

Subject: Welfare Reform: Responses to Recommendations made by the Centre for Economic & Social Inclusion

Date of Meeting: 13 January 2016

Report of: Joint report of Director of Public Health and Executive Director, Finance & Resources Environment, Development and Housing

Contact Officer: Name: Penny Jennings Tel: 29-1065
E-mail: penny.jennings@brighton-hove.gov.uk

Wards Affected: All

FOR GENERAL RELEASE

Action Required of the Committee:

To receive the item referred from the Neighbourhoods, Communities & Equalities Committee:

Recommendation:

That Housing & New Homes Committee note the report referred for information from Neighbourhoods, Communities & Equalities Committee

BRIGHTON & HOVE CITY COUNCIL

NEIGHBOURHOODS, COMMUNITIES & EQUALITIES COMMITTEE

4.00pm 23 NOVEMBER 2015

ST RICHARD'S CHURCH HALL, EGMONT ROAD, HOVE

MINUTES

Present: Councillors Daniel (Chair), Moonan,(Deputy Chair),Simson (Opposition Spokesperson),Littman (Opposition Spokesperson), Bell, Gibson, Hill, Horan, Lewry and Taylor

Invitees: Claire Holloway (Clinical Commissioning Group), Hanan Mansi (HOPE Sussex), Joanna Martindale (HK Project) and Nev Kemp (Sussex Police)

PART ONE

36 WELFARE REFORM: RESPONSES TO RECOMMENDATIONS MADE BY THE CENTRE FOR ECONOMIC & SOCIAL INCLUSION

36.1 The Committee considered a joint report of the Director of Public Health and the Executive Director of Finance and Resources the purpose of which was to set out the council's response to the recommendations contained in the Centre for Economic and Social Inclusion's (CESI) independent report into the impacts of the welfare reform measures which were due to take effect. This work had been undertaken in order to inform commissioning decisions and development of strategies to support those citizens who would face the most significant impacts as a result of the changes, also, to provide context and information to inform policy development and budget decisions generally.

36.2 It was explained that purpose of the report was also to detail the broader actions and activities the council was undertaking in order to respond to the issues raised by the Government's welfare reform programme and to highlight the key impacts and considerations resulting from the changes set out in the July 2015 summer budget. In summary the changes would be as follows:

- Freezing most working age benefits for four years from April 2016;
- Reducing Social Sector Rents by 1% for four years;
- Limiting benefits in general to the amount for a family with no more than two children from 2017(would not apply to families with more than 2 children born before April 2017);
- Reducing the benefit cap from £26,000 to £20,000 outside London;
- Reducing the Employment and Support Allowance for people able to do some work to the same rate as Job seekers allowance;
- Reductions in tax Credits and Universal Credit from April 2016 for working people (subject to change, more detail would be known after announcement of the autumn statement on 25 November 2015).

- 36.3 Tony Wilson was in attendance from the CESI and gave a presentation highlighting the key impacts arising from welfare changes which had already occurred which had been identified in relation to Brighton and Hove. Households claiming benefit would be on average £2,300 per year (£44 per week) worse off which represented one of the largest impacts outside of London, a break-down of the financial, impact by ward was also included. It was explained that three distinct areas of impact had been identified, financial; going without, cutting back, borrowing, arrears, health and well-being, anxiety and stress; and family and community which could be both strengthening but could also create divisions and tensions. Details were also given based on the feedback received of how those who were/would be affected were responding to date.
- 36.4 Mr Wilson explained in response to questions that so far there were structural barriers in terms of access to affordable housing, increasing demands on the council's own housing stock, stable employment and flexible employment. Those who were likely to be impacted could be categorised as those who were coping/struggling; (most of those impacted), often working households with smaller losses, those at risk; disabled people, large families (particularly lone parents) and or with a range of contributory factors, private renter, mental health or with poor networks and those in crisis; where multiple reforms or factors combined often linked to health/housing issues, crisis/debt. Measures were being put into place to monitor the impacts of the changes and to identify key groups in order to communicate effectively with those at the greatest risk to provide targeted support to manage and mitigate the impact of the reforms, also to seek to build resilience into longer term responses, financial employment and housing.
- 36.5 In conclusion, the Head of City Services (Revenues and Benefits), Graham Bourne, explained that responses to the recommendations would continue to be developed and current service offerings aligned to meet those challenges. Where responses required additional resources a full business case would be developed to support that process.
- 36.6 Councillor Taylor broadly welcomed the measures being undertaken in order to mitigate people into work in so far this was practicable. Universal Credit had in his view helped to remove barriers to work. He also considered that more should be done to assist and encourage home ownership. He certainly did not consider that the picture was "all doom and gloom".
- 36.7 The Chair, Councillor Daniels stated that many of those who were coping/struggling were from working households, high rents and the shortage of affordable housing in the city presented a major challenge. The cost of housing available under right to buy/shared ownership schemes was such that even when discounts were applied it remained beyond many people's financial means.
- 36.8 Councillor Moonan was in agreement that access to affordable housing was a key factor and asked for confirmation as to whether this report had been presented to the Housing Committee given its integral role in helping to facilitate future provision. The Welfare Reforms Programme Manager, John Francis, explained that information was provided to the housing colleagues periodically, however, the information contained in the report before the NCE Committee contained the most up to date information available. In response Councillor Moonan stated that she considered it appropriate for the report to go to the Housing Committee and proposed that copies of this report accompanied by

