

From: Paul Carter, Leader of the Council
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To: Policy & Resources Cabinet Committee, 17 January 2014

Subject: Welfare Reform Monitoring Report

Classification: Unrestricted

Summary: This report provides an update on a range of indicators that may be affected by recent and ongoing welfare reforms following the comprehensive research report presented to the Committee in June 2013. The monitoring report has been reviewed and updated following its withdrawal from the Committee's agenda in December 2013 and this covering report sets out the changes made to the report and the reasons why. It also sets out the baseline indicators suggested for future welfare reform monitoring reports.

Recommendation:

The Cabinet Committee is asked to:

- (a) Note the changes made to the original December update report on welfare reform as set out in sections 2, 3 and 4.
- (b) Note the revised welfare reform update report attached at Annex 1.
- (c) Consider and make recommendations for any additional indicators to be used for future updates on welfare reform changes.

1. Introduction

1.1 In June 2014 the Policy & Resources Cabinet Committee considered a comprehensive research report from Business Strategy on the changes to the welfare system and the possible implications that this could have for Kent's people, places and public services. The Committee asked for regular monitoring reports to be brought back.

1.2 The first monitoring report was due to be reported to the Committee at its meeting in December 2013, but because of an administrative error, it was not sent to the Leader for comments and approval prior to publication. The Leader subsequently expressed concern regarding some statements and conclusions in the report which required clarification, and asked the Chairman of the Policy & Resources Committee to withdraw the report to allow it to be reviewed and redrafted as required. The Chairman of the Committee agreed to this request.

1.3 The revised and updated monitoring report is attached at Annex 1. Whilst much of the original wording, tone and conclusions of December version remain, we have taken the opportunity to tighten up the language and reduce duplication as well as update it with additional information not available in time for the publication deadline for the December Committee. As such, the report is shorter and more focussed on the changes in evidence/data that have occurred since the June research report.

1.4 Given the political and media attention in the monitoring report following its withdrawal from the Committee's agenda in December, and to aid Member understanding of exactly what changes have been made between versions, Sections 2, 3 and 4 of this covering paper set out in detail the exact changes that have been made and the rationale for making them.

1.5 It is important to note (and as was made clear in both the June research report and the December monitoring report) that it is very difficult to know whether particular trends against some indicators are caused by changes to the welfare system or other factors related to the economy, such as increases in the cost of living. Moreover and again as noted in the June research report, it is important to recognise that welfare reform, including the trend towards increased assessment, conditionality and enforcement, has been a priority that has spanned both the Coalition and previous Labour Governments.

2. Changes made to the report due to insufficient evidence or additional data now being available

2.1 A number of changes have been made to the December monitoring report on the grounds that the evidence used was too limited or anecdotal to infer some of the conclusions or statements which were being made; or that new evidence or data is now available which should be reported to provide additional context and a more balanced understanding of what the evidence or data is suggesting about the impact of welfare reform in Kent.

2.2 Additional information in particular has been provided on those affected by some of the specific reforms (including the Benefit Cap, Housing Benefit size-related criteria, Council Tax Support, reforms to incapacity-based benefits and the new sanctions regime for JSA and ESA), the latest data on unemployment, homelessness, information and advice and the impact on people with disabilities/ill health.

2.3 In view of the above, the Introduction has therefore been expanded and the Key Findings section re-written to reflect the revised report including the additional evidence provided.

The Key Findings section has been re-written to reflect the content of the revised report and the additional data which is now presented:

Original text	Replacement text
<p><i>Welfare benefits recipients need additional advice and guidance to deal with welfare changes in Kent. This is causing greater pressure on organisations, such as Gateways and the Citizens Advice Bureau (CAB), that provide these services.</i></p> <p><i>Increasing debt and debt management is a concerning issue. The introduction of welfare reforms has meant that more claimants require support to manage their finances and are increasingly getting into debt.</i></p> <p><i>Literature suggests that housing benefit cuts are leading to a national increase in the number of households in rent arrears. It is claimed that nearly one in three council housing tenants who were affected by the removal of the Spare Room Subsidy have fallen behind on their rent since its introduction earlier this year.</i></p> <p><i>There are increasing delays in the processing of claimants' appeals against decisions finding claimants fit for work when they are re-assessed from Incapacity Benefit to Employment and Support Allowance (ESA). There are also delays in the payment of the basic rate ESA that claimants are entitled to whilst their appeal is considered.</i></p> <p><i>Many people receiving benefits or applying for them have difficulty with a digital, "self-service" approach because they have limited access to the Internet at home, may not be IT literate and may have low levels of literacy.</i></p> <p><i>A number of applicants to the Kent Support and Assistance Service (KSAS) scheme are unable to complete an application unassisted. While some local services (such as Gateways and libraries) can provide access to computers, there is still an additional demand on staff or</i></p>	<p>3. Key Findings</p> <ul style="list-style-type: none"> • Overall impact: it is too early to say with any certainty what the impacts of welfare reform will be, particularly as the main reform (Universal Credit) has yet to be implemented in Kent. It is also difficult at this stage to separate the effects of welfare reform from other factors including the state of the economy, cost of living and housing issues. Clearly unemployment is reducing, and specifically in relation to welfare reform it appears significant numbers (according to national DWP figures) of people subject to the benefit cap have secured employment. However, there is also evidence of increased levels of homelessness, use of food banks, debt and the need for advice from frontline services. • Numbers affected by the reforms in Kent: significant numbers of people of working age have seen their benefits reduced by either one or several of the reforms. Reforms that have had a significant impact so far include the size-related restrictions to Housing Benefit (affecting 7,044 people with an average reduction in benefit of £14 per week), the reforms to Council Tax Benefit (affecting 73,794 people with an average reduction in benefit of £1.50 per week), the reforms to incapacity-based benefits and the new sanctions regime affecting JSA claimants (affecting about 15,000 so far). With regard to the Benefit Cap this has affected fewer people (about 500) than originally predicted (890) but those affected have seen a significant reduction (on average about £67 per week). The lower numbers are probably due to significant numbers of

