



## Report to Safer and Stronger Communities Scrutiny & Policy Development Committee 30 January 2014

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**Report of:** Director of Policy, Performance and Communications

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**Subject:** The Impact of Welfare Reform on Sheffield's Residents –  
Update January 2014

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### Summary:

After consideration of the report, *'The Impact of Welfare Reform on Sheffield's Residents'*, in July 2013 the Safer and Stronger Communities Scrutiny & Policy Development Committee requested that:

- i) a one page update on progress with Welfare Reform issues be provided to Committee Members bi-monthly; and
- ii) a further report on the Impact of Welfare Reform on Sheffield's Residents, to include examples of how other local authorities were dealing with these issues and case studies be presented to the Committee in 6 months' time.

Short welfare reform update reports were provided to the Scrutiny Committee in September and November 2013, as requested. This report provides the fuller update on welfare reform that the Committee asked to receive.

This report covers the following areas:

- A summary of the key welfare reform changes, alongside an analysis of the impact of these changes on Sheffield residents;
- An update on the work that the Council and its partners are undertaking to support residents who are affected by welfare reform; and
- An analysis of responses from other local authorities' to welfare reform.

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**Type of item:**

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	X

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**The Safer and Stronger Communities Scrutiny & Policy Development Committee is asked to:**

- i. note the contents of the report and the progress made on both understanding the impact of welfare reform on Sheffield's residents and supporting residents in response to the welfare reform agenda;
  - ii. note the welfare reform case studies which have been compiled to provide a deeper understanding of the effects of welfare reform on people in the city;
  - iii. give consideration to the approaches that other local authorities have taken in response to welfare reform;
  - iv. provide views or comments on the Council's approach on responding to the welfare reform agenda; and
  - v. give consideration to whether the Committee wishes to continue to receive further update reports on this issue.
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**Background Papers:**

Sheffield Hallam University, Centre for Regional Economic and Social Research, Hitting the poorest places hardest: The local and regional impact of welfare reform

**Category of Report:** OPEN

## 1.0 Introduction

- 1.1 Sheffield City Council has expressed concern about the Government's welfare reform agenda, including the introduction of the 'bedroom tax', which is negatively affecting a significant number of residents in the city.
- 1.2 At the meeting of Full Council on 5 June 2013, Members of the Council agreed to closely monitor the impact of the 'bedroom tax' and they asked the Safer and Stronger Communities Scrutiny and Policy Development Committee to examine the impact of the 'bedroom tax' on Sheffield people, as well as the impact of all other welfare changes.
- 1.3 In July 2013 the Scrutiny Committee received a report '*The Impact of Welfare Reform on Sheffield's Residents*'. This report examined the impact of changes to the welfare system on the people of Sheffield and explained the actions the Council had taken to support Sheffield residents, in response to the welfare reform agenda. After consideration of the report, the Scrutiny Committee requested that:
  - iii) a one page update on progress with Welfare Reform issues be provided to Committee Members bi-monthly; and
  - iv) a further report on the Impact of Welfare Reform on Sheffield's Residents, to include examples of how other local authorities were dealing with these issues and case studies be presented to the Committee in 6 months' time.
- 1.4 Short welfare reform update reports were provided to the Scrutiny Committee in September and November 2013, as requested. This report provides the fuller update on welfare reform that the Committee asked to receive.

1.5 The report covers the following areas:

- Section 2 **Background**
- Section 3 **Impact of welfare reform changes on Sheffield residents**
  - Under-Occupancy ('Bedroom Tax')
  - Council Tax Support
  - Household Benefit Cap
  - Personal Independence Payments
  - Universal Credit
- Section 4 **Understanding how people in Sheffield are being affected by welfare reform**
  - Introduction to welfare reform case studies
  - Public Health and welfare reforms
  - The cumulative impact of welfare reform in Sheffield
- Section 5 **Support for Sheffield residents who are affected by welfare reform: Update on hardship schemes**
  - Council Tax Hardship Scheme
  - Discretionary Housing Payments
  - Local Assistance Scheme
  - Council Housing Service Hardship Fund
- Section 6 **Support for Sheffield residents who are affected by welfare reform: Update on other activity**
  - Support for Council tenants
  - Support for children, young people & families
  - Support for people at risk of homelessness
  - Support for older people
  - Support for people with learning disabilities & mental health problems
  - Supporting people with the transition to Universal Credit
  - Supporting people into employment
  - Work with partner organisations - social landlords
  - Work with partner organisations - the advice sector
- Section 7 **Learning from other local authorities' approaches to welfare reform**
  - Bristol City Council
  - Manchester City Council
- Section 8 **Conclusions**
- Section 9 **Recommendations**
- Appendix 1 **Summary of key changes to the benefits system**
- Appendix 2 **Welfare reform case studies**

## **2.0 Background**

2.1 At the present time the UK is seeing the biggest change to the benefits system in 60 years. The Government has identified three key problems with the current system:

- Work incentives are poor
- The system is too complex
- Welfare costs too much

2.2 Government's stated view is that reform of the system is required to help people to move into and progress in work, while supporting the most vulnerable and reducing overall spend on the system.

2.3 Older people have been largely insulated from the welfare reforms, as this has been an explicit policy decision of the present Government. Therefore people of working age and their families are being disproportionately impacted by benefit cuts.

2.4 The changes to benefits are considerable in terms of complexity, impact and volume. A summary of the key changes to the benefits system, alongside their timescales for implementation is available in Appendix 1, for information.

2.5 The Council's response to the welfare reform agenda continues to be overseen by the Welfare Reform Implementation Group, which is chaired by Richard Webb, Executive Director - Communities. The current work streams of this Group include:

- Strategic Policy and Direction
- Council-Wide Impacts
- Universal Credit
- Personal Independence Payments
- Local Assistance Scheme Review
- Business Case for Combining Discretionary Payments
- Communications

## **3.0 Impact of welfare reform changes on Sheffield residents**

3.1 There are many other changes to the benefits system which are contributing to a net decrease in household income for those claiming support. The most significant of these are detailed below.

### **3.2 Under-occupancy ('Bedroom Tax')**

In April 2013 the Government reduced the amount of Housing Benefit (HB) for working age Council or Housing Association tenants living in homes that are classed as too big for them. Tenants deemed to have one bedroom too many have lost 14% or more of their HB. Tenants deemed to have two or more bedrooms too many have lost 25% or more of their HB.

3.2.1 The number of people affected by Under-occupancy is continually fluctuating, due to tenants' ongoing changing circumstances. Therefore, while the information provided below offers some insight into the impact of Under-occupancy on Sheffield residents, it should be noted that this is a moving picture.

3.2.2 At the end of December 2013 there were 4120 council tenants affected by Under-occupancy.

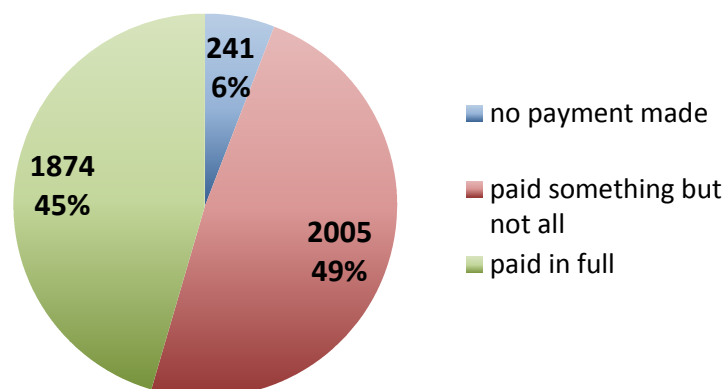
Of those:

- approximately 85% were assessed as having 1 bedroom too many, losing an average of £10.21 pw; and
- approximately 15% were assessed as having 2 or more bedrooms too many, losing an average of £19.77

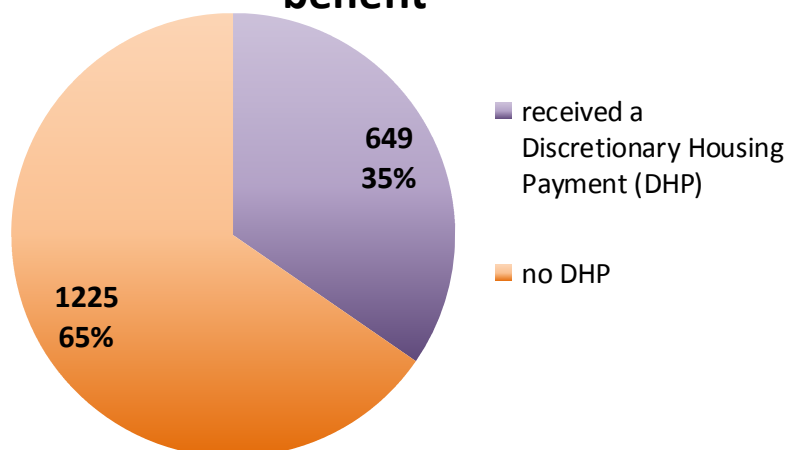
3.2.3 Of the 4120 tenants affected by Under-occupancy, at the end of December 2013:

- 241 (6%) had not made any payment towards the Under-occupancy cut in their benefit. This figure compares to 10% of tenants who had paid nothing towards the Under-occupancy cut in their benefit at the end of October 2013.
- 1874 (45%) had paid in full the amount of the Under-occupancy cut in their benefit. However, of those tenants who had paid in full, 649 have received a Discretionary Housing Payment (DHP) which has paid some or all of their Under-occupancy charge. Therefore 1225 tenants (30% of all tenants affected by the 'bedroom tax') have paid the shortfall in full without receiving a DHP. This figure has increased from 18% at the end of October 2013.
- 2005 (49%) had paid something but not all. At the end of October 2013 this figure was 55%.

### Payment for Under-occupancy by Council tenants



## Receipt of DHP by Council tenants paying the full amount of the Under-occupancy cut in their benefit



3.2.4 Since April 2013, 336 tenants have been awarded a rehousing priority to move to a smaller property.

3.2.5 Of the tenants awarded a priority 262 tenants have stated this is due to the impact of welfare reforms. 87 tenants have had agreement to move, despite them having rent arrears that would normally have stopped them from being rehoused. So far 153 council housing tenants have downsized already since April.

3.2.6 There are approximately a further 2,000 tenants in Sheffield affected by Under-occupancy who are living in other social housing.

### 3.3 Council Tax Support

From April 2013 the Government replaced Council Tax Benefit with a local scheme of Council Tax Support (CTS) run by individual local authorities. The fund available to local authorities to provide the new scheme included a significant cut, when compared to the money available to provide Council Tax Benefit. As pensioners have been protected from the changes to Council Tax Benefit, working age taxpayers have been forced to share the burden of the reduction in funds available.

3.3.1 The Council has about 33,000 working age taxpayers who receive Council Tax Support. All of these customers now have to pay at least 23% of their Council Tax. This number includes about 24,000 who previously paid nothing towards their Council Tax and now have to pay 23%. The 23% contribution equates to £4.29 per week for a Band A property (reduced to £3.28 per week for customers receiving a 'Single Person Discount').

- 3.3.2 The Council has set up a £500K hardship fund for those who are struggling to pay their Council Tax, known as the Council Tax Hardship Scheme (CTHS). More information is available on this scheme in Section 5, below.
- 3.3.3 As at 31 December 2013, 17,518 summonses have been issued to CTS customers during the financial year 2013/14. The value of the summonsed debt for CTS customers was around £4.6m, with the average amount of debt being £262.00. At this stage the full annual outstanding debt is summonsed, not the unpaid debt to that date. Therefore, the £262.00 average figure represents the customer's full council tax liability for 2013/14.
- 3.3.4 A Review of the Council Tax Support Scheme has been undertaken which has resulted in a recommendation to continue with the current scheme in 2014/15. Full Council will make the final decision on this as part of the budget in March.
- 3.4 **Household Benefit Cap**  
From August 2013 a cap began to be introduced on the total amount of benefit a single person or family can receive. This benefit change affects the working age population only. The cap is £500 a week for a family, and £350 a week for a single person. The Benefit Cap does not apply where the claimant, their partner or any children receive some specific benefits, including disability benefits.
- 3.4.1 The Department for Work and Pensions originally identified 327 current households in the city who they considered would be subject to the Benefit Cap. However after cross-referencing this data with data held by the Council's Benefits Service, this number has now reduced to 170. An analysis of these household details has shown that there are around 800 children living in these households.
- 3.4.2 The Benefit Cap has initially been applied to a customer's Housing Benefit only. Once this has taken place, if the income of the Household is still above the level of the cap, the customer will continue to receive the "excess" income until they migrate to Universal Credit, at which point the income will reduce to the level of the cap. This is unlikely to happen for some time because of delays in the introduction of UC (see Section 3.6, below).
- 3.4.3 The estimated annual reduction in Housing Benefit for all the households in the city who are subject to the Benefit Cap will be about £500,000. As some of these households will still be receiving an income in excess of the Benefit Cap from their other benefits, when they move on to Universal Credit, those households will see a further reduction in their income.
- 3.4.4 It is estimated that when the full level of the Benefit Cap is applied through Universal Credit the total additional reduction in the income for the affected households will be about £140,000. Therefore the total annual reduction in benefits for the households who are subject to the Benefit Cap, including the reduction in Housing Benefit and the reduction



in other benefits through Universal Credit is anticipated to be about £640,000.

- 3.4.5 The Benefits Service has supplied Council Housing Services and all Registered Social Landlords who have tenants impacted by the Benefit Cap with details of the affected households. These landlords have been contacting customers to discuss the impact of the cut in Housing Benefit with them. Officers from the Council Housing Service have been involved in a programme of joint visits to affected households with colleagues from Jobcentre Plus, to offer tenants advice and support.
- 3.4.6 Officers in the Revenues and Benefits Client Team have provided colleagues in Housing Aid with information relating to all the private sector tenants who have been subject to the Benefit Cap so that they can develop a programme of support for households in the Private Rented Sector. These customers have less security of tenure than Social Rented tenants and may not receive the same level of support and advice from their landlords as tenants in the Social Rented sector. They may therefore be at more risk of losing their home due to rent arrears.
- 3.4.7 To help mitigate this risk of tenants in the Private Rented Sector becoming homeless, it has been agreed that applications for Discretionary Housing Payments from Private Sector tenants affected by the Benefit Cap will be prioritised for processing by the Revenue and Benefits Client Team.

