification thereof, and as full delegate of the Council to exercise all the powers and functions permitted under that Act.
Community and Adult Scrutiny Committee
Membership

Councillor Ramesh Patel
(Chairperson)

Councillor Ali Ahmed

Councillor Joseph Carter

Councillor Kirsty Davies

Councillor Daniel De’Ath

Councillor David Groves

Councillor Mary McGarry

Councillor Eleanor Sanders

Councillor Graham Thomas
APPENDIX A

DRAFT
Welfare Reform Task Group Terms of Reference

1. Purpose
The purpose of the Welfare Reform Task Group is to develop a comprehensive understanding of the implications of Welfare Reform on both the citizens of and services in Cardiff and to develop appropriate responses and mitigations. The Task Group will do this by;

- Strengthening local understanding of how Welfare Reform will impact on public services in their broadest sense, including issues such as poverty, crime and health and well being.
- Developing responses to the immediate consequences of Welfare Reform.
- Developing an insight into the longer term implications for citizens and services in Cardiff and possible future scenarios.
- Developing effective responses to safeguard and support citizens in Cardiff, including through the development of a whole-system approach.
- Engaging and updating key partners as necessary, including the Cardiff Partnership Board (CPB), utilising the established partnership mechanisms to deliver responses.
- Taking a regional view of the impacts, liaising and planning with partners across the wider city-region.
- Producing an action plan and a series of recommendations on conclusion of the Task Group.

2. Membership and meetings

- The membership of the Task Group will comprise representatives from;
  - Cardiff Council
  - Cardiff and Vale University Health Board – Public Health
  - South Wales Fire and Rescue
  - South Wales Police
  - Third Sector Representatives including C3SC and Diverse Cymru
  - Jobcentre Plus
  - Other representatives, as deemed necessary by the Task Group, CPB or Proud Capital Leadership Group.

- The Task Group will meet on a bi monthly basis, subject to review by members.
- The Task Group will be time-limited. It is anticipated that the Task Group will meet until shortly after the final changes are phased in, in October 2013. However, this is subject to review by members.
- The Chair will be invited to sit on the CPB, providing regular reports and updates.
- Sub groups will be set up to look at operational issues regarding welfare reform. These will change when the impacts change.
3. Specific Responsibilities

3.1 Strengthening local understanding of how Welfare Reform will impact on public service considerations in their broadest sense, including issues such as poverty, crime and health and well being by;
   - Developing local intelligence that quantifies the number of people and geographical who will be affected by the changes.
   - Exploring how this could increase demand for or on pressure on partnership services.
   - Considering the implications in the context of the whole family, exploring the direct and indirect impacts for all family members.
   - Understanding the equality impacts on different protected characteristics

3.2 Developing an insight into the longer term implications for citizens and services in Cardiff and possible future scenarios by;
   - Developing medium and long term projections of need for those who are impacted.
   - Developing medium and long term projections of service demand, based on current increases.

3.3 Developing effective responses to safeguard and support citizens in Cardiff, including through the development of a whole-system approach, by;
   - Identifying actions to mitigate the impact of Welfare Reform, both for individual organisations and on a partnership basis.
   - Developing proactive actions to minimise the indirect impact, for example, on children and young people.
   - Advising the CPB and partners on service planning.

3.4 Engaging and updating key partners as necessary, including the Proud Capital Leadership Group and CPB, utilising the established partnership mechanisms to deliver responses by;
   - Reporting to the CPB as necessary or as required.
   - Bringing specific issues to that attention of the Proud Capital Leadership Group.
   - Feeding information into the relevant partnership programmes and workstreams, as necessary.
   - Feeding information into key programme, such as Families First and Communities First, as necessary.

3.5 Taking a regional view of the impacts, liaising and planning with partners across the wider city-region by;
   - Working with colleagues in neighbouring authorities to understand regional need.
   - Analysing the impact that regional need is likely to have on services in Cardiff.
   - Working with colleagues in neighbouring authorities to develop responses that can effectively meet demand.
3.6 Producing a series of recommendations on conclusion of the Task Group.
  ▪ Nominating individuals from within their respective organisations to lead areas of work, as appropriate.
  ▪ Producing regular, timely information for the partnership and individual organisations.
  ▪ Producing a final report, including recommendations.

**Welfare Reform Sub Groups**

1. **Council Tax Support Scheme**
   **Sub group – Debt recovery Review group**
   - Gary Watkins (joint lead)
   - Jane Thomas (joint lead)
   - Mike Taylor (CCC)
   - Helen Evans (CCC)
   - Beverley Lloyd (CCC)
   - Sandra Canham (CCC)
   - Debbie Carter (CCC)
   - Neil Egan (CCC)

   **Brief:** To agree a consistent but flexible approach to debt recovery for non payment of council tax, rent arrears or other debt.

2. **Universal Credit – shift to online applications**
   **Sub Group – Digital Inclusion Group**
   - Beverley Lloyd (CCC) (lead)
   - Carol Collins (training and enterprise)
   - Aliya Mohammed (Race Equality First)
   - Paul Warren (Diverse Cymru)
   - Liz Mahoney (CCC)
   - Elspeth Morris (CCC)

   **Brief:** To plan and agree a way forward to ensure claimants have equal access and equal ability to cope with the shift to online applications. Taking into consideration lessons learnt from the pilot. This could include training and development to increase access to computers and wi-fi hot spots.

3. **Universal Credit – monthly direct payments of benefits**
   **Financial Inclusion Group**
   - Paul Warren (Diverse Cymru) (lead)
   - Sheila Henrickson - Brown
   - Isabel Bull – Adult Services
   - Helen Evans (CCC)
   - Janet Bochel (Taff Housing)
• Debbie Carter (CCC)
• Sandra Canham (CCC)
• Jane Thomas (CCC)
• Aliya Mohammed (Race Equality First)
• Shane Hembrow (WWHA)
• Joanne Yassine (illegal money lending unit)
• Leanne Herberg (credit union)
• Warren Palmer (Speak Easy)
• Paul Hillberg (Moneyline Cymru)

**Brief:** To plan and agree a way forward to ensure those in receipt of benefits have the ability to manage the shift to monthly payments, especially vulnerable groups.

4. LHA – to CPI / shared room rate and 5 bedroom rate 1
   • Kate Hustler- lead (CCC)
   • Denise Wheten – (CCC)
   • Rhys Hawkings – (CCC)
   • Helen Evans – (CCC)

5. Under occupancy
   • RSL welfare reform action group already set up – meet monthly

6. Data Sub Group JD
   • Steve Jarman, OM Customer Business Knowledge, Cardiff Council Lead
   • Hugo Cosh, Advanced Public Health Intelligence Analyst, Cardiff and the Vale University Health Board
   • Jonathan Day, Policy Officer, Cardiff Council (lead on coordination)
   • Phil Evans, Systems and Subsidy Manager, Cardiff Council p.evans@cardiff.gov.uk
   • Melanie Harris, Analyst Team Leader, South Wales Police
   • Peter King, Senior Analyst, Cardiff Council
dowen@cardiff.gov.uk
   • Sion Ward, Principal Research Officer, Research & Information

**Brief:** To understand the wider impact of welfare reform across Cardiff by adopting a partnership intelligence approach. To support the partners across Cardiff to identify any areas of development as well as any trends in data.

11. Risk Assessment
Marsh consultants undertaking risk assessment

12. Publicity and Communications sub group
   • Jeremy Rhys (lead) – (CCC)
   • Jane Thomas (CCC)
   • Helen Evans (CCC)
• Beverly Lloyd (CCC)
• Rachael Bishop (CCC)
• Gary Watkins (CCC)
• Anne Wei (CV UHB)

**Brief:** A ‘Virtual’ group included so information / publicity can be agreed / advised via e-mail. Anyone interested in being in this virtual group please e mail Helen Evans and we will update.
Councillor Heather Joyce  
Leader, Cardiff Council  
Room 525  
County Hall  
Cardiff  
CF10 4UW

Dear Heather

Draft Budgetary Proposals 2013-14

The Community & Adult Services Scrutiny Committee has established a task group on ‘Mitigating the Impact of Welfare Reform in Cardiff’, membership of which has been extended to all scrutiny councillors in light of the cross-cutting nature of the scrutiny.