volunteer time to support individuals with their applications – whether for KSAS or other applications. Customers who seek support from these services, because they are unable to fill in an on-line KSAS application form by themselves, are increasingly directed towards making an application via telephone.

Other longer term issues that may be related to, or exacerbated by, welfare reforms, and that are included because of their significance are as follows.

Homelessness in Kent has increased. Between January and March 2013 local authorities in the KCC area made 810 decisions on applications (by eligible households) for housing assistance under the homelessness legislation of the Housing Act 1996. This is **25% higher** than the corresponding quarter in 2012, when 650 households were accepted.

The number of people placed in **temporary bed and breakfast accommodation** in Kent is of concern. The Government believes that bed and breakfast hotels represent the least suitable form of accommodation for most households - particularly those with children - and should be used only as a last resort, preferably for only up to six weeks while applications are processed. In Kent (KCC area) 163 households were in bed and breakfast accommodation at the end of March 2013, a **rise of 22%** compared to one year ago and **more than double** the number three years ago.

The **number of people using food banks has increased sharply in Kent**. Partial figures from this year already show a substantial increase from the last financial year in the number of people accessing food banks managed by the Trussell Trust in the Kent administrative area. The number of adults using these food banks in 2012-2013 was 980, while the number from April 2013 to only September 2013 was already 1,838. The number of children

people finding work, or being found to be exempt for other reasons.

- **Migration:** there is no robust evidence yet to show an increase in migration to Kent (note that there has been a trend for some time for people to move to Kent from London – net migration to Kent was 7,900 in 2011 before the main welfare reforms took place). However, of concern (although not necessarily related to welfare reform) is that the number of families with a child subject to a Child Protection plan who moved to Kent in the last six months is already higher (at 83) than the total number for the previous year (70). It is also reported by London Councils that significant numbers of people in London (4,600) are unable to pay their rent due to the Benefit cap and therefore may be potentially looking to move to cheaper areas in the near future.

- **Homelessness and housing:** the numbers presenting themselves as homeless has increased by about 12% (comparing January-October 2012 with January-October 2013). Related to this is the evidence that reforms to Housing Benefit are leading to an increase in the number of people in rent arrears, including in social housing (due to the size-related restrictions). However the numbers accepted as homeless and in priority need has not increased over the same period. This fact needs to be analysed further but appears to be related to the homeless prevention work carried out by the district councils in Kent.

- **Unemployment and work incentives:** the main reform expected to influence work incentives has not yet been introduced in Kent and so it is not possible at this stage to assess the impact on employment. The latest figures available on the numbers

using them in 2012-13 was 705, while from April 2013 to September 2013 it was 1,357. The total number of users from April to September 2013 (3,195) was already nearly twice as many as in 2012-13 (1,685). The figures from the Trussell Trust are only an indication of a much wider problem, as they do not include the parallel growth in independent food banks and other informal emergency food aid interventions provided by hundreds of churches, charities, housing associations and community groups.

claiming JSA do show a continuous reduction since February 2013 but it is not clear what role, if any, welfare reform played in this. A more direct link may be observed in the figures released by the DWP on those people affected by the Benefit cap who have subsequently found work and become exempt from the cap even if still claiming benefits (nationally it appears about 40%).

- **Food Bank usage:** the number of people using food banks in Kent has increased very significantly in Kent. The figures released by the Trussell Trust (showing a doubling in usage comparing the whole of 2012/13 to just the first half of 2013/14) need to be considered alongside the parallel growth in independent food banks. However, it cannot be said with certainty whether the increases are mainly due to welfare reform (as opposed to cost of living increases and the state of the economy) and whether the need previously existed but was not being met.

- **Impact on people with disabilities and ill-health:** it appears that the reforms (including those begun under the previous Government) so far are having a significant impact on some people with disabilities or health problems. Over 60% of those affected by the size-related restrictions have a disability/health problem (according to the DWP's own initial Equality Impact Assessment) and yet many are not being successful in claiming additional help via the Discretionary Housing Payment system. In addition, about 30% of those on one of the old incapacity-based benefits are failing to qualify for the new Employment Support Allowance (when reassessed) and it is reported that people challenging such decisions are currently experiencing long delays in

	<p>the processing of appeals.</p> <ul style="list-style-type: none"> • Evidence of increased debt, money management and demand for front line services: nationally there is some evidence to suggest that benefit reforms are resulting in an increased number of people falling into rent arrears and other kinds of debt but more evidence is needed to be confident about the impact locally. There is some anecdotal evidence from local front line services such as Gateways and Citizen Advice to suggest there has been an increase in demand for advice services, and increasing complexity of presenting problems, but this is not the case across the board. Agencies also report that more proactive work is being carried out on welfare reform with those clients known to be affected, thus reducing the numbers who would otherwise present at Gateways and elsewhere seeking assistance.
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2.4 Other changes made due to insufficient evidence, or additional information becoming available, are set out in the table below.

Original text	Replacement text if appropriate	Rationale
<p>In addition, although data matching has not yet been completed on the Troubled Families cohort, and therefore comprehensive evidence is not yet available, it is pointed out that it is very likely that people in this group will be particularly affected by welfare reforms. Restrictions to benefits may add considerable financial pressures on these households, making it harder</p>	<p>No replacement text.</p>	<p>There is no data yet available to support this statement and so it has been removed until further evidence is available.</p>

Original text	Replacement text if appropriate	Rationale
for them to cope and in some cases forcing them to move. ¹		
<p><i>The most recent information on homelessness in Kent shows that it has increased. Between January and March 2013 local authorities in the KCC area made 810 decisions on applications (by eligible households) for housing assistance under the homelessness legislation of the Housing Act 1996. This is 25% higher than the corresponding quarter in 2012, when 650 households were accepted. “Acceptance” means that the local authority is satisfied that the applicant is unintentionally homeless and therefore is eligible for assistance. Since 2009 there has been a general upward trend in the number of decisions not only in Kent but also in England (Table 5, and Figures 5 and 6).</i></p>	<p>Trends in homelessness may be a possible indicator of the impact of welfare reform but the increasing cost of housing and shortage of social housing are other factors which need to be taken into account. Caution needs therefore to be exercised in interpreting the figures. The most recent information on homelessness in Kent shows that it is generally increasing. Between January and the end of September 2013 local authorities in the KCC area made 2,255 decisions on applications (by eligible households) for housing assistance under the homelessness legislation of the Housing Act 1996 (Table 3). This is an increase of about 12% on the corresponding period in 2012 when 2,019 decisions were made. It is also clear from the figures that since 2009 there has been a general upward trend in the number of decisions in both Kent and nationally (Table 5, and Figures 8).</p>	<p>The data used in the original report only included the first quarter of 2013 and therefore it was not possible to track trend. Data for quarter 1, 2 and 3 is now available which has allowed a trend to be tracked and the data is therefore more reliable. This shows that although decisions on homelessness have increased the rate at which this has happened is less than originally thought; a 12% increase on the corresponding period.</p>
<p><i>Of the 810 decisions, 273 households were accepted as homeless and in “priority need” - an increase of 29% compared to one year ago (a “priority need” is given to households with dependent children, pregnant women,</i></p>	<p>The increased number of decisions on homelessness is evidence that more people are presenting themselves to the district councils as “homeless”. However, as Table 4 shows, the number of households</p>	<p>The data used in the original report compared quarter 1 figures for 2013 with quarter 1 in 2012. This did not provide enough data to track the trend with</p>

¹ Kent County Council (2013) Welfare Reform Research, Executive Summary, Maidstone, Kent County Council.

Original text	Replacement text if appropriate	Rationale
<p><i>elderly people, people with a physical disability or mental illness, young persons and victims of domestic violence). This represents 0.47 households in every 1,000 (that is, about 5 households for every 10,000 in the KCC area), and is based on 2012 household estimates. It is lower than the England figure of 0.58 households for every 1,000 (Table 6 below).</i></p>	<p>accepted as homeless and in priority need has remained broadly the same if the same two periods are compared (I.E. Jan-Oct 2012 and Jan-Oct 2013). A household is defined as in “priority need” when it contains dependent children, pregnant women, vulnerable because of old age, mental illness, physical disability, leaving armed forces or prison or other reason, young persons and victims of domestic violence, and those homeless as a result of an emergency such as flood or fire. At the end of September 2013 Kent (KCC area) had a homelessness rate of 0.41 households in priority need per 1,000. This is lower than the national average of 0.59 (Table 4 below).^[2]</p> <p>Table 4 seems to suggest that (although the numbers presenting themselves as homeless has increased overall since 2007), the numbers accepted as homeless and in priority need is actually lower than in 2007. However this interpretation would be misleading. The numbers do <u>not</u> take into account the fact that Housing Departments in councils have increasingly taken a much more proactive approach to tackling homelessness through early prevention (for example via</p>	<p>sufficient confidence. However when trend is tracked over a longer period the number of household’s accepted as homeless and in priority need have remained broadly the same across the corresponding quarters of 12 and 13. Therefore the data has been updated to provide a more robust and reliable picture of homelessness in Kent. Additional information has also been added to give context to these figures; Housing departments have been taking a more proactive approach to homelessness since 2008 and this has had an impact on keeping numbers in ‘priority need’ down.</p>

^[2] Ibid.