### 3.5 **Personal Independence Payments**

A new benefit, Personal Independence Payments (PIP), was introduced in June 2013. All new claims from 16-64 year olds, which would previously have been for Disability Living Allowance (DLA) will now be for PIP.

- 3.5.1 Replacement of DLA by PIP includes more stringent and more frequent medical tests. The budget has been cut nationally by just over £1bn per year (a 20% budget cut) and the focus of PIP payments is to be on people with the most severe disabilities. It will therefore be harder to qualify for PIP than it would have been to qualify for DLA.
- 3.5.2 Until recently the Council understood that, from October 2013 onwards, working-age people in Sheffield who currently receive DLA would start to be reassessed for PIP. We now know that in South Yorkshire, migration of existing DLA claimants to PIP will not commence until October 2015 at the earliest. It is the Government's intention that by October 2017 all existing DLA claimants will have been reassessed for PIP.
- 3.5.3 It is estimated that 4,700 households in Sheffield will be affected by these changes and it is estimated that the financial loss to Sheffield resulting from these changes will be £14m per year.

### **3.6 Universal Credit**

Universal Credit (UC) is a new benefit which will affect all people of working age who are currently receiving any of the following:

- Income Support
- Income-based JSA
- income-related ESA
- Housing benefit
- Child Tax Credit
- Housing Benefit

3.6.1 These benefits will be replaced by one single monthly payment which will be paid in arrears, to a single person in each household.

3.6.2 Migration to Universal Credit (UC) was originally due to take place over four years between October 2013 and March 2017. However we now understand that the earliest that UC will be introduced in South Yorkshire will be April 2015 and, following the Autumn Statement, it seems likely that we will not see UC in Sheffield until 2016.

3.6.3 Moving to Universal Credit is designed to simplify the working age benefits system, and is not intended to reduce the overall amount of benefit paid (although cuts either have been or will be applied to many of the benefits that will make up Universal Credit). However, UC is likely to cause difficulties for some residents, who will need to make arrangements to pay their own housing costs, where previously these payments had been paid directly to their landlord. There will also be a move towards online claiming of the benefit which will have significant implications for many households who do not currently have access to the internet.

3.6.4 The Council has particular concerns about the ability of vulnerable people, for example those with learning disabilities and mental health issues, to transition successfully to Universal Credit. More information is available in Section 6, below, regarding the Council's approach to supporting people with the transition to Universal Credit.

## **4.0 Understanding how people in Sheffield are being affected by welfare reform**

### **4.1 Welfare reform case studies**

Work has been on-going between the Council's Policy and Improvement Team and partners in the voluntary sector to produce a set of case studies of different households in the city, to provide a deeper understanding of the effects of welfare reform on people in the city.

4.1.1 The first set of case studies was produced in September 2013. These are included as Appendix 2 to this report. These provide some insight into the financial hardship being faced by some households as a result of the recent changes to benefits, and the impact that this is having on different aspects of their lives. They also provide some insight into the problems that individuals and families may be facing and may face in the

future as a result of welfare reform which may bring them into contact with Council services including:

- Council Housing Service
- Revenues and Benefits
- Local Assistance Scheme
- Adult Social Care
- Children's Social Care Services and Multi-Agency Support Teams
- Housing Solutions
- Supporting People Programme
- Drug and Alcohol/Domestic Abuse Coordination Team (DACT)

4.1.2 It is the Council's intention to produce a further set of case studies in spring 2014. These will provide some insight into whether or not the level of impact and range of issues facing households, resulting from welfare reform is changing over time.

#### 4.2 **Public Health and welfare reforms**

Public Health have identified that there are potential detrimental impacts on physical and mental health resulting from the welfare reform agenda, along with detrimental impacts on the health and resilience of communities. The Council's Public Health Intelligence Team are undertaking a detailed piece of research to understand in more detail the implications of welfare reform on public health in Sheffield. In the meantime, there is some powerful anecdotal information coming from public health officers working in local neighbourhoods in the city. The following information was gained through the work of the Healthy Communities Programme (HCP). This information does not give a full account of how welfare reform is impacting on communities but provides a snapshot of what public health workers have witnessed within some of the communities where resources are targeted.

4.2.1 **High Green:** The Advocacy Worker, funded through the Healthy Communities Programme has reported being "snowed under" with people in need due to impact of the reforms. The food bank in the area is seeing a huge increase in demand following the implementation of the reforms. A job club, jobs fair and credit union has been established in the local charity shop in the area, to support individuals in their search for work.

4.2.2 **Norfolk Park, Arbouthorne, Manor:** Food banks are being rolled out through these areas as a response to the reforms. There has also been an increase in demand for training which aims to increase confidence and self-esteem and HCP funds have been used to increase the number of courses on offer. Cook and Eat and Cooking on a Budget courses have also been provided as a response to welfare reform.

4.2.3 **Southey and surrounding areas:** The two Advocacy Workers in the area who are funded through HCP are now spending all their time dealing with debt advice and associated problems. They are reporting a "dramatic deterioration" in the mental health of clients and an increase in suicides. There is evidence of individuals having to make the choice between eating or heating. There are reported cases of people looking in

skips for wood to burn and if unable to find anything, resorting to burning their own furniture. The advocacy workers are liaising with utility providers and other organisations to which clients owe money and are signposting on to the relevant agencies. They are working with the people who are “falling through the cracks” in terms of receiving insufficient income to cover their basic needs. Wherever possible in these cases the staff providing support look at what went wrong and what can be done to prevent reoccurrence.

**4.2.4 Health Trainers:** Health trainers are reporting an increase in clients seeking support for mental health problems – e.g. depression and anxiety, connected with financial worries. There are also reports that the anticipation of future changes to income is causing increased stress and anxiety for many people – i.e. for those people whose income has not yet been affected, stress and anxiety levels are still increasing as they are living with the worry of how they will cope in the future if their income decreases.

#### **4.3 Understanding the cumulative impacts of welfare reform in Sheffield**

Research produced by Sheffield Hallam University’s Centre for Regional Economic and Social Research illustrates that when the present welfare reforms have come into full effect, there will be **£173m less** per year in the local Sheffield economy.

**4.3.1** This equates to a financial loss of **£471 per year** for every working age adult in the city. However it is important to note that clearly the burden of welfare reform changes will not be shared by every working age adult in the city – as many will not be affected at all – and therefore many of those people who are affected are likely to suffer a financial loss of more than £471 per year.

**4.3.2** Work is ongoing within the Council to progress its understanding of the cumulative impact of welfare reform impacts on households within Sheffield. Further updates will be provided to the Scrutiny Committee as information becomes available.

#### **5.0 Support for Sheffield residents who are affected by welfare reform: Update on hardship schemes**

**5.1** The Council administers or runs three principal schemes to help people who are suffering from financial hardship. These are the Council Tax Hardship Scheme, Discretionary Housing Payments and the Local Assistance Scheme.

**5.2** Additionally, a further hardship fund has recently been set up by the Council Housing Service. The Children, Young People and Families Portfolio also administers some payments to support children and families in need. Information on these funds is available in Section 6.3, below.

### **5.3 Council Tax Hardship Scheme**

The Council has set up a £500K hardship fund for those who are struggling to pay their Council Tax, known as the Council Tax Hardship Scheme (CTHS).

5.3.1 At the end of December 2013, 5570 CTHS awards had been made and total CTHS expenditure amounted to £274,883. This fund is being closely monitored and is in line with expectations.

5.3.2 There is the intention to continue to provide a Council Tax Hardship Scheme in 2014/15, although the level of funding for the scheme in 2014/15 is not yet known.

### **5.4 Discretionary Housing Payments**

The Council is responsible for administering Discretionary Housing Payments (DHP), which are used to support customers with housing costs. Many of these customers are those affected by a reduction in Housing Benefit as a result of the Under-occupancy rules.

5.4.1 At the end of December 2013, 4828 DHP awards had been made and total DHP expenditure amounted to £789,500. Expenditure is being closely monitored and is in line with expectations, and should be seen in the context that the overwhelming number of DHP awards cover future periods, with current awards being made as far forward as March 2014.

5.4.2 The Council's original budget allocation for DHP for the year 2013/14 was £996,995. The Government has recently made additional DHP funding available to be used in the remainder of 2013/14 and Local Authorities have been invited to make bids for this the Council has been successful in bidding for an extra £100,000. This additional funding will be used to maintain awards of DHP to those customers who are still in hardship and who, due to budget pressures, would otherwise have had a cut in the level of support.

5.4.3 The Government requires the Council to record the "impact" and "reason for" awarding a DHP and has set out monitoring criteria for both categories. In terms of the impact that has driven the need for a DHP, in over 89% of cases this is due to the size criteria reduction in Housing Benefit (Bedroom Tax).

### **5.5 Local Assistance Scheme**

Some discretionary elements of the Department for Work and Pensions (DWP) Social Fund were abolished from April 2013, with the DWP providing funding for the Council to establish local assistance for financially disadvantaged people. Sheffield's fund is known as the Local Assistance Scheme.

5.5.1 The Council's budget allocation for the scheme for 2013/14 was £2,071,098.

5.5.2 The discretionary elements of the Social Fund which were abolished were used by the DWP to provide two types of award - Community Care Grants and Crisis Loans.

- 5.5.3 The first phase of the Council's scheme, which started in April 2013, resembles the DWP scheme which it replaces. This is an interim solution which reflects the commitment across the Council and from stakeholders to continue to offer individual financial assistance to customers experiencing poverty.
- 5.5.4 Applicants to the Local Assistance Scheme have to meet certain eligibility criteria, including being resident in Sheffield and in receipt of particular benefits.
- 5.5.5 Community Care Grants exist to help vulnerable people to remain or set up home in the community, to ease exceptional pressure on families, or to prevent someone going in to care. These grants are usually in the form of an award to purchase white goods and furniture.
- 5.5.6 Crisis loans are awarded to customers who are experiencing extreme financial difficulty due to an emergency. The scheme offers loans to meet short term expenditure needs. These short term loans are to be repaid through the benefits, and are administered by the Sheffield Credit Union.
- 5.5.7 Between 1 April 2013 and 31 December 2013, the Council received:
- 4618 applications for assistance, and 11,065 phone calls to its dedicated team;
  - 2213 applications for loans, of which 1169 (53%) were awarded (the average loan award was £64.83); and
  - 2405 applications for grants, of which 1305 (54%) were awarded (the average grant award was £649.64).
- 5.5.8 At the end of December the total spend on loans was £75,786.07 and the total spend on grants was £847,786.58.
- 5.5.9 Overall the scheme is continuing to underspend against the available budget; however there has been a sustained but small increase in the overall numbers of applications and the award amounts being made.
- 5.5.10 It should be noted that the Government has recently announced that it will not be providing local authorities with a grant to provide a Local Assistance Scheme, after the financial year 2014/15.
- 5.6 **Council Housing Service Hardship Fund**  
A £50k Hardship Fund has been set up from the Housing Revenue Account to support tenants affected by welfare reforms and suffering hardship.
- 5.6.1 54 payments have been made so far, totaling £14,618.11.

## **6.0 Support for Sheffield residents who are affected by welfare reform: Update on other activity**

6.1 A great deal of activity is taking place across the Council and by city partners to try to support Sheffield residents who are experiencing difficulties as a result of the changes to welfare benefits. This work is summarised below.

### **6.2 Support for Council tenants**

Many Council tenants have been substantially affected by the welfare reform agenda. There has therefore been additional support given to tenants who require assistance.

6.2.1 The Council Housing Service (CHS) has attempted to carry out visits to all tenants affected by Under-occupancy or the Benefit Cap, and has successfully gained contact with 2,833 tenants. CHS continue to visit all newly affected tenants - after tenants have had a change in their circumstances and are then subject to a cut in their housing benefit - ensuring that advice and support is provided where appropriate.

6.2.2 Since July 2013 surgeries have also been held in Council Housing Service area offices/local First Points so tenants can attend for a prearranged appointment or just drop in to obtain advice and support on benefits changes. To date, 385 tenants have accessed this service, and this is ensuring that the Council works more effectively and sees more tenants. Housing Officers are still, however, carrying out home visits to vulnerable tenants and those who are unable to attend surgeries.

6.2.3 CHS is finding that tenants' ability to pay their rent is being affected not only by the changes to benefits but also by the current economic climate. In particular, the following issues are contributing to an increasing number of tenants falling into arrears:

- tenants being in work but on zero hours contracts; and
- sanctions being applied to tenants on benefits.

6.2.4 CHS staff are being required to provide a greater level of advice to tenants who are currently claiming housing benefits and greater support on all aspects of financial capability and education, i.e. managing money, prioritising essential outgoings, advice on low cost loans, avoiding payday lenders & illegal money lenders and debt advice. By the end of January 2014 CHS will have appointed additional staff to manage the extra workload and increase in arrears cases caused by welfare reform.

6.2.5 CHS is continuing to actively identify tenants who may be eligible to receive a Discretionary Housing Payment, and support them through the application process.

6.2.6 CHS are also identifying a small number of homes where it is appropriate to re-designate the size of the property, due to adaptations that have been carried out. 7 adapted properties have been re-

designated and CHS have also re-designated 18 temporary accommodation properties from 3-bed to a 2-bed properties.

6.2.7 CHS are currently participating in a trial which has supported 18 tenants (3 of which were on the brink of eviction action) to open Sheffield Credit Union budgeting accounts. Additional funding has been identified to support appropriate tenants to open budgeting accounts going forward, and there are a further 5 applications pending.

6.2.8 These budgeting accounts, known as 'jam-jar accounts', help customers to budget effectively and pay their creditors on time. Following the successful pilot, funding has been identified to set up more of these accounts, and extra resources are now in place to promote them to appropriate tenants. Partnership work is also ongoing between Council Housing Services in Sheffield and Rotherham, looking at a shared system with the local credit unions.

6.2.9 Future CHS work will include ongoing work with the Access to Housing Team to progress cases where tenants have requested a move to downsize, to ensure they are able to move and not build up rent arrears. £20,000 of funding has been identified to pay for a "Man & Van" service to help tenants physically move if they are downsizing and suffering hardship. This money will be used together with Supported Housing to ensure efficiencies and value for money, as they already operate a homemaker service. 3 tenants have been helped to move so far.

6.2.10 A small pilot has been established in 2 areas of the city - Fox Hill and Gleadless Valley - where Council Housing staff are working with tenants who are in arrears with both their rent and their council tax, to offer more support and advice to vulnerable tenants. Initial results are promising, with affordable repayment agreements made with 41% of tenants and feedback from both tenants and support workers that they have found the joined up collection by Sheffield City Council and the extra support and advice very helpful.

### 6.3 **Support for children, young people & families**

It is anticipated that the welfare reform agenda will have an impact on many families who come into contact with services for children, young people and families. Social work teams have been kept up to speed with changes to the benefits system, have been given information about budget planning and have been given guidance on the Local Assistance Scheme so that they can refer families in need onto appropriate help and support.

6.3.1 Contacts to Multi Agency Support Teams (MAST) have evened out in recent months. Whilst the Council saw a high number of Requests for a Service in Quarter 1 (April, May and June 2013) compared to the previous year, a lower number of Requests for a Service in Quarter 2 (July, August and September 2013) means that overall the number of Requests for a Service for the first 6 months of 2013/14 were comparable to the previous year.



- 6.3.2 The number of Requests for a Service where financial and employment concerns were identified as the primary issue affecting the family has doubled between Quarter 1 and Quarter 2 in the current year (2013/14). However, it is important to note that numbers are low and therefore it is unclear whether or not this will become an ongoing concern. This will continue to be monitored.
- 6.3.3 One potentially significant indicator relating to the impact of welfare reform on families is Children with Additional Needs (CAD) payments. CAD payments are made in certain emergency circumstances to families who MAST are working with. The payments are made to help families with the cost of food and fuel. Between July and September 2012, MAST spent £3655 on CAD payments. Between July and September 2013 this figure was £6812; an increase of 86%. Direct links to welfare reforms will be examined.
- 6.3.4 Another potentially significant indicator relating to the impact of welfare reform on families is Section 17 payments for Children in Need. Unfortunately, it is not possible to accurately report on Section 17 payments at present, however it is anticipated that this information will be available in future reports.
- 6.4 **Support for people at risk of homelessness**  
It is anticipated that there will be an increase in homelessness in Sheffield due to welfare reform.
- 6.4.1 In response the Council has finalised a Prevention Action Plan which sets out the key activities that will be focussed on in 2013/14 in advance of the new Homeless Strategy. The mitigating actions set out in the Prevention Action Plan include focussing on increased preventions, access to alternative housing, improved casework and collaborative working.
- 6.4.2 The Housing Solutions Service offers advice and assistance to households who are struggling to make their mortgage payments. If the property is no longer affordable to the homeowner, an advisor will help the customer to explore the options available. Solutions can include the Mortgage Rescue Scheme which transfers ownership of the property to a Housing Association, while allowing the resident(s) to continue living at the property, or a Breathing Space loan to provide the household with time to resolve their financial difficulties. The service can also help those who are at risk of losing their homes, whether they rent or have a mortgage, to access interest free borrowing through the Sheffield Credit Union. It is important to note that the Mortgage Rescue Scheme, which is a Government scheme, is due to cease at the end of March 2014.
- 6.4.3 To date, no increase in homelessness has been experienced in 2013/14. However, as some benefit changes are still relatively recent - with the Benefit Cap only being introduced in August for example - and major changes are still pending, the risk assessment is that there may be impacts next year.

## 6.5 **Support for older people**

Most of the benefits changes which have come into effect to date will not affect people of pensionable age, and are therefore unlikely to have a significant impact on older people at the present time. However, future changes to disability benefits will affect people approaching pensionable age so this may have an impact in the future. The Council is continuing to reflect on the possible impacts of welfare reform on this group of people and is assessing how to support these customers.

## 6.6 **Support for people with learning disabilities and mental health problems**

Residents with learning disabilities and mental health issues are likely to be affected both by wider welfare reform changes and the anticipated future reduction of specific disability benefits.

6.6.1 Personal Independence Payments (PIPs) are now available to new applicants of working age, however the Council's Adult Social Care Service is yet to assess anyone with PIP. Sheffield's advice services are currently unaware of any Sheffield residents of working age claiming this benefit. Information received from the Department for Work and Pensions (DWP) leads the Council to believe that the DWP is still experiencing problems with the assessment centres and partners responsible for completing the benefit assessments. This could have a negative impact on Sheffield, as new applicants for PIP are left without benefit.

6.6.2 The Council has started working with the DWP in order to identify a supported referral process for working age benefit claimants, should there be any new applicants to Adult Social Care, eligible for PIP who are experiencing difficulty applying for the benefit.

6.6.3 The Council will continue to monitor the impact of welfare reform on this particular group and will continue work to support these residents.

## 6.7 **Supporting people with the transition to Universal Credit**

Work is currently underway on the Council's response to the forthcoming implementation of Universal Credit (UC), recognising that:

- residents will need to make arrangements to pay their own housing costs, where previously these payments had been paid directly to their landlord;
- there will be a move towards online claiming of the benefit which will have significant implications for many households who do not currently have access to the internet; and
- therefore, many people in Sheffield will experience difficulty in transitioning to UC and will require additional support.

6.7.1 The Council has established a Project Group to enable the Council and its customers to prepare for the introduction of UC. The Project Group brings together representatives from services across the Council, with involvement from representatives in the Department for Work and Pensions and the advice sector.

6.7.2 The initial focus of the UC Project Group will be a joint geographical mapping exercise involving the Council, DWP and the VCF sector, to assess what support services and internet access are available throughout the city, and what gaps there are in provision. The longer-term aims of the group are to ensure that by the time UC is introduced in South Yorkshire, the Council and its partners have a coherent approach to supporting people in Sheffield, particularly the most vulnerable residents, to transition to UC.

## 6.8 **Supporting people into employment**

The Council provides employment support to key groups claiming out of work benefits through an employability programme designed to address the barriers they face. Integral to the programme is debt and health management support for all participants. Examples of programmes targeting specific key groups are provided below.

### 6.8.1 **Ambition Working – for 18/24 year olds claiming Jobseeker’s Allowance**

Ambition Working provides 3 days in work training with an employer and two days off the job training. Feedback from employers is included in the off the job training and where required training and support is given to address issues raised. The programme equips young people to secure employment and survive in the work place. Individuals are on the programme for a maximum of 8 weeks. The programme has only been up and running for 7 weeks and to date 9 young people have secured employment with another 11 job outcomes pending. All referrals to the programme are from Job Centre Plus.

