

RMBC – REPORT TO MEMBERS

1.	Meeting:	Audit Committee
2.	Date:	19th December 2012
3.	Title:	Welfare Reform – Impact on Rotherham
4.	Directorate:	Resources

5. Summary

The presentation and report provide a summary of the main aspects of the government's welfare reform programme, including the main benefit changes and likely impact, together with a summary of the key risks and initial mitigating actions.

6. Recommendations

Members are asked to:

- a) **Note the contents of the report.**
- b) **Consider the approach taken so far and whether this is realistic and proportionate given the level of risk.**

7. Proposals and Details

The presentation provides an overview of the Coalition's rationale for welfare reform, how and when they are implementing it, and the likely impact.

A multi-agency task group was established in early 2012 to help devise and implement the local partnership response to welfare reform. Initially, the main focus was on raising awareness amongst local people and front-line workers.

In September, a strategic steering group was established, chaired by the council leader. This group has developed an action plan that identifies the main issues and sets out mitigating actions.

The major risks, as set out in the presentation, have also been drawn out and built into the corporate risk register.

These risks and the related mitigating actions are summarised in the table below. A task and finish approach, with clear lead officer responsibility, is being taken to deliver the actions identified. An overarching action plan will be overseen by the strategic steering group, with further reporting to cabinet on a periodic basis.

Risk	Mitigating Activity
Failure to implement a local council tax support scheme by January 2013	Options have been presented to members and consultation has been carried out
No local welfare scheme in place by April 2013 to replace DWP provision	A proposed delivery model has been developed, aiming to build on existing provision and utilise existing expertise, thereby minimising set up costs and lead in time.
People are unaware of the benefit changes, how they might be affected and where they can go for help	A range of information leaflets have been produced and circulated widely through partner agencies, council buildings and appropriate fora. Front-line staff have received training on the changes to better equip them to support and signpost their customers/clients.
Families hit by the benefit cap and other benefit reductions are unable to manage, leading to increased homelessness and child poverty	Revs and benefits, troubled families coordinator, housing support teams and DWP are working together to proactively support families that have been identified as being affected by the cap. NAS are identifying ways in which people can be supported with rent difficulties caused by changes to housing benefit/local housing allowance and the move to direct payments to households as part of universal credit.
The economic and wider social impact of welfare reform undermines efforts to reduce inequalities and boost disadvantaged areas	The response to welfare reform is being coordinated via the Resources directorate, with strategic oversight from partners/elected members. This will help to ensure a holistic approach that is aligned with existing efforts to tackle entrenched area-based deprivation, improve health and well being and reduce poverty.

8. Finance

The estimated direct loss to the local economy in terms of reduced benefit payments is set out in the presentation.

There is also reduced funding available for localised council tax support and welfare provision schemes, creating further direct financial pressures.

The indirect financial implications are difficult to quantify, but are likely to be significant.

Wherever possible, our approach needs to be rooted in the principles of early intervention and prevention, tackling the underlying problems faced by vulnerable people and families now, to avoid further costs in the future.

9. Risks and Uncertainties

Welfare reform is a complex issue and this report and the analysis carried out to date can not give an entirely comprehensive picture of the inherent risks or scale of the impact. How individuals, families and agencies cope with the changes is uncertain and there are likely to be indirect impacts, which could have a range of social and/or economic consequences.

10. Policy and Performance Agenda Implications

Welfare reform has implications across a range of policy areas and links need to be made with various ongoing initiatives to prevent duplication of effort. Examples include:

- Making sure no community is left behind (corporate plan priority)
- Reduce poverty in disadvantaged areas (key priority/outcome in the health and wellbeing strategy)
- Provide additional support to the most vulnerable (community strategy priority)

In terms of the council's performance framework, the following outcomes are most relevant:

- Fewer children are living in poverty
- Fewer people struggle to pay for heating and lighting costs
- More people are in work or training rather than living on benefits

The council aims to support people from reliance on benefits into work and the general thrust of welfare reform encourages this. However, the adverse economic climate and disengagement of many claimants from the labour market means that progress will be slow. Consequently, benefit changes are likely to have a negative impact on a number of our performance indicators for some time.

11. Background Papers and Consultation

- Welfare reform action plan and other relevant papers are available on request
- Consultation on the impacts of and responses to welfare reform have taken place with a wide range of local partners and neighbouring authorities

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