The scrutiny task group has:

- received evidence from officers and partners involved in the multi-agency Welfare Reform task group and sub-groups established by the Council to ameliorate the impact of Welfare Reform
- received written submissions from Advice Agencies in Cardiff
- examined good practice in other local authorities working to ameliorate the impact of Welfare Reform
- examined the lessons to date from DWP pilots underway in Wales re Universal Credit, Digital Inclusion and Direct Payments.

Having reflected on the evidence received, Members of the task group are concerned that some of the Budgetary Proposals, if agreed, will have a detrimental impact on the work of the Council and partners to mitigate the impact of Welfare Reform. These include some of the savings proposals and some of the grant reductions proposals.

One of the savings proposals, if agreed, will negatively affect the work to promote digital inclusion which is essential to help the many people who will be impacted by Welfare Reform who either do not have access to the internet or who need assistance in order to ensure they receive their full benefit entitlement. Another savings proposal will negatively affect the level of council signposting to available advice and support. Given this, the task group Members call on the Cabinet to reject the following proposals in the draft Budget Savings:

**Line 123** - Reducing full-time Branch Library services from 6 to 5 days (Canton, Cathays, Ely, Fairwater, Grangetown, Llandaff North, Llanedeyrn, Rhiwbina, Rhydypennau, Roath, Rumney and Whitchurch).

**Line 230** - Reduction in C2C opening hours - reducing hours Mon-Fri 8am - 6pm and closing on Saturday morning.
The task group Members recognise that access to effective advice, information, support and assistance will be essential to assist people who have been impacted by Welfare Reform changes to benefit entitlement. The task group Members are also aware that the impact of Welfare Reform will stretch beyond merely applying for and receiving benefits and that, given the unprecedented level of reform and reduction in available benefit, the impact will be multi-faceted. As yet, there can be no direct evidence of this impact and so Members have received evidence of the impact of economic recession on the social and health determinants of well-being and on crime rates. This is also being used by other local authorities to provide an insight into likely related areas of support that will be needed to cope with the various impacts of Welfare Reform. This evidence shows an increase in some areas of crime, such as acquisitive crime and domestic violence, as well as increases in the need for services that cover mental health and alcohol and substance misuse.

Given this, the task group Members call on the Cabinet to reject all the proposals in the draft Budget that undermine the capacity of organisations that provide advice, information, support and assistance to people who will be negatively impacted by Welfare Reform. This includes some of the proposed reductions in grants, namely those to organisations that:

- provide general and specialist advice services (Lines 33, 61, 87, 88 & 89)
- support work to tackle the impact of domestic violence (Lines 64 & 69)
- support work re mental health (Lines 6, 20 & 33)
- support work re alcohol/ substance misuse (Line 3)
- support work re vulnerable children and young people, including youth homelessness (Lines 40, 66 & 68)
- support work re disabled children and adults (Line 62)
- support work re homelessness (Lines 65, 67, 69, 70 & 84).

Members have also received evidence that there were communication issues between the Council and C3SC; Members understand that you, Councillor Thorne, Jon House and Sarah McGill have met with representatives of the third sector to discuss how to proactively manage and improve communications and planning in the hope that this does not happen again. Members trust that this will be the case.

I ask that this letter be taken into consideration at Cabinet on 22nd February 2013 during the discussions on the Budgetary Proposals.

Yours sincerely,

COUNTY COUNCILLOR RAMESH PATEL
Chairperson - Community and Adult Services Scrutiny Committee
Cc: Councillor De’Ath Councillor Groves Councillor Corria Councillor Mitchell All Cabinet Members Sarah McGill Mike Murphy Councillor Clark Councillor Williams
Dear Lynda,

Community & Adult Services Scrutiny Committee Meeting 19th February 2013

On behalf of all the Committee Members, I pass on our thanks to you and all officers who attended the above Committee to discuss the draft Corporate Plan and draft Budgetary Proposals. This letter captures the agreed comments and observations of the Committee.