### 6.8.2 **Supported Internship Programme – for 16-24 year olds with learning disabilities**

This Supported Internship Programme is delivered through work placements with the support of a key worker. Work placements are for up to 3 days per week and are tailored to the individual’s needs. The remainder of time is spent in learning. The programme is based on the Ambition Working model, with additional support for the individual and the employer. Placements begin in February 2014.

### 6.8.3 **Troubled Families Programme – Building Successful Families**

This programme has been operational since 2012. Secondees from Job Centre Plus are working across Council services to embed employment and employability within teams, and ensure employment is an option for all families involved in the Building Successful Families programme. This programme targets families where there are no adults working in the family, where children do not attend school and where members of the family are involved in crime or anti-social behaviour. The Job Centre Plus secondees will be working within the Council until 2015. To date 50 individuals have been supported into employment.

### 6.8.4 **Work clubs**

The council operates a network of work clubs across the city. The work clubs provide support to ex-offenders, older workers, BME groups and those with poor health. They provide support and guidance to both individuals on their journey towards the labour market and those who are

'job ready' but are finding difficulty securing employment. This financial year 218 individuals have successfully moved into work.

6.8.5 The following programmes are currently under development and will be delivered during 2014/15 .

6.8.6 **Employment Support Pathway** - Sheffield City Council is currently working with the Department for Work and Pensions, the Clinical Commissioning Group and the Centre for Economic and Social Inclusion to develop a Health Pathway that will support people with health problems into work. The pathway will include confidence building, careers advice, debt support, managing health conditions in the work place, volunteering, work placements, vocational training etc. Individuals will be better prepared when they transfer to Jobseeker's Allowance from Employment and Support Allowance (ESA), a number of which will be successfully supported into work directly from ESA.

6.8.7 **Tenants Pathway** - The Council's Employment and Skills Service are currently working in partnership with the Council's Housing Service to develop a pathway to work for tenants claiming out of work benefits. The pathway will link individuals to existing programmes e.g. the City Stewardship Programme, the City Deal, the Sheffield 100 programme, SCC Employability Programmes and mainstream provision.

## 6.9 **Work with partner organisations**

### 6.9.1 **Social landlords**

The Council's Social Landlords team facilitates a regular Strategic Housing Forum at which partner housing association landlords and Council officers can discuss at strategic level the impact of welfare reform and actions being taken to mitigate the impacts.

6.9.2 Almost all Social Landlords have visited or directly contacted every tenant affected by welfare reform to offer information and support. All providers are signposting affected tenants to debt and advice agencies, employment support agencies and the Credit Union and most are offering in-house benefits and debt advice themselves. Some providers have employed more staff or increased capacity in their front line teams.

6.9.3 Most Social Landlords have relaxed the restrictions on allowing their tenants to move with arrears, where the need to move is financial. Practical measures such as help with packing and moving, decorating vouchers and subsidised removal costs have been introduced by some providers. Several providers are supporting tenants to set up bank accounts and one has in place a subsidised loan arrangement with a Credit Union provider.

### 6.9.4 **The advice sector**

One of the sectors most obviously affected by welfare reform is the advice sector. Advice services report that the severity of the reforms has come as a shock for people and they are finding themselves limited in the help they can offer. The groups who have been most significantly impacted by the welfare reform changes are those whose first language

isn't English, people with physical and learning disabilities, and those with health problems, including mental health problems.

- 6.9.5 Sheffield Citizens Advice (SCA)<sup>1</sup> dealt with 13,488 advice issues in respect of 5422 unique clients in the 13 weeks between 1 October and 31 December 2013. Of these, 6263 were welfare benefits issues (46%), with 1633 of these on Employment and Support Allowance alone. A further 3825 were debt issues. Overall 74% of issues handled by SCA were on welfare benefits and debt, compared to 67% of issues on welfare benefits and debt handled by the predecessor organisations in 2010-11, before the main welfare reforms were introduced.
- 6.9.6 The advice sector report anecdotally that prior to October 2012 (when Job Seekers Allowance sanction periods were substantially increased) advice agencies only infrequently faced clients who were completely destitute and unable to access crisis funds from the state, whereas now referrals to food banks are everyday work. Advisers have also reported that they are dealing with clients who are feeling more anxious, despairing and disparaged by the wide-spread stigmatisation of benefit claimants.

## **7.0 Learning from other local authorities' approaches to welfare reform**

- 7.1 The Scrutiny Committee has specifically requested that this report include examples of how other local authorities are responding to welfare reform. When researching best practice in welfare reform amongst local authorities it was apparent that many of the positive actions that other authorities had taken in response to welfare reform had already been adopted in Sheffield.

For example:

- Some other local authorities are taking steps to proactively help their residents with budgeting, for example by enabling those who need assistance with managing their finances to set up budgeting or 'jam-jar' accounts. This is an approach which is already being implemented in Sheffield;
- We found several other local authorities who had proactively taken steps to contact those households in their area who have been affected by the Benefit Cap, to offer support and assistance. This proactive approach has been taken already in Sheffield;
- Some other local authorities, particularly the larger authorities have set up welfare reform programme boards to oversee all the activity that is taking place within their authority on the welfare reform agenda. Sheffield's equivalent of this is the Welfare Reform Implementation Group (WRIG), which has been up and running since 2012;

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<sup>1</sup> Sheffield Citizens Advice is a new city wide Citizens Advice Bureau, formed in October 2013 by a merger of the separate advice centres across Sheffield

- We found examples of Councils which had set up emergency hardship funds for Council tenants, which operate in a similar way to the Sheffield Council Housing Service's Hardship Fund; and
- Many other local authorities have schemes in place to support homeowners who are at risk of losing their homes. In Sheffield this work is being taken forward by the Housing Solutions Service, as detailed in Section 6, above.

7.2 However, we did find examples of good practice in other local authorities which to date has not been trialled in Sheffield. The two authorities where we discovered examples of innovative practice in response to welfare reform were Bristol City Council and Manchester City Council.

### 7.3 **Bristol City Council**

In Bristol a joint working arrangement between the local Job Centre Plus and the Council has seen two Job Centre Plus employment advisers seconded to the Council's Revenues and Benefits Service. This arrangement is in place initially until the end of 2013/14. These members of staff are badged as BCC employees and work closely with the Revenues and Benefits Service, Landlord Services for council tenants and Housing Solutions for private tenants to provide support and assistance to households affected by the Benefit Cap.

7.3.1 The advisers - both those seconded from Job Centre Plus and the Council's own internal staff - make contact with affected claimants by phone or letter in the first instance to discuss the cap and its implications for the household. If they agree to being helped then a home visit or meeting at community location is arranged and an action plan completed.

7.3.2 The advisors can offer employment advice and can make referrals for skill training/advice if this is required. They also make referrals for free school meals, nursery places and money management advice.

7.3.3 Officers in Bristol have reported good levels of engagement from households once initial contact has been made.

7.3.4 Although at present Sheffield does not have any Job Centre Plus employees seconded to its Revenues and Benefits Service, Sheffield City Council has pursued joint working opportunities with colleagues in the Department for Work and Pensions and it should be noted that there are currently Job Centre Plus staff seconded to the Building Successful Families Programme, as outlined in Section 6, above.