Original text	Replacement text if appropriate	Rationale
	<p>Rent Deposits, Discretionary Housing Payments etc), thus helping to keep the number of households having to make a homeless application down. The total figures also mask wide variation between districts with acceptances increasing in some districts and decreasing in others.</p>	
<p><i>Of the 810 decisions made during the first quarter of 2013:</i></p> <ul style="list-style-type: none"> • <i>34% were accepted as homeless and in priority need</i> • <i>37% were eligible but found not to be homeless</i> • <i>20% were found to be eligible and homeless but not in priority need</i> • <i>9% were eligible and in priority need but found to be intentionally homeless.</i> <p><i>At the end of the March 2013 quarter, 536 households in Kent (KCC area) were living in temporary accommodation. This is 0.4% less (two properties) than one year ago. 104 (19%) of these households were in the Ashford district. Compared to 2007 the numbers in temporary accommodation have actually decreased significantly.</i></p> <p><i>Temporary accommodation includes a wide range of property. Of the 536 households in such accommodation at the end of March:</i></p> <ul style="list-style-type: none"> • <i>172 (32%) were accommodated in Local Authority or Registered Social</i> 	<p>At the end of the 3rd quarter 2013 there were 550 households in Kent (KCC area) living in all types of temporary accommodation. This is three households more (0.5%) than the same period one year ago when there were 547. In the same period the number of households in temporary accommodation nationally increased by 4,390 (+8.28%).</p> <p>Temporary accommodation includes a wide range of property. Of the Kent households in all types of temporary accommodation at the end of September, approximately 37% were accommodated in Local Authority or Registered Social Landlord (RSL) dwellings. 18% were accommodated in leased private sector dwellings, 29% in Bed and Breakfast accommodation, 9% in hostels with a further 8% of households in other types of accommodation such as private landlords.</p>	<p>Further data is now available on temporary accommodation and therefore a trend can be tracked over the first 3 quarters of 2013 and compared to 2012. This has allowed a more up to date picture of temporary accommodation in Kent to be presented in the report and has shown an increased number when compared to the analysis in the original report.</p>

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<p><i>Landlord (RSL) dwellings</i></p> <ul style="list-style-type: none"> • <i>124 (23%) were accommodated in leased private sector dwellings</i> • <i>163 (30%) in bed and breakfast accommodation</i> • <i>40 (7%) in hostels with the other 37 (7%) in other types of accommodation such as private landlords.</i> 		
<p><i>In Kent (KCC area) 163 households were in bed and breakfast accommodation at the end of March 2013, a rise of 22% compared to one year ago and more than double the number three years ago (Table 7).</i></p>	<p>In Kent (KCC area) 158 households were in bed and breakfast accommodation at the end of September, a rise of 26% compared to one year ago. The increase in Bed and Breakfast usage is most likely to be due to the decreasing availability of other forms of temporary accommodation (lack of “move on” accommodation).</p>	<p>The information in the original report has been updated to reflect the most recent figures on bed and breakfast accommodation in Kent. Additional context has been added to this section to help to explain possible reasons behind the rise in B&B accommodation.</p>
<p><i>The Department for Communities and Local Government has recently started to publish numbers of families with children who are in bed and breakfast accommodation for more than 6 weeks (excluding those pending a review by the local authority). There are 14 families in this category in Kent and Medway (Ashford 1, Canterbury 1, Shepway 2, Swale 1 and Medway 9).</i></p>	<p>The Department for Communities and Local Government has recently started to publish numbers of families with children that are in bed and breakfast accommodation for more than 6 weeks (excluding those pending a review by the local authority. In Kent at the end of September there were 22 families in this category, the same as the previous quarter but up from the end of March when there were 5.</p>	<p>The numbers in the original report included Medway and were only showing data for quarter 1. More up to date data has now been used showing quarter 2 and 3 which shows that although numbers have increased from Q1 to Q2 they are now static.</p>
<p><i>Table 3 Households affected by the Cap, Kent and Medway Group, 2013 and supporting text:</i></p>	<p>Section B on ‘what are the impacts on people in Kent’ has been updated to include a range of up to date</p>	<p>The analysis of households affected is based on very small numbers when</p>

Original text	Replacement text if appropriate	Rationale
<p><i>Other general evidence, before discussing more local impacts, indicates that family size is a key determinant of the impact of Welfare Reform. For instance, the LGA reports that the impacts of the Benefit Cap will be particularly felt by single parents and by couples with more than four children.</i></p> <p><i>Local evidence seems to support the assertion that families will be disproportionately impacted (Table 3 below).</i></p> <p><i>A recent analysis by Business Intelligence shows that four population groups account for nearly 70% of the households affected by the Cap in Kent. These four groups are as follows:</i></p> <p><i>Group G: young professionals with children, living in ethnically diverse neighbourhoods</i></p> <p><i>Group J: middle-aged parents receiving benefits living in social housing in areas of high unemployment</i></p> <p><i>Group K: singles and lone parents on low incomes renting terraces in town centres</i></p> <p><i>Group L: lone parents with young children living in high crime areas on large council estates.</i></p>	<p>information regarding the number of people affected by specific reforms. Particularly relating to population groups it states:</p> <p>Of data extracted in October 1 2013, of those affected by the Cap nationally:</p> <ul style="list-style-type: none"> • 59% of households had between 1 and 4 children • 37% had 5 or more children • 61% of households constituted a single parent with child dependants • 75% of households were capped by £100 or less 	<p>broken down across the different categories, which gives some counter-intuitive results. Up to date figures are also now available showing the actual number affected by the Benefit Cap as at October 13 and are included in the report. This is substantially lower than the numbers used for the Mosaic analysis, down from 950 to 488. This is reported in section B in the revised report where there is also information on the national findings of people affected by the cap. This whole section has therefore been taken out as a precaution whilst further work is undertaken to establish if it is appropriate to use Mosaic in this way.</p>
<p><i>There is also some local evidence that the removal of the Spare Room Subsidy is having a negative impact on disabled occupants in Kent. KCC's Benefits Team reports that, since its introduction, it</i></p>	<p>Section 12 of the report headed "The impact on people with disabilities and ill health".</p>	<p>The data provided does not enable a trend to be established; it is based on 1 decision out of 15 which was from a disabled</p>

Original text	Replacement text if appropriate	Rationale
<i>has had to deal with about 15 appeals against decisions to refuse an extra bedroom, where one was required because of the needs of a disabled occupant.</i>		occupant and has therefore been removed as it is unreliable in establishing a pattern or trend. However additional information is presented on national research into the impact on people with disabilities and ill health in section 12 of the report.
<i>Canterbury was the district with the highest number of accepted decisions (308).</i>	No replacement text	This information is inaccurate as it refers to the number of total decisions and not accepted decisions as stated.
<i>Table 8 Number of people using Trussell Trust Food banks</i>	No replacement table but data on Food Bank usage in Kent is preserved in the text.	This table has been removed as the dataset was incomplete as the figures for Folkestone and Dover were not included. Also the data column for 11/12 was included but returned a 0 count. This is presumably because there were no food banks at this time (except in Medway); the inclusion of this column therefore suggests a stark rise in demand in 2012/13 when in fact demand may have been present previously but not met.
<i>At present there is little robust evidence available on this issue but it is hoped that further information about changes in community safety and crime levels may be</i>	At present there is little, if any, robust evidence available on this issue. For future reports, Business Intelligence will consider whether it is possible to	This section has been removed as it was based upon a limited amount of data. The methodology is felt to

Original text	Replacement text if appropriate	Rationale
<p><i>provided in the future through intelligence from Kent Police. There is some initial evidence from the Margate Task Force, which is working in two of the most deprived wards in Kent - Margate Central and Cliftonville West – that shows that some crime types have increased significantly since the introduction of welfare reforms. Data on levels of crime between April and August 2013 shows that some crime types are considerably above the predicted level (based on historical patterns for the previous five years). Violent crime has increased by 208 cases - with an increase of 161 cases for violence against a person. Theft and handling have also increased, by 104 cases. The evidence offered suggests that the change is related to the Welfare Reforms, as no alternative explanatory factor is yet apparent.</i></p>	<p>create a methodology for analysing whether there is any correlation between specific types of crime and welfare reform, both generally and in specific localities.</p>	<p>be flawed as it focused narrowly on one specific area of Kent and could not identify if additional factors could be impacting on rates of crime. Therefore conclusions about the impact of welfare reform on crime cannot be made with any degree of certainty. Further work will be undertaken to develop a robust methodology for analysing whether there is any correlation between specific types of crime and welfare reform, both generally and in specific localities.</p>
<p><i>Analysis of data from KCC's Kent Support and Assistance Service (KSAS) can also help to establish whether welfare reforms are having an impact in Kent and to determine whether extreme poverty is growing in the county.</i></p>	<p>Whilst evidence from KSAS can be useful in analysing the extent of poverty, caution needs to be exercised in the interpretation of their data. The scheme only started in April 2013 and whilst there has been an increase in help given via the scheme (since the scheme started in April 2013) it is too early to say whether that is due to increasing knowledge of the scheme (amongst the public and professionals) or to</p>	<p>This information has been updated as more statistics are available. Some additional caveats have been added to this data as this is a new scheme which has only been in place since April 2013 and it is therefore difficult to establish with any degree of certainty the reasons for the increase in help given</p>

Original text	Replacement text if appropriate	Rationale
	increasing need. Of particular interest will be the demand once Universal Credit is implemented in Kent (date not yet known) and people have to manage monthly payments.	via the scheme.
<i>But perhaps the best indicator of whether poverty is growing is the data provided by food banks.</i>	No replacement text	Whilst growth in demand for foodbanks is one indicator of rising poverty, it is not a robust indicator given the rapid change in availability of foodbanks (ie to what extent was there an unmet need prior to foodbanks opening?) and there are other good indicators of poverty such as debt levels, homelessness, and enquiries to CAB.
<i>But perhaps the most compelling evidence of the impact of welfare reforms on individuals and families is the sharp increase in the number of people using food banks. “Food poverty” means that an individual or household is not able to buy healthy, nutritious food and that they have to eat whatever they can afford. According to Oxfam and Church Action on Poverty, “perhaps the most extreme manifestation of food poverty is the rising number of people who depend on emergency food aid”.</i>	It cannot be said with certainty at this stage whether the increases in Food Bank usage is mainly due to welfare reform as opposed to cost of living increases and the state of the economy.	There is not sufficient evidence at this time to link the welfare reforms with the rise in food banks. Whilst it may be a contributing factor, unemployment, low and falling income and rising food and fuel prices are also likely factors, as the report states.
<i>The majority (81%) of respondents reported that requests were made face to face.</i>	No replacement text	This has been removed as the majority of respondents were