Corporate Plan
Members welcome and support the commitments detailed in your portfolio of Communities, Housing and Social Justice. Members noted the answers given regarding the linkage of What Matters and the Corporate Plan and that the Corporate Plan articulates the Council’s actions to deliver Corporate Plan commitments and feeds into the strategic outcomes of What Matters. Members also note the recognition that there is a need to ensure the performance monitoring frameworks for both do not result in duplication. Members recommend that the language used with regard to crime levels falling be amended to reflect that it is reported crime that is falling as opposed to experience of or fear of crime, as the Ask Cardiff Survey demonstrates.

Savings
Members note the assurance that savings proposed in this area have been looked at by the corporate body to ensure that they will not lead to pressures elsewhere and that this process has also led to other efficiencies being identified across service areas.

Members have the following points to make with regard to the proposed savings for Communities:

- Line 104 - Homelessness Restructure - note that this will lead to better service provision as there will be more homeless prevention work and more continuity of case worker during the homeless assessment process
- Line 116 - note assurance that the staff who take on the work caused by the deletion of the Environmental Health Officer post are suitably qualified to take on this work
- Line 132 - Spans of Control - note assurance that this is a prudent suggested saving and that the Chief Officer, Sarah McGill, is confident it can be achieved
- Line 136 - note assurance that this fits with the Corporate Plan emphasis on improving work with Private Sector Housing as the savings proposal is about using resources more effectively rather than reducing work.

**Capital Programme**

Members have the following points to make with regard to the proposed Capital Programme for Communities:

**Line 1 & Line 83 - Disabled Facilities**

Members wish to express their extreme concern that the amounts indicated for future years are not sufficient given the known demographic projections of an increase in older people in Cardiff, the policy direction of Adult Services to encourage home care rather than residential care and the anticipated impact of social housing ‘bed tax’ (part of the Welfare Reforms) meaning that some disabled people will have to move and will require adaptations.

Given this, Members recommend that Lines 1 and 83 should be amended to show an upward trend; it is not sufficient to say that it will be reviewed as part of the next budget. Members also recommend that monitoring systems are put in place to capture the impact of the social housing ‘bed tax’ on disabled people having to move and needing adaptations.

**Line 2 - Financial Assistance for Older People**

As above, Members wish to express their extreme concern that the indicative amount for future years is not sufficient given the known demographic projections of an increase in older people in Cardiff and the policy direction of Adult Services to encourage home care rather than residential care. As such, Members recommend that Line 2 should be amended to show an upward trend; it is not sufficient to say that it will be reviewed as part of the next budget.

**Line 25 - Alley Gating**

Members note that £240,000 in 2013-14 is due to slippage from previous years caused by the fact that implementing Alley Gating is a lengthy process. Members note your answer that the process for Alley Gating has been reviewed and that it is anticipated that this should result in the process taking less time. However, Members wish to express their extreme concern that the level of funding set at £50,000 from 2014 onwards is insufficient as Members believe there will be more demand for Alley Gating. Members expect all this year’s slippage from the Alley Gating budget to be rolled into the 2013-14 Alley Gating budget.

**Financial Pressures**

Members note the views expressed by the Chief Officer, Sarah McGill, that the budget proposal fits with the recommendations and direction of travel of the independent BDO Consultancy Review of Advice Services that was scrutinised by CASSC in November 2012 and approved at Cabinet in December 2012.

**Grants Reductions**

Members note your statement that you have offered to reconstitute the Voluntary Sector Compact in order to assist in building better relationships with the Third Sector and that you hope to be working together over the next twelve months to identify savings together, so that the budget savings 2014-15 will be discussed in advance.
Members note that the work of the Single Advice Centre means that some other homeless provision is now not needed - for example Huggard no longer need the grant funding shown at Line 84 as they will be offering training via the café at the Single Assessment Centre.

**Splott Pool/ STAR Centre**

With regard to the coverage in the media of proposals to amend the Budgetary Proposals re Splott Pool, Members note the answer that no decision has been made yet and recognise that no formal decision has been made yet as Cabinet still has to meet. However, Members feel it is obvious from the detail given in the answer that there has been considerable discussion about the feasibility of transferring the land at Star Centre into the Housing Revenue Account, using this site for social housing, and using the receipt gained to fund work on a leisure hub at the Splott Pool site. These discussions have progressed to a reasonable level and Members feel that this does not fit with trying to give an impression that no decisions have been made.

**Overall Point**

Members feel that there has been a lack of parity in the information received by this Committee compared to the information that is available in the Cabinet papers, compounded by the fact that a separate report is being taken to Cabinet on the Corporate Decision Making Framework for Grants 2013-14. This provides a more comprehensive picture of the impact of the proposed cuts on affected organisations, as it contains their overall funding level and how much funding they receive from external organisations. Members heard in the meeting that information was contained in this report for ‘transparency’; Members believe that the need for transparency applies equally for Scrutiny and this committee wish to receive this type of information in the future as part of their budget papers.

I ask that this letter be shared with Cabinet colleagues at the Cabinet Meeting on 21st February 2013 and that it's recommendations be considered as part of your decision making process.

Yours sincerely,

[Signature]

COUNTY COUNCILLOR RAMESH PATEL
Chairperson - Community & Adult Services Scrutiny Committee

Cc: Sarah McGill Jane Thomas Christine Salter Allan Evans
Community & Adult Services Scrutiny Committee Meeting 19th February 2013

On behalf of all the Committee Members, I pass on our thanks to you and all officers who attended the above Committee to discuss the draft Corporate Plan and draft Budgetary Proposals. This letter captures the agreed comments and observations of the Committee.

Corporate Plan

Members welcome and support the commitments detailed in your portfolio of Social Care, Health and Well Being - Adults. Members noted the answers given regarding the linkage of What Matters and the Corporate Plan and your assurance that the strategic outcomes and themes are complementary and not contradictory, with the Corporate Plan articulating the Council’s actions to deliver Corporate Plan commitments and feeding into the strategic outcomes of What Matters.

Savings

Members have the following points to make with regard to the proposed savings for Adult Services:

- Line 2 - Note that Adult Services has evidence to substantiate the statement that there is reducing demand for residential care and that there is work underway with partners to develop more nursing care
- Line 3 - Recommend that the wording be changed from ‘grants to voluntary organisations’ in order to avoid confusion, as the evidence at committee clarified that it was not small grants to voluntary organisations but blocks of work that had previously been paid for by Welsh Government grants
- Line 4 - Note the response given that mapping has been undertaken to estimate the savings possible from moving to single handed care and that the savings proposed are relatively modest compared to the mapping and should therefore be achievable
- Line 6 - Note that the wording in the narrative is confusing and has subsequently been changed for the Cabinet Report; this change in wording had not been included in the list provided to Scrutiny Chairs of changes
Financial Pressures

Members welcome the recognition that Adult Services requires additional funding and that the base budget has been uplifted by £1M and that there is a separate social care contingency fund for additional pressure. Members wish that this information had been shared with them as part of the Scrutiny Budget Papers or as part of the Scrutiny Budget Briefing Sessions as it is vital contextual information for understanding the budgetary proposals for Adult Services. Members understand that this information is available in the Cabinet papers; however these were published after the scrutiny committee papers had been sent out and were not available beforehand. Members recognise that this is not your portfolio responsibility but ask that you raise it with the appropriate Cabinet Member and senior management so that this can be rectified in future budget scrutiny, as Members wish to receive this information in the future.

Members have the following points to make with regard to the financial pressures for Adult Services:

- Lines 1 & 2 - note that the above uplift in the base budget and contingency fund compensate for these financial pressure bids being rejected
- Line 3 - Members welcome the positive uplift for Direct Payments in order to ensure that personal assistants receive the Living Wage, for both directly employed personal assistants and for agency employed personal assistants
- Line 4 - whilst this has been rejected, Members recommend that the wording be altered to reflect the changes re Council Tax Benefit, as this should no longer cause financial pressure following the assistance offered by Welsh Government

Grants Reductions

Overall, Members found the answers to their questions on grants to be woolly. Members note that there has been a decision to apply a 10% cut across grants, that risk assessments have been carried out for each cut proposed, that there have been discussions with the organisations affected and that help has been offered to work with the organisations affected to find resolution for issues that are faced as a consequence of grant cuts.

However, there are several lines where the proposed cut exceeds 10%. Members note that the cut of 52% for the Carers Centre (Line 8) reflects the reduction in accommodation costs caused by relocation (42%) plus the standard 10% cut being levied; Members wish the narrative had explained this, for the sake of transparency.

With regard to the other lines where the cut exceeds 10% (Lines 1, 2 & 3), Members sought flexibility from you but you explained that it would be inappropriate to give a running commentary as the Cabinet needs to receive the results of the public consultations prior to making decisions on the grants. This answer appears to contradict the response given earlier regarding it being your preferred intention that the proposed grant cut to George Thomas Hospice be absorbed into Adult Services and that the £10,000 be found. Members are extremely disappointed with the apparent inequitable approach towards changing proposed grant cuts; there should be one approach and if flexibility is offered, it should be offered to others. To be clear, these comments in no way reflect on the George Thomas Hospice and Members welcome the proposed reversal in grant cut for the George Thomas Hospice. With regard to the other cuts that are above 10% (Lines 1, 2 & 3) Members call on the...
Cabinet to exercise the same flexibility as has been demonstrated for George Thomas Hospice and absorb the amount above 10% (which equates to approximately £30,000) within the uplift and/or contingency fund that has been established for social care; this would demonstrate equitable treatment of voluntary organisations that are delivering important services for citizens of Cardiff.

With regard to Carers Grants, Members note officers’ responses that the grants for 2013-14 are for 6 months only in order to allow the outcomes of a review of consultation with carers to be implemented. Whilst Members welcome the review and will add to it with their Carers Inquiry, Members wish that this information had been supplied to Scrutiny as part of the papers; it is the Cabinet papers.

**Overall Point**

Whilst Members recognise it is not your specific portfolio responsibility, or indeed the responsibility of Adult Services, Members wish to highlight to you that there has been a lack of parity in the information received by this Committee compared to the information that is available in the Cabinet papers. This is compounded by the fact that a separate report is being taken to Cabinet on the Corporate Decision Making Framework for Grants 2013-14. This provides a more comprehensive picture of the impact of the proposed cuts on affected organisations, as it contains their overall funding level and how much funding they receive from external organisations. Members heard earlier in the meeting that information was contained in this report for ‘transparency’; Members believe that the need for transparency applies equally for Scrutiny and this committee wish to receive this type of information in the future as part of their budget papers. Members ask that you raise this with the appropriate Cabinet Member and senior management so that this can be rectified in future budget scrutiny, as Members wish to receive this information in the future.

I ask that this letter be shared with Cabinet colleagues at the Cabinet Meeting on 21st February 2013 and that its recommendations be considered as part of your decision making process.

Yours sincerely,

COUNTY COUNCILLOR RAMESH PATEL
Chairperson - Community & Adult Services Scrutiny Committee
Cc: Mike Murphy Sue Schelewa Stuart Young
     Christine Salter Allan Evans
     Tracey Scully
1.1 Background

This briefing paper provides information for the Community and Adult Services Scrutiny Committee (CASSC) on the types and extent of Welfare Reform information which are included on the websites of 11 comparable local authorities to Cardiff.

The majority of the changes resulting from the Welfare Reform Act 2012 will take effect in the 2013/14 financial year.

The findings of this research will provide comparative data on the various types of information relating to Welfare Reform that different local authorities in Wales provide to the general public. The research will identify and compare the extent to which Cardiff Council’s website and other comparable local authority websites provide:

- Welfare Reform information which can be easily located and accessed;
- information on different areas of Welfare Reform;
- information and advice for citizens affected by the changes;
- links and signposting information and facilities to external advice and support agencies.

The Research Team was commissioned to focus the desk-based research on the following local authorities: Blaenau Gwent; Torfaen; Rhondda Cynon Taff; Merthyr; Swansea; Newport; Bridgend; Neath Port Talbot; Wrexham; The Vale of Glamorgan and Monmouthshire. The information presented in this briefing paper was based on the online data available on various local authority websites up until 5th February 2013.
1.2 Ease of Access to Welfare Reform Information

All of the local authorities included in this research provided information on their respective websites on the forthcoming Welfare Reform changes. The following local authorities had links on their Council website homepages to a dedicated section of their websites on Welfare Reform: Cardiff, Blaenau Gwent; Merthyr; Swansea; Wrexham. For all of the other local authorities included in this research, the information on Welfare Reform was not readily identifiable or available on the home pages of their websites. A more detailed search of these individual Council websites was required to locate available information on Welfare Reform changes.