7.3.5 Additionally the Council Housing Service has worked with the DWP's Customer Team to undertake joint visits to tenants affected by Under-occupancy.

#### **7.4 Manchester City Council**

Manchester City Council has been involved in setting up 'Lets Help You', a free service for private landlords and people looking for a home in Manchester. It brings landlords and tenants together in a fast and easy self-service website. Potential tenants can calculate their likely benefit entitlement to see which properties they can afford, and can then choose from lists of homes that match their circumstances.

- 7.4.2 The service is funded by Manchester City Council and the Department of Work and Pensions. It encourages people to consider using the private rented sector as a way to help meet local demand for smaller homes, which cannot be met by social housing alone. The service appears to be very user friendly and encourages customers to be savvy about understanding their income and what level of rent they can afford.

### **8.0 Conclusions**

- 8.1 Sheffield has made much progress in understanding and responding to the impacts of welfare reform, although clearly with such a wide-ranging agenda, work will need to continue in order to keep pace with changes. The Council is committed to ongoing work to inform its understanding of the issues and to support Sheffield residents to cope with the impact of welfare reform.
- 8.2 Future work taking place under the direction of the Council's Welfare Reform Implementation Group will focus not only on preparing for the introduction in Sheffield of further individual components of welfare reform, such as Universal Credit and Personal Independence Payments, but will also consider the longer-term strategic view of the Council in relation to welfare reform.

## **9.0 Recommendation**

### **9.1 The Safer and Stronger Communities Scrutiny & Policy Development Committee is asked to:**

- i. note the contents of the report and the progress made on both understanding the impact of welfare reform on Sheffield's residents and supporting residents in response to the welfare reform agenda;
- ii. note the welfare reform case studies which have been compiled to provide a deeper understanding of the effects of welfare reform on people in the city;
- iii. give consideration to the approaches that other local authorities have taken in response to welfare reform;
- iv. provide views or comments on the Council's approach on responding to the welfare reform agenda; and
- v. give consideration to whether the Committee wishes to continue to receive further update reports on this issue.



**Report to Safer and Stronger Communities Scrutiny & Policy  
Development Committee 30 January 2014, *The Impact of Welfare Reform  
on Sheffield's Residents – Update January 2014***

Appendix 1 – Welfare reform key changes

The following table is provided as a reminder of the key changes to the benefits system and their timescales for implementation.

<b>Welfare Reform</b>	<b>Brief Summary of Change</b>	<b>Timescale for Implementation</b>
<b><i>Housing Benefit – Local Housing Allowance</i></b>	Changes to the rules governing assistance with the cost of housing for low-income households in the private rented sector.	Implemented in 2011
<b><i>Housing Benefit – Under-occupation ('Bedroom Tax')</i></b>	New rules governing the size of properties for which payments are made to working age claimants in the social rented sector (widely known as the 'bedroom tax').	Implemented on 1 <sup>st</sup> April 2013
<b><i>Non-dependant Deductions</i></b>	Increases in the deductions from Housing Benefit, Council Tax Benefit and other income-based benefits to reflect the contribution that non-dependant household members are expected to make towards the household's housing costs.	The first change was implemented in April 2012, and a further change was implemented in April 2013.
<b><i>Household Benefit Cap</i></b>	New ceiling on total payments per household, applying to the sum of a wide range of benefits for working age claimants.	The first stage began to be implemented in August 2013. The full cap will be implemented when households migrate to Universal credit.
<b><i>Council Tax Benefit</i></b>	Reductions in entitlement of working age claimants arising from reduction in total payments to local authorities.	Implemented on 1 <sup>st</sup> April 2013
<b><i>Disability Living Allowance (DLA)</i></b>	Replacement of DLA by Personal Independence Payments (PIP), including more stringent and frequent medical tests, as the basis for financial support to help offset the additional costs faced by individuals with disabilities.	All new claims since June 2013 are for PIP, not DLA. In South Yorkshire, migration of existing DLA claimants to PIP will take place from October 2015. It is the Government's intention that by October 2017 all existing DLA claimants

		will have been reassessed for PIP.
<b><i>Incapacity Benefits</i></b>	Replacement of Incapacity Benefit and related benefits by Employment and Support Allowance (ESA), with more stringent medical tests, greater conditionality and time-limiting of non-means tested entitlement for all but the most severely ill or disabled.	Migration of existing claimants of Incapacity Benefit began in 2011 and migration is due to be completed by April 2014.
<b><i>Child Benefit</i></b>	Three-year freeze, and withdrawal of benefit from households including a higher earner.	Benefit frozen for three years from April 2011. Withdrawal of benefit from high earners implemented January 2013.
<b><i>Tax Credits</i></b>	Reductions in payment rates and eligibility for Child Tax Credit and Working Families Tax Credit, paid to lower and middle income households.	Implementation from April 2013.
<b><i>1 Per Cent Up-rating</i></b>	Reduction in annual up-rating of value of most working-age benefits.	Implementation from April 2013.
<b><i>Universal Credit</i></b>	<p>New benefit which will affect all people of working age who are currently receiving any of the following:</p> <ul style="list-style-type: none"> <li>• Income Support</li> <li>• Income-based JSA</li> <li>• income-related ESA</li> <li>• Housing benefit</li> <li>• Child Tax Credit</li> <li>• Housing Benefit</li> </ul> <p>These benefits will be replaced by one single monthly payment which will be paid in arrears, to a single person in each household.</p>	<p>Migration to Universal Credit (UC) was originally due to take place over four years between October 2013 and March 2017. However we understand that the earliest that UC will be introduced in South Yorkshire will be April 2015, and following the Autumn Statement, it seems likely that we will not now see UC in Sheffield until 2016.</p>

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Appendix 2 - Welfare reform case studies

**CASE STUDY 1**

Graham is single, is aged 57 and is a council tenant. He lives in a 3 bed property which has been his home for 33 years. He took over the tenancy on his home from his parents who he cared for until they both died. Graham used to work as a specialist steel worker but was made redundant. He has rheumatoid arthritis and he tried to claim Employment and Support Allowance due to his condition but he failed the work capability assessment and he did not appeal. He has stayed on Jobseeker's Allowance but he cannot find work.

Graham's total income is £71.70 per week Job Seekers Allowance. From April 2013 has found it hard to cope due to the costs of paying bedroom tax, council tax and the general cost of living. He used to receive full Housing Benefit and Council Tax Benefit which meant he could afford to pay for gas, electric and food. A good diet is important to his health due to the inflammation in his joints caused by his rheumatoid arthritis.

Since April Graham has had to pay £19.88 per week towards his rent and £3.28 per week towards his Council Tax. Before any other expenditure, he has to pay £23.16 of his £71.70 weekly income just for housing costs. This is 32% of his income. Since April 2013 he has not been able to afford to buy food or clothes. It was a struggle before on a subsistence income but he is finding it harder now. He states that during the summer months he has been "foraging in the woods for food" such as fruit to eat as he can't afford to buy it. Graham's cooker is broken and he has no money to replace it. He states that he is dreading the winter as he will not be able to afford to heat his property and the pain and stiffness in his joints will worsen.

Graham did receive a Discretionary Housing Payment initially but on repeat application due to hardship this has been drastically reduced to £5 per week to the end of September.

Graham has a bank loan that he can no longer afford to repay since being made redundant. He cannot even make a nominal offer of repayment on this due to his current predicament and is looking at insolvency.

He is finding it hard to come to terms with having to move to a different property. He has lived in his current home for most of his life and cared for both his parents there. If he moves he will need a ground floor flat in the same area due to his health condition and the fact that he relies on his neighbours for support (he has no family). He feels that a ground floor one-bedroomed property will be difficult to find close to his neighbours. He has no money for removal costs. Due to changes in the state retirement age, he will not be treated as a pensioner until he is 66 and therefore will not be exempt from the bedroom tax as a pensioner for another 9 years.

Overall, Graham is finding it much harder to cope than before. He has lost weight and now suffers with depression and is fearful of the winter months. He states that if life carries on as now his life expectancy will be only a few years more and he will not make it to retirement age.

## **CASE STUDY 2**

Jean is a 57 year old widow who lives alone in a three-bedroomed housing association property. Her granddaughter regularly stays with her for periods of time to provide her with company, support and assistance.

Jean has lived in her home for most of her life. Her parents were previously tenants at the property and she has brought up her own family there. Jean's partner served in the armed forces for 11 years including two spells in Northern Ireland during the sixties and seventies. Jean's partner died of lung cancer and she nursed him throughout his illness until his death in 2011.

Jean is unwell. She suffers from anxiety, depression, asthma and epilepsy. She is currently in receipt of Employment and Support Allowance (assessment level) as her claim is under appeal. Jean is still suffering the effects of bereavement and has found it extremely difficult to deal with her own day to day affairs.

As a consequence of the Bedroom Tax and changes to Council Tax Benefit Jean is £29.18 per week worse off, on an income of only £71.70 per week; a reduction of 41% in her income, overnight.

Jean has used doorstep lenders to supplement her income. She is unable to pay her priorities and feed herself. Her family are having to feed her and help her financially day-to-day. She would have no means of coping with any sudden unexpected costs. Jean is too proud to use a foodbank.

Jean has rent arrears and has been threatened with eviction. She is having to move to a smaller property against her will. This will mean that her granddaughter can no longer come and stay with her and she fears that the move will have a negative impact on her health.

### **CASE STUDY 3**

Sara was employed until late 2012. She claimed Employment and Support Allowance initially, due to health problems and then, since the beginning of May she has been claiming Jobseeker's Allowance. Sara receives £71 per week contributory JSA. Her partner is working as a chef but his hours have been reduced. He earns £7 per hour and works 14 -15 hours per week. He earns between £90 and £100 per week. They live in a 3-bedroomed housing association property. Their rent is £500 per month. The couple's disposable income is not sufficient for them to eat properly.

Sara's partner's income is variable, so it is not straightforward for the couple to access Housing Benefit and Council Tax Support payments, although they are receiving help from an advice centre to see if the most recent calculations are correct.

Sara's partner is on a professional cookery course at a local college. Payments towards his course will cost him £1286 this year. He is investigating opportunities to get grants.

At present Sara's partner's income is not taken into account when her JSA is calculated. Sara has been informed that her partner's income will be taken into account when she has been claiming JSA for 6 months. At this point her claim will be changed to income-based JSA. This will result in a big drop in their income, only some of which will be offset by increases in Housing Benefit and Council Tax Support.

The main reason that Sara and her partner have so little disposable income is because they are subject to Bedroom Tax at 25% and live in a high rent property. They have asked for a move to a one-bedroomed flat but none have become available.

Sara has been advised that if she or her partner got a job working 30 or more hours per week, they could apply for Working Tax Credits. However, this seems unlikely as Sara has struggled to find work this year and her partner's hours have just been cut.

The couple have been referred to a food bank for short-term help.

#### **CASE STUDY 4**

Harry has a physical and a mental health disability. He claims Employment Support Allowance and Disability Living Allowance. He is aged 39 and lives in a three-bedroomed housing association property. He has 3 children, aged 16, 10 and 7. The children stay with him each weekend and in the holidays, however the children's mother is the main carer and she receives the child benefit payments.

Since April 2013 Harry has been deemed to be under-occupying his property and he now has to make rent payments of £28.50 per week as opposed to £8.53 per week from his benefit income of £120 per week. In addition he has an extra £3.28 per week Council Tax to pay. 26% of his income now has to be spent on housing costs. This is causing him severe hardship. His rent arrears have increased and his landlord has issued a notice seeking possession. He has been awarded a Discretionary Housing Payment to alleviate hardship. However, on repeat application it is unclear if he will be re-awarded.

Harry feels extremely stressed by the notice seeking possession as he feels if he loses his property it will profoundly affect his relationship with his children. In addition, his landlord has a policy of not re-housing tenants with rent arrears. Even if he could find a one bed property on his estate a) he could not have his 3 children to stay and b) He could not bid for it due to his rent arrears. He feels trapped and unable to move forward. He feels under enormous pressure as he does not want to disclose to his children the predicament he is in.

In addition to the above, the Harry's primary benefit (ESA) is stopped because he is too ill to attend a medical. He appeals but he is not entitled to any benefit whilst appealing this particular decision. He makes a new claim for benefit but he cannot be paid this until he attends a new medical. His total income reduces to £20 per week Disability Living Allowance.

He is desperate and needs to make an application for a crisis loan. He has no food, gas or electricity and his children are due to stay. He cannot get a crisis loan from the Department for Work and Pensions as the local authority now administers these. He is told by the DWP to go to his local authority but under the new local assistance scheme, he is not entitled to any form of help as he is not in receipt of a means tested benefit.

Harry is now destitute and has to live on food parcels until his primary benefit is sorted out.

## **CASE STUDY 5**

Dan is a single man living in a Housing Association property. He suffers from agoraphobia and is overcoming heroin addiction, on a gradually reducing methadone prescription.

Dan was claiming Employment and Support Allowance but he ran into difficulties. He relied on his father to take him to all his ESA appointments. In the event of his father being unable to do this his brother would take time off work. At time of Dan's ESA medical, his father was on holiday and his brother's car broke down (evidence of both available).

Dan's ESA was stopped even though a full explanation was given and evidence was provided to support his explanation. He made a new claim for ESA but had to endure an eight month period when he received no income while awaiting the decision. He tried to get a local assistance loan from Sheffield City Council during this period but this failed as he did not fit the criteria.

The interruption in his ESA caused knock-on difficulties with his housing benefit. Dan experiences extreme nervousness, particularly when engaging in any kind of formal contact. His condition and vulnerability make it almost impossible for him to engage successfully in person with those in positions of authority.

Dan is also subject to the 'bedroom tax' as he has more than one bedroom in his property. He has been unable to maintain the shortfall in his housing benefit so this has contributed to his rent arrears building.

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