Original text	Replacement text if appropriate	Rationale
		from Libraries and therefore it is expected that these would be requests made face to face.
<p><i>The data shows the initial impact of the recession on total employment numbers, during the period 2009 to 2010. Despite the spike in numbers towards the end of 2010, total employment has fallen steadily in the KCC administrative area from the peak of 558,900 during the 12 months from June 2008 to July 2009, to 536,400 in the latest period April 2012 to March 2013. This is a fall of 22,400 (4.0%). In addition:</i></p> <ul style="list-style-type: none"> <i>▪ during this period, the proportion of self-employment has remained fairly stable, averaging around 10.6% of total employment. Recently, though, the number of people wishing to set up their own business has increased slightly in response to job losses and redundancies</i> <i>▪ the proportion of those working full-time has started to stabilise in the last few years, after a period of decline which started even before the recession impacted on the labour market</i> <p><i>conversely, the proportion of part-time workers had shown rapid increases both</i></p>	No replacement text	The data in the original report was not the most up to date and therefore it has been removed as it gave an inaccurate picture. Additional information has now been added which shows that employment is in fact beginning to rise as shown in the graphs in the revised document.

Original text	Replacement text if appropriate	Rationale
<p><i>before and during the recession - and it is only since the middle of 2010 that it has started to fall</i></p>		
<p><i>Evidence about the number of Child Protection plans transferred to KCC from other local authorities was also received, and shows a significant increase. The number of transfers during the period April 2012 to March 2013 was 70, while the number of transfers from only April to September 2013 was already 66. This means that the number of families with a child subject to a Child Protection plan who moved to Kent in the last six months is almost the same as the total number for the previous year.</i></p>	<p>Evidence about the number of Child Protection plans transferred to KCC from other local authorities was also received, and shows a significant increase. The number of transfers during the period April 2012 to March 2013 was 70, while the number of transfers from only April to November 2013 is already 83. This means that the number of families with a child subject to a Child Protection plan who moved to Kent in the last six months is almost the same as the total number for the previous year.</p>	<p>These figures have been updated as November figures are now available and provide a more up to date picture.</p>
<p><i>KCC's Section 17 level of spending was also investigated. Under Section 17 of the Children Act (1989) it is the general duty of local authorities to safeguard and promote the welfare of children and to promote their upbringing by their families. The services provided by a local authority under this section may include providing accommodation and giving assistance in kind or in cash to families experiencing particular hardships.</i></p> <p><i>The cumulative monthly Section 17 expenditure by KCC, between April and September 2012, was £443,223. Between April and September 2013, it decreased to £279,742.</i></p>		<p>This information has been removed as the expenditure is fluctuating considerably and it is thought best to wait until the full year's data is available to make a more meaningful comparison with the data for 2012/13.</p>

3. Changes made to the report due to repetition of the same/similar points throughout the December report

3.1 A number of changes have been made to the December report because it was repeating the same or similar points multiple times throughout. As such, where points/issues are repeated unnecessarily this has been removed, although the core point being made has been left in the appropriate section of the report. Changes made for this reason are set out below:

Original text	Rationale
<i>The analysis of moves made by pupils to schools in Kent, as pointed out earlier, shows that there has been a general, slight increase in the number of pupils who moved from London to Kent. At the same time there has been a drop in the number of pupils moving to Kent schools from outside London.</i>	This is repetition of an earlier point in the report that states: <i>Figures show that, although there is a slight increase in the number of pupils moving from London, overall there does not appear to have been a significant change in the total numbers of pupils moving into Kent over the past two years.</i>
<i>Although it is too early to determine whether the demand for housing-related support services has increased as a consequence of the Welfare Reform, there is evidence to suggest that these services are likely to experience a rise in demand in the future. The evidence, which has already been discussed in more detail earlier, is as follows.</i>	This information is already included in the section on housing and rent arrears and therefore has been removed as duplication.
<i>The number of people using food banks in Kent has increased sharply. The most common reasons for people using food banks appear to be the changes to the benefit system, including changes to crisis loan eligibility rules, delays in payments, Jobseeker's Allowance sanctions and sickness benefit reassessments. The demands are likely to be medium to long term.</i>	This has been deleted as it is repetition of points already made in the report under the section on 'Evidence of Food Bank usage'
<i>Although it is too early to know whether the demand for housing-related support services in Kent has increased as a consequence of the Welfare Reform, there is evidence to suggest that these services are likely to experience a</i>	This has been deleted as it is repetition of points already made under the sections on debt, money management and Homelessness and does not provide any additional evidence.