The Blaenau Gwent and Merthyr Council websites contained information on Welfare Reform on their home pages via a rotating information screen. Cardiff, Swansea and Wrexham Councils had prominent information on the homepages of their websites, with hyperlinks to further information.

Cardiff Council also had a countdown clock showing the time remaining until the Welfare Reform changes will take effect.

1.3 The Extent of Online Information of Welfare Reform Changes

There were variations in the levels of detail and the formats through which the information on the Welfare Reform changes were provided in each of the Council websites. The range of information available from the various websites included:

- general overview information of the changes which will take effect and their implication for citizens;
- online tools which enable benefit claimants to calculate their benefit entitlement as a result of the Welfare Reform changes;
• subject specific factsheets and information leaflets;
• hyperlinks to advice and support agencies run by the voluntary and public sectors.

On the main Welfare Reform page for Swansea Council, each welfare change was set out in order of the date of implementation, which was clearly stated. On the other local authority websites the dates when Welfare Reform changes will take effect was not as prominent, but was included in a narrative description of each change.

Appendix A includes Table 1, which summarises the range of online information available from each local authority website on the Welfare Reform changes. The findings presented in the Table illustrate the level of variation in the types and extent of information provided by the different websites.

The Cardiff Council and Blaenau Gwent websites provided information on a greater number of Welfare Reform changes than any of the other local authorities included in this research. Further to this, Cardiff Council provided a greater number of information-based resources on Welfare Reform compared to the other comparative local authorities in Wales.

However, there was no information available on Cardiff Council’s Welfare Reform Website pages about the Child Benefit changes, or the changes in how Local Housing Allowance rates will be uplifted for private tenants.

1.4 Information and Advice for Citizens Affected by the Changes

Whilst every local authority provided information regarding Welfare Reform changes, the availability as well as the types of online advice and support for citizens adversely affected by these changes varied. Rhondda Cynon Taff, Merthyr, Swansea and Newport websites did not provide any information on the support and advice available to those affected by the changes.
The Cardiff County Council, Blaenau Gwent Council, Torfaen, Bridgend Council and Monmouthshire Council websites not only provided factsheets on the Welfare Reform changes but also provided information and advice which included details on what the citizen can do in response to these changes. However there were varying degrees and levels of information provided in these factsheets.

The Neath Port Talbot, Wrexham and Vale of Glamorgan websites provided limited information and advice on the options that citizens can take in response to these changes. The Vale of Glamorgan was the only website unique in providing consultation documents produced by the council regarding changes to Welfare Reform.

The Table in Appendix B illustrates the availability and the format of information in each local authority website on support and advice available to citizens who are adversely affected by the changes.

1.5 Website Links and Signposting to Other Agencies

With the exception of Newport Council, all other local authority websites provided online links to different types of external advice agencies. These agencies provide information, advice and support to citizens affected by the Welfare Reform changes. The advice agencies consisted of public and voluntary sector organisations, which largely serve the whole community in each local authority. However, some of the local authorities also signposted citizens to advice agencies which cater for specific language, cultural or religious needs.

The agencies provided 4 categories of advice and support to address the disability, financial, housing and employment needs of citizens which have been affected by the Welfare Reform changes. The categories of support
which citizens were signposted to in each local authority are summarised in Appendix C.

The Vale of Glamorgan and Swansea council websites provided signposting facilities and online links to groups and agencies providing support and advice on the following: housing, employment, disability and financial issues.

The Cardiff County Council and Rhondda Cynon Taff websites provided signposting to financial, housing and employment advice agencies. Wrexham however provided signposting to advice agencies on disability, housing and employment.

