

<b>SUBJECT:</b>	<b>COMMUNITY LEADERSHIP SCRUTINY COMMITTEE – REVIEW OF LOCAL COMMUNITY IMPACT OF WELFARE REFORM</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>GRAHAM WATTS, DEMOCRATIC TEAM LEADER AND ELECTIONS MANAGER</b>

## 1. Purpose of Report

- 1.1 To provide the Executive with a report on the key findings and emerging recommendations following the Community Leadership Scrutiny Committee's review into the local community impact of welfare reform.

## 2. Background

- 2.1 As part of the Community Leadership Scrutiny Committee's previous review into Inclusive Growth, the Committee agreed to undertake a further review on the local community impact of welfare reform.

- 2.2 The Committee met on 3 July 2018 where it was agreed that the scrutiny review onto the local community impact of welfare reform would focus on two key strands, as follows:

*i) Universal Credit*

- background to Universal Credit;
- the role of key support teams and agencies in responding to Universal Credit;
- how Universal Credit had impacted these key teams and agencies, as well as any broader welfare reform;
- the impact of Universal Credit and welfare reform on communities;
- how teams and agencies worked together to meet demand, fill gaps and avoid duplication.

*ii) Housing*

- background on housing and its affordability, including its link to Universal Credit and welfare reform;
- demand for affordable housing in the city;
- the Council's role as landlord and as an enabler of affordable housing;
- how affordable housing was encouraged in the city and what impact this was having;
- the role of planning policies in delivering affordable housing.

- 2.3 The review commenced with a meeting on 28 August 2018 which was attended by Helen Oliver, Chief Officer of the Lincoln and District Citizens Advice, where she provided an overview of the role of her organisation and the different avenues of support it provided in relation to welfare reform.
- 2.4 The Committee met again on 6 November 2018 to understand the supply of housing from a developer's perspective, a social landlord's perspective, a planning perspective and a private rented sector perspective.
- 2.5 A further meeting of the Committee was held on 18 December 2018 which followed the 1 October 2018 announcement by the Department for Work and Pensions that its Universal Credit Support Scheme, which is currently provided by Local Authorities (with grant funding from the Department for Work and Pensions), will be delivered by Citizens Advice from April 2019.
- 2.6 The final meeting of the scrutiny review was held on 8 January 2019. At this meeting the Committee explored the impact of Universal Credit and housing accessibility/affordability from the perspective of tenants. This covered both the social rented sector and the private rented sector. In particular, it provided the Committee with the opportunity to consider key themes from the 6 November 2018 and 18 December 2018 meetings and how they impact tenants.

### **3. Evidence Gathering**

- 3.1 As part of this scrutiny review the Committee was able to gather a significant amount of evidence from internal officers and representatives of external organisations. An overview of this key evidence is set out below:

#### *Universal Credit and Housing Supply*

- 3.2 The Committee heard from:
- John Stewart, Policy Manager at the Residential Landlord Association
  - Kieron Manning, Planning Manager at City of Lincoln Council
  - Simon Colburn, Assistant Director of Health and Environmental Services at City of Lincoln Council
  - Andrew McNeil, Assistant Director of Housing Investment and Strategy at City of Lincoln Council
- 3.3 Key findings included:
- There is a large need for affordable homes in Lincoln (17,400 across Central Lincolnshire by 2036)
  - Development is slow, and material and land costs are high
  - Lincoln is constrained by its boundaries
  - 70% of landlords felt recent changes reduced profitability of letting homes
  - 69% said the changes discouraged investment
  - 67% said rents would have to increase
  - 62% would be unwilling to let to people on Universal Credit
  - The council is taking a tough position on rogue landlords, and driving up standards in the private sector generally

#### **4. Announcement of transfer of Universal Credit Support from Local Authorities to Citizens Advice**

##### 4.1 The Committee heard from:

- Graham Metcalfe, Partnership Manager at Department for Work and Pensions (Lincoln Jobcentre)
- Martin Walmsley, Shared Head of Revenues and Benefits at City of Lincoln Council and North Kesteven District Council
- Helen Oliver, Chief Officer at Citizens Advice Lincoln and District

##### 4.2 Key findings included:

- Universal Credit Support is to be delivered by Citizens Advice from April 2019
- The current level of funding provided to the council is circa £68k (£53k + £15k)
- This leaves a £32k funding shortfall for the staffing of the Council's Universal Credit Support Team
- Citizens Advice has been provisionally told their funding will be a much lower £23k
- Citizens Advice opening hours are 9am – 1pm, Mon – Thurs
- Citizens Advice advised it does not have the resources, systems, processes, staffing, or expert knowledge to match the standard of Universal Credit Support currently offered by the Council
- Citizens Advice also advised it will need to rely on volunteers to deliver the service moving forward
- The statutory obligation for Universal Credit Support is on the Department for Work and Pensions
- The Committee encouraged the undertaking of an options appraisal to consider any opportunities for Citizens Advice Lincoln and District to pool its resources with neighbouring Citizens Advices in the delivery of Universal Credit Support

#### **5. Universal Credit and Housing Demand**

##### 5.1 The Committee heard from:

- James Wilkinson, Strategic Development Project Manager at City of Lincoln Council
- David Ward, Tenancy Services Manager at City of Lincoln Council
- Martin Walmsley, Shared Head of Revenues and Benefits at City of Lincoln Council and North Kesteven District Council
- Helena Mair, Senior Case Worker for Karen Lee, Member of Parliament for Lincoln

##### 5.2 Key findings included:

- There are 978 applicants currently on housing waiting list
- Between April and November 2018, there were 491 homelessness applications
- It can be difficult for particularly vulnerable groups to access support
- New claimants are waiting five weeks before receiving payment leading to a build-up of rent arrears and other debts
- There is a lack of awareness of the new welfare system amongst claimants. For example, there have been instances where new claimants have not realised they can no longer claim housing benefit and that they must pay the

- housing element of Universal Credit to the Council for their rent
- Additionally, the MP's Office has engaged with individuals that are struggling to cope on Universal Credit due its design e.g. where two salary payments fall in a one month period then Universal Credit is lost for the following month, despite the claimant receiving no additional salary
  - The MP's Office reported a slow response rate in dealing with MP concerns from the Jobcentre Office
  - The Committee discussed that many prospective tenants may be confused by the Council's tenancy contract, and clearer information on their rights and responsibilities upon signing for a Council house may avoid issues at a later date

## **6. Emerging recommendations**

- 6.1 Over the period of the three month strategy review, the following emerging recommendations were identified by the Committee for further consideration at its meeting in March 2019:
- i) That the Council, as part of the refresh of the City Centre Masterplan and associated work already underway, seeks to increase the vibrancy of the city centre and undertake a review of empty commercial units, particularly units above shops, to ascertain whether there are any opportunities to convert them to residential use.
  - ii) In view of the fact that the Welfare Advice Team, Universal Credit Team, Customer Services Team, Tenancy Services Team and Citizens Advice all currently work independently to provide support to Universal Credit and in light of the national decision to withdraw funding from local authorities and reallocate this to Citizens Advice, that the Council undertakes a comprehensive review of the areas within its service delivery that supports welfare advice to the city's residents.
  - iii) That the Council agrees to lobby local and regional Department for Work and Pensions representatives to better understand why there continues to be a delay in the payment of Universal Credit payments, which causes significant issues for the Council's tenants as well as tenants in the private rental sector.
  - iv) That the Council's Housing Directorate undertakes a review of housing allocations and tenant services in order to increase and improve the sustainability of Council tenants.
  - v) That the Council's Housing Directorate seeks to re-launch the scheme with the Acts Trust which had previously been set up under a Service Level Agreement regarding the re-use and distribution of abandoned furniture to Council tenants and identify any opportunities to improve access to free furniture for those tenants struggling to furnish their homes.
  - vi) That recommendations i) to v) above be referred to the relevant Vision 2020 Groups for consideration and addition to the respective work programmes.

## 7. Strategic Priorities

### 7.1 Let's reduce inequality | Let's deliver quality housing

This strategic review has contributed to both the Reduce Inequality and Quality Housing strategic priorities as it seeks to bridge the gap between the provision of support for people on Universal Credit and their need to access and maintain good quality, affordable accommodation.

## 8. Organisational Impacts

### 8.1 Finance

The financial implications of each of the recommendations will be considered by each of the relevant Vision 2020 Groups. Any specific implications will be subject to the relevant approval processes and if necessary require Executive approval.

### 8.2 Legal Implications

No legal implications have arisen as a result of this report.

## 9. Recommendation

9.1 That the Executive considers the findings and recommendations of the Community Leadership Scrutiny Committee's review into the local community impact of welfare reform and outlines its support and endorsement of the recommendations set out at paragraph 6.1 of the report.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** None

**List of Background Papers:** None

**Lead Officer:** Graham Watts  
Democratic Team Leader and Elections Manager