Original text	Rationale
<p><i>rise in demand in the future. Three issues seem of particular concern: the increase in the number of households in rent arrears; the increase of homelessness; and the rising number of families in bed and breakfast temporary accommodation. The demands are likely to be medium to long term.</i></p>	
<p><i>There is also evidence to suggest that “front desk” service demand for Kent libraries, Gateways and Children’s Centres has increased, and that much of this increase can be attributed to recent welfare reforms. Dedicated staff training and further support to these services may be necessary to deal with the additional pressure. The demands are likely to be immediate to short term.</i></p>	<p>These points are already made in section 13 on ‘Information, Advice and Guidance – Front Desk Services’ and have been removed as duplication.</p>
<p><i>Given the mismatch between a digital channel of ‘self-service’ and the inability of some in the target group to use it, the implications are that more direct support is needed for this approach to be successful. This could involve better access to IT and better support to use it (this could include support in completing on-line applications for benefits and for KSAS, particularly for those who are workless, with a low income, not likely to use computers and with lower levels of literacy). The demands are likely to be short to medium term.</i></p>	<p>This information is already captured in section 13 ‘Information, Advice and Guidance – Front Desk Services’ and has been removed as duplication.</p>

4. Changes made to the report due to repetition of the same/similar points previously reported within the June report

4.1 As noted earlier, the December report was an update on the welfare reform research report considered by the Committee in June. However, in a number of areas the December report simply repeated points made in the June research paper, without any new evidence or data that would require it to be included in an update report such as this. The changes made for this reason are set out below:

Original text	Rationale
<p><i>It is a concern, however, that moves to cheaper accommodation can result in a concentration of vulnerable families and households with low incomes and a dependency on benefits in already deprived areas of Kent. As the recent Welfare Reform Research report (2013) points out, this could have implications for school admissions, health and social services, and transport</i></p>	<p>Page 5 June report: Greater concentration of low income and vulnerable families in areas that are already deprived as people who have lost benefits move to cheaper accommodation (particularly in the private rented sector). Such localised population shifts could have implications for school admissions, health and social services and transport.</p>
<p><i>According to the DWP, the introduction of the Universal Credit will improve work incentives and will lead, within 2-3 years from its introduction, to a national reduction of unemployment by 300,000. The LGA, on the other hand, argues that there is a high degree of uncertainty about the impact of the Universal Credit on employment. It points out that, depending on the fiscal method adopted, the impact may range between a very slight negative effect on employment to a modest, positive increase</i></p>	<p>Page 24 June report stated: Whether or not the incentives to work will lead to a fall in unemployment in Kent is difficult to predict given the interrelationship of the benefit system with the state of the economy and the skills set of claimants. The Government has estimated that within 2-3 years of Universal Credit being introduced, unemployment will reduce nationally by 300,000, although not all the new jobs will be full-time.</p>
<p><i>As previously suggested, problems associated with poverty and potential in-migration to Kent (and away from existing support networks) are likely to increase. These problems include rising debt and family stresses, which can lead to issues such as domestic violence and child neglect.</i></p>	<p>Page 4 of the June report stated: Problems associated with poverty and potential moves away from support networks are likely to increase including increased debt, more use of “loan sharks”, family stresses, resulting in less resilience and the potential for more issues such as domestic violence and child neglect.</p>
<p><i>The term ‘extreme poverty’ means that basic needs, such as food, warmth and shelter are not being met. Data about the incidence of extreme poverty in Kent is unavailable; the only robust, local, obtainable data relates to people whose income is 60% or more below the median. Nonetheless, although the evidence below suggests that poverty may grow, there does not appear to be any evidence to suggest that long-term, embedded extreme poverty is rising. Although the rationale behind welfare reforms is to make work pay</i></p>	<p>Page 31 of the June report stated: Beyond 2016-17 relative and absolute poverty is projected to increase for children and working age claimants as the poverty-reducing effect of Universal Credit is outweighed by the impact of other benefit reforms.</p> <p>In 2020-21 child poverty is projected to be 23.5% (relative) and 27.2% (absolute), compared to targets of 10% and 5% - but see the NB below</p>

Original text	Rationale
<p><i>and to reduce welfare dependency, particular groups of people in Kent may be disproportionately impacted by the changes and may experience poverty.</i></p> <p><i>National research suggests that families will be disproportionately affected; it is estimated that beyond 2016-17 relative and absolute poverty for children and working-age claimants in the country will increase because the poverty-reducing effect of Universal Credit is outweighed by the impact of other welfare reforms. By 2020-21 child poverty is projected to reach 23.5% (relative poverty) and 27.2% (absolute poverty), against targets of 10% and 5% respectively</i></p>	
<p><i>The rationale behind this investigation is that welfare changes such as the removal of the Spare Room Subsidy and the housing's benefit cap may have an impact on the cost of living for households living in expensive parts of the country. As a result, these households may be forced to move to cheaper areas, including areas in Kent. In-migration to Kent could be observed through an increase in the number of pupils taking up places in schools in the county.</i></p>	<p>Page 39 of the June report stated: Substantial impact is likely to come through changes to Housing Benefit (including the capping of maximum LHA rates in April 2011) and the overall benefit cap introduced in July 2013. Combined, these will impact on areas where rents are high (particularly in London) with the potential to cause displacement of families (particularly larger families, occupying larger accommodation), to other areas in the country where rents are more affordable.</p> <p>And page 41: Kent County Council and its partners are establishing means to monitor and assess any implications of in-migration into areas within Kent.</p>
<p><i>There has recently been a great deal of national media attention on the impact of welfare reforms on housing. The LGA estimated that 1.71 million households in the country – or one in ten of all working-age households – will be impacted by these reforms, with an average loss of £1,215 per year or £23 per week.</i></p>	<p>The June report provided a range of comprehensive information on the projected loss of income on households as a result of the various welfare reforms.</p>
<p><i>Data on Housing Benefit claimants in Kent shows that Thanet District (with 15,638 claimants) and Swale District</i></p>	<p>This does not provide new evidence of the impact of welfare reform and the Sheffield Hallam report is covered in</p>