Blaenau Gwent, Neath Port Talbot and Monmouthshire websites direct citizens to specialist housing and employment support and advisory agencies. These local authorities did not, however, provide a signposting facility to specific disability and financial support and advisory agencies.

Torfaen, Merthyr and Bridgend websites all provide a signposting facility to only employment advice agencies.
### Table 1. Available online information on Welfare Reform Changes (by benefit type) in each local authority

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Welfare Reform Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Child Benefit Reform</td>
</tr>
<tr>
<td>Cardiff</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td>Blaenau Gwent</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td>Torfaen</td>
<td>1, 1</td>
</tr>
<tr>
<td>Rhondda Cynon</td>
<td>Taff</td>
</tr>
<tr>
<td>Merthyr</td>
<td>4, 1, 2, 3, 4</td>
</tr>
<tr>
<td>Swansea</td>
<td>3, 1</td>
</tr>
<tr>
<td>Newport</td>
<td>1</td>
</tr>
<tr>
<td>Bridgend</td>
<td>1, 4</td>
</tr>
<tr>
<td>Neath Port Talbot</td>
<td>1, 3</td>
</tr>
<tr>
<td>Wrexham</td>
<td>1, 1</td>
</tr>
<tr>
<td>Vale of Glamorgan</td>
<td>1, 2</td>
</tr>
<tr>
<td>Monmouthshire</td>
<td>1, 3</td>
</tr>
</tbody>
</table>

**Key**

- **Blank** = no information
- **1** = information provided on website
- **2** = Calculation tools to identify impact of changes
- **3** = hyperlinks / signposting to advice agencies / organisations
- **4** = supporting factsheets / information leaflets.
### Appendix B

Table 2. Information on the Options Available to Citizens.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Information on the options available to citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiff County Council</td>
<td>1 and 4</td>
</tr>
<tr>
<td>Blaenau Gwent</td>
<td>1 and 4</td>
</tr>
<tr>
<td>Torfaen</td>
<td>1</td>
</tr>
<tr>
<td>Rhondda Cynon Taff</td>
<td>No Information</td>
</tr>
<tr>
<td>Merthyr</td>
<td>No Information</td>
</tr>
<tr>
<td>Swansea</td>
<td>No Information</td>
</tr>
<tr>
<td>Newport</td>
<td>No Information</td>
</tr>
<tr>
<td>Bridgend</td>
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</tr>
<tr>
<td>Neath Port Talbot</td>
<td>3</td>
</tr>
<tr>
<td>Wrexham</td>
<td>2 and 4</td>
</tr>
<tr>
<td>Vale of Glamorgan</td>
<td>3</td>
</tr>
<tr>
<td>Monmouthshire</td>
<td>1</td>
</tr>
</tbody>
</table>

**Key**

1 = Factsheet. 2 = Frequently asked questions document. 3 = Basic information. 4 = Hyperlink(s) to external advice & support.
## Table 3. Website Links and Signposting to External Advice and Support Agencies.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Hyperlinks to other sites</th>
<th>Links / signposting to other agencies Advice agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cardiff County Council</strong></td>
<td>Yes</td>
<td>2, 3, 4</td>
</tr>
<tr>
<td><strong>Blaenau Gwent</strong></td>
<td>Yes</td>
<td>3, 4</td>
</tr>
<tr>
<td><strong>Torfaen</strong></td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td><strong>Rhondda Cynon Taff</strong></td>
<td>Yes</td>
<td>2, 3, 4</td>
</tr>
<tr>
<td><strong>Merthyr</strong></td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td><strong>Swansea</strong></td>
<td>Yes</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td><strong>Newport</strong></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Bridgend</strong></td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td><strong>Neath Port Talbot</strong></td>
<td>Yes</td>
<td>3, 4</td>
</tr>
<tr>
<td><strong>Wrexham</strong></td>
<td>Yes</td>
<td>1, 3, 4</td>
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<tr>
<td><strong>Vale of Glamorgan</strong></td>
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</tr>
<tr>
<td><strong>Monmouthshire</strong></td>
<td>Yes</td>
<td>3, 4</td>
</tr>
</tbody>
</table>

**Key:** Category of support and advice provided  
1 = Disability 2 = Financial 3 = Housing 4 = Employment