an extract from the minutes be forwarded to the Housing Committee for their information and note. This proposal was seconded by Councillor Gibson, the Committee also indicated their agreement that this would be appropriate.

- 36.9 Councillor Moonan also referred to the potential knock-on impact of the reforms on homelessness in the city and to the forthcoming Rough Sleeping summit which was due to take place considering that this information and details of proposed mitigation measures needed to feed into that forum too in order to inform any debate there.
- 36.10 Jo Martindale, Hangleton & Knoll Project referred to measures being undertaken by the Community and Voluntary Sector to dovetail with other measures being put in place across the city. For example, following their encouragement British Gas would be making £395,000 available to be paid out in the form of crisis loans over the coming winter months.
- 36.11 In answer to questions the Head of Legal and Democratic Services and Monitoring Officer, Abraham Ghebre-Ghiorghis, confirmed that that the Committees' Terms of Reference had been drawn such that they permitted referral to other Committees.
- 36.12 Following the presentation and Members' initial discussion in relation to the report the following amendment was put by Councillor Littman on behalf of the Green Group and seconded by Councillor Gibson. It was noted that the amendment, circulated immediately prior to the meeting had been amended further to reflect the fact that as this fell outside this committees' financial responsibilities it was unable to make a direct recommendation to the Policy and Resources Committee on this matter related to the budget setting process. It was proposed that an additional recommendation be added as follows:
- “2.5 That, in the spirit of fairness, the Policy and Resources Committee be requested to consider the possibility of recommending to Council that it limits the percentage increase in Council Tax paid by the City's poorest households to no more than that faced by the City's other households to the extent it is permitted by law and having regard to available resources.”
- 36.13 The Chair, Councillor Daniel, responded that she did not support the addition of a further recommendation referring this matter to Policy and Resources Committee, given that all aspects of the 2015/16 budget would be considered fully at that Committee by those who were members of it. It would be far more appropriate for the Green Group representatives who sat on that Committee express their views directly at the relevant meeting, particularly given that this fell outside the budgetary responsibility of NCE Committee. Councillor Daniel also considered that it was very important to point out that the Council had not imposed these changes or removed funding from any individual.
- 36.14 Councillor Simson agreed wholeheartedly with the Chair that comments relating to the budgetary process should to be raised directly at Policy and Resources Committee as part of the debate and decision making process.
- 36.15 Councillor Littman whilst noting all that had been said expressed concern that the impact of these changes which would have a deeply negative impact on large numbers

of people across the city needed to be highlighted fully. A reference from this Committee would in his view give this issue greater prominence.

- 36.16 A vote was taken on the proposed Green Group amendment but it was lost on a vote of 8 to 2.
- 36.17 The Chair then put the substantive recommendations set out in the report to the vote including the request by the Deputy Chair, Councillor Moonan that the report also be circulated to the Housing Committee. Members voted unanimously that the recommendations set out in the report be agreed and also that a copy of the report accompanied by an extract from the minutes should be forwarded to the Housing Committee for information and noting
- 36.18 Councillor Gibson also requested that the report and accompanying extract also be forwarded to Full Council for information.
- 36.19 **RESOLVED** – (1) That the Neighbourhoods, Communities and Equalities Committee endorses the responses to the recommendations set out in the CESI independent report into the impacts of welfare reform in Brighton and Hove;
- (2) Notes the current mitigation strategies which are in place to manage the impacts of welfare reform in the city;
- (3) Notes the work of the council and partners around employment and apprenticeships;
- (4) Directs officers to report to the City Management Board to highlight key impacts and considerations arising from the provisions set out in the Government's July 2015 budget and the CESI report to generate a city wide response. Subsequently the City Management Board's response be reported back to this committee; and
- (5) That a copy the report accompanied by an extract of the minutes from this Committee be forwarded to the Housing Committee for information and noting.

RESOLVED TO RECOMMEND (1) That the report also be forwarded to Full Council for information and note.