Original text	Rationale
<p><i>(with 11,117 claimants) have the highest numbers, accounting, between them, for just over a quarter of all such claimants in the county (25.5% or 26,755 claimants) (see Figure 4 below and Appendix 2). Moves to these areas could add economic and social pressures; as a report from Sheffield Hallam University put it "...the more deprived the local authority, the greater the financial hit".</i></p>	<p>detail in the June report.</p>
<p><i>As the recent June 2013 report by Business Strategy (2013) points out, welfare reforms will affect a large proportion of the population, but to differing degrees. Although most people will experience relatively little change, for some the changes will be very significant. For those who are already vulnerable even small changes could have a major impact.</i></p>	<p>As stated this is within the June report.</p>
<p><i>The information on the Universal credit pilots in the section entitled 'what are the impacts on people in Kent' has been removed. However a reference to the pilots remains in the section on Information, advice and guidance (page30).</i></p>	<p>Universal Credit was discussed within the June report, has not yet been rolled out in Kent and so this section has been removed from the update report.</p>
<p><i>The report also warns that further benefit cuts and the introduction of Universal Credit (which will require Internet access and payments being made less frequently) will lead to even larger numbers being forced to turn to food banks, which may not have the capacity to cope with the increased level of demand.</i></p>	<p>Universal Credit has yet to be rolled out nationally and at present has not been introduced in Kent and therefore this information has been deleted as it does not provide any further evidence of the impact of welfare reform.</p>

5. Future welfare reform updates

5.1 It is absolutely right that the Policy & Resources Committee should be in a position to track, as far as it is possible, the impact of welfare reform in Kent. As has been noted already, however, it is difficult to prove that changes to any particular indicator are caused by welfare reform as opposed to other factors. It is therefore important that the Committee monitors a broad range of indicators, but also receives more subjective information from front line practitioners within Kent public services and the voluntary and community sectors about those who are presenting as

needing support and advice, and the reasons they give for need for seeking such support. This will enable different types of evidence to be triangulated so as to infer reasonable conclusions, and could lead the Committee to request deep dive analysis of particular indicators.

5.2 To this end, the list of indicators that will form the basis of future updates on welfare reform to the Committee (alongside the more subjective evidence outlined above) is set out below:

General benefit claim levels:

- Job Seekers Allowance
- Employment Support Allowance and legacy incapacity-based benefits
- Income Support (excluding Incapacity Benefit)
- Disability Living Allowance 16-64
- Personal Independence Payments
- Carers Allowance

Indicators of poverty:

- Demand for Kent Support and Assistance Service (KSAS) – i.e number of applications.
- Details of approved applications for KSAS i.e. total numbers and breakdown of awards into categories - e.g. food, energy, furniture, household items, clothing etc .
- Number of social housing tenants in rent arrears in Kent
- Council Tax arrears
- Number of households in Kent presenting as homeless
- Number of households in Kent accepted as homeless and in priority need
- Number of households in Kent living in temporary accommodation
- Number of households in temporary accommodation living in B&B
- Discretionary Housing Payment applications
- Number of people subject to benefit cap
- Households on Housing Benefit subject to under-occupation payments.

Employment:

- Number of people subject to the Benefit Cap who subsequently found employment (hence became exempt).
- Total employment and unemployment rates (16-64)
- Number of individuals in Troubled Families moving from unemployment into employment.

Migration into Kent (NB for each of the indicators below provide figures from London in addition to total figures):

- Net migration into Kent
- New Housing Benefit and Council Tax Subsidy claims where previous address was from outside Kent
- In year school moves to Kent (where the home address has also transferred)
- Number of Child Protection cases transferred into Kent.

Demand for information, advice and guidance:

- Citizen's Advice Bureaux (CAB) - Total numbers of clients seen.
- CAB – number of benefit queries
- CAB – number of debt queries
- CAB – number of rent arrears queries
- Information from Gateways etc on demand relating to benefits/debt/ money management

6. RECOMENDATIONS

6.1 The Cabinet Committee is asked to:

(a) Note the changes made to the original December update report on welfare reform as set out in sections 2, 3 and 4.

(b) Note the revised welfare reform update report attached at Annex 1.

(c) Consider and make recommendations for any additional indicators to be used for future updates on welfare reform changes.

Appendices:***Appendix 1 – Welfare Reform: Update on the Evidence of the Impact on Kent******Background Papers:***

None other than those referenced in the report

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