

Public Document Pack

Scrutiny Panel A

Thursday, 10th January, 2013
at 4.00 pm

PLEASE NOTE TIME OF MEETING

Conference Room 3 - Civic Centre

This meeting is open to the public

Members

Councillor Claisse
Councillor Daunt
Councillor Kaur (Chair)
Councillor McEwing (Vice-Chair)
Councillor Mintoff
Councillor Vinson
Councillor Whitbread

Contacts

Senior Democratic Support Officer
Natalie Noke
Tel: 023 8083 3950
Email: natalie.noke@southampton.gov.uk

Policy and Performance Analyst
Dorota Goble
Tel: 023 8083 3317
Email: dorota.goble@southampton.gov.uk

PUBLIC INFORMATION

Role of Scrutiny Panel A

The Overview and Scrutiny Management Committee have instructed Scrutiny Panel A to undertake an inquiry into Welfare Reforms Review.

Purpose:

Understand the timetable of welfare reforms and how the local impact can be assessed as part of Council Decision making.

Consider duties and responsibilities under the new legislation and identify opportunities for the co-ordination of current and future service delivery

Identify opportunities for policy development, with a particular focus on helping people into employment and tackling family breakdown:-

Southampton City Council's Six Priorities

- Providing good value, high quality services
- Getting the City working
- Investing in education and training
- Keeping people safe
- Keeping the City clean and green
- Looking after people

Public Representations

At the discretion of the Chair, members of the public may address the meeting about any report on the agenda for the meeting in which they have a relevant interest.

Smoking policy – the Council operates a no-smoking policy in all civic buildings.

Mobile Telephones – please turn off your mobile telephone whilst in the meeting.

Fire Procedure – in the event of a fire or other emergency a continuous alarm will sound and you will be advised by Council officers what action to take.

Access – access is available for the disabled. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Dates of Meetings: Municipal Year

2012	2013
25 October	10 January
22 November	7 February
6 December	7 March

CONDUCT OF MEETING

TERMS OF REFERENCE

The general role and terms of reference of the Overview and Scrutiny Management Committee, together with those for all Scrutiny Panels, are set out in Part 2 (Article 6) of the Council's Constitution, and their particular roles are set out in Part 4 (Overview and Scrutiny Procedure Rules – paragraph 5) of the Constitution.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

RULES OF PROCEDURE

The meeting is governed by the Council Procedure Rules and the Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

DISCLOSURE OF INTEREST

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Personal Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PERSONAL INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

a) the total nominal value of the securities exceeds £25,000 or one hundredth of

- the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having a, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

Agendas and papers are now available via the City Council's website

1 APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 DECLARATIONS OF SCRUTINY INTEREST

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

4 DECLARATION OF PARTY POLITICAL WHIP

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

5 STATEMENT FROM THE CHAIR

6 THE WELFARE REFORMS INQUIRY MEETING 4: LOCAL AND NATIONAL GOOD PRACTICE EXAMPLES SUPPORTING VULNERABLE PEOPLE

To consider the report of the Senior Manager, Customer and Business Improvement concerning options for operating a Social Fund for Southampton, attached.

Wednesday, 2 January 2013

HEAD OF LEGAL, HR AND DEMOCRATIC
SERVICES

This page is intentionally left blank

Agenda Item 6

DECISION-MAKER:	SCRUTINY PANEL A
SUBJECT:	THE WELFARE REFORMS INQUIRY MEETING 4: LOCAL AND NATIONAL GOOD PRACTICE EXAMPLES SUPPORTING VULNERABLE PEOPLE
DATE OF DECISION:	10 JANUARY 2013
REPORT OF:	SENIOR MANAGER, CUSTOMER AND BUSINESS IMPROVEMENT
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

This report provides details for the fourth meeting of the Scrutiny Panel A's Welfare Reforms Inquiry. The Panel will first consider options for operating a Social Fund for Southampton to support people in need of emergency financial support.

Matthew Waters, Commissioner for Supporting People and Adult Care Services will also outline preventative costs of the Social Fund.

The following speakers will also outline local / national good practice that supports vulnerable people in the context of the Welfare Reforms:

- Liz Slater, Housing Needs Manager
- Julian Walker, Project Leader 60+
- Linda Haitana, Families Matter and Domestic Violence Manager
- Mike Carey and David Little, Housing income team
- Andy Tickner, Skills Manager
- Nigel Hughes, Executive Director SAFE
- Jonathon Cheshire, Chief Executive Wheatsheaf Trust
- Ian Woodland, Unite Union Representative

RECOMMENDATIONS:

- (i) The Panel is asked to consider the assessment of impacts and costs of the various options for delivery of the Social Fund alongside the national examples and agree recommendations to support emergency financial support for the city.
- (ii) The Panel is recommended to consider the information provided by the guests, alongside the appendices, as evidence in the Inquiry.

REASONS FOR REPORT RECOMMENDATIONS

1. To enable the Panel to analyse the evidence in order to formulate findings and recommendations at the end of the inquiry process.

DETAIL (Including consultation carried out)

2. The fourth meeting of the Inquiry will outline local / national good practice that supports vulnerable people in the context of the Welfare Reforms
3. The Panel will first consider options for operating a Social Fund for Southampton to support people in need of emergency financial support.
4. The Welfare Reform Act (2012) abolishes the discretionary elements of the

Social Fund from April 2013 and therefore Crisis Loans and Community Care Grants will no longer be available. In future the Government will be referring people who need emergency financial assistance to local authorities. The Government will not place a new duty on local authorities in respect of new emergency provision so that there is flexibility to creatively re-design emergency provision to meet local needs. Although the financial settlement for councils in 2013/14 will include an element for emergency provision, the Government has decided not to ring fence this funding. There is also no guarantee of this funding beyond 2014/15.

5. At the Cabinet meeting on 16th October 2012 the Executive considered a report on the Social Fund Transition and agreed:
- i) To consider the work of the Scrutiny Inquiry on Welfare Reforms and multiagency local assessment on the impact of the Welfare Reforms on local residents and services in developing a way forward.
 - ii) To delegate authority to the Director for Environment and Economy, following consultation with Cabinet Member for Communities and Cabinet Member for Resources, to develop and implement a sustainable and holistic way forward that enables vulnerable residents to become more self reliant in the future.

The report on the Social Fund Transition: Local Support to Replace Community Care Grants and Crisis Loans for Living Expenses considered by Cabinet is attached at Appendix 1.

6. Crisis Loans provide financial support to meet immediate short-term need in an emergency or as a consequence of a disaster: for example, providing daily living expenses, rent in advance, board and lodgings, pre-paid meter fuel debts, and furniture and clothing in a disaster.

Community Care Grants (CCG) provide support for vulnerable people to return to, or remain in the community, or to ease exceptional pressures on families.

CCG	Applications	Number of Awards	Total Spend
2009/10	2040	960	£343,900
2010/11	2120	1020	£349,100
2011/12	1820	820	£333,800
Crisis Loans	Applications	Number of Awards	Total Spend
2009/10	9300	6990	£366,300
2010/11	6760	5420	£297,600
2011/12	5600	4430	£227,500

7. The total un-ringfenced funding for 2013/14 is £654,232. Four options will be outlined to the Panel, based on proportions of 100%, 50%, 33% and 0% of the Government allocation. The models proposed will consider the impact on vulnerable people and the organisations supporting them based on direct and indirect costs, advantages and disadvantages, impacts, outcomes and alternative pathways of each scheme.
8. Feedback from Adult Social Care indicates the impact of a reduced or no Social Fund could be significant. Each year, over the last three+ years

around 660 people have moved on from Supporting People services into the community. Of these an estimated 50% apply for Community Care Grants and get help towards the cost of setting up home. If this number failed to move due to the lack of help with furniture, cooking equipment etc, this would both slow up the process of move-on (reducing access), or stop it altogether. The impact of slowing-up and stopping move-on could also result in:

- Silting-up of supported housing
- Waste of resources focused on individuals no longer requiring support
- Backlog of homelessness
- Increase in rough sleeping

Matthew Waters, Commissioner for Supporting People and Adult Care Services will discuss the potential impacts of a reduced Social Fund.

9. Appendix 2 outlines the proposals for the Social Fund transition to local provision for the Core Cities including Birmingham, Bradford, Bristol, Coventry, Hull, Leeds, Liverpool, Middlesbrough and Portsmouth.
10. In addition, case studies of the financial implications on various client groups will also be discussed at the Panel meeting.
11. The Panel is asked to consider the assessment of impacts and costs of the various options for the delivery of a Social Fund alongside national examples and agree recommendations to provide emergency financial support to residents on benefits.
12. The second half of the meeting will include guest speakers highlighting impacts and good practice in the context of the Welfare Reforms.
13. Liz Slater, Housing Needs Manager will outline the impact of the benefit cap on homelessness levels in the city and potential actions / solutions. The Overview and Scrutiny Management Committee identified the potential impact of charging affordable rent in new housing developments. A report on the Use of Affordable Rent is attached at Appendix 3.
14. Julian Walker, Project Leader 60+ will highlight a project in partnership with the Job Centre Plus which brings together younger and older people through volunteering to build confidence and skills.
15. Linda Haitana, Families Matter and Domestic Violence Manager, has identified that people who are being supported by the Families Matter programme are likely to be disproportionately impacted by the Welfare Reforms, especially the benefit cap. She will outline how the project is prioritising support in this area.
16. Mike Carey, Income Services Manager, and Dave Little, Income Manager, will present an overview of the challenges being faced following the Welfare Reforms including the impact of under occupation and Housing Benefit, and the likely impact on arrears following the implementation of direct payments under Universal Credit. The information is based on the national demonstration projects. They will highlight actions currently being undertaken such as visits, a helpline, and road shows.
17. Andy Tickner, Skills Manager will highlight initiatives to support local job opportunities and training through:
 - Section 106 Employment and Skills (Appendix 4)
 - Community Learning (Appendix 5)
18. Nigel Hughes, Executive Director of SAFE, will outline projects underway to

prepare people on the journey towards building their confidence and employment, with particular reference to the Choices programme. The Choices Programme Annual Review for 2011 is attached at Appendix 6.

To find out more about SAFE go to www.safe.org.uk

19. The Wheatsheaf Trust is a charity working to promote social inclusion in some of the most disadvantaged areas. Their Employment Access Centres and training programmes support people who are unemployed or in low-paid work to find a job, or opportunities for training and re-skilling.

Their Chief Executive, Jonathon Cheshire, will outline the main projects that support people who will be affected by the Welfare Reforms.

To can find out more about their work go to www.wheatsheaftrust.org

20. Ian Woodland, Unite Union Representative will highlight concerns and impacts of the Welfare Reforms on people in work, especially low incomes. In particular he will highlight:

- Best practice examples of making work pay
- How unions support members to manage their finances and claim benefits
- What the council and its partners can do to raise awareness, support and maximise take up of benefits

A recent report from the Trade Unions Congress (TUC) '*Families First: Who Loses Most from Cuts in Public Services*' which provides analysis of the distributional impacts of public spending cuts is attached at Appendix 7.

21. The Panel is invited to have a discussion on the issues raised by those giving evidence around good practice to support the Welfare Reforms to formulate their findings and develop a final report and recommendations.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

22. None

RESOURCE IMPLICATIONS

Capital/Revenue

23. Not applicable

Property/Other

24. Not applicable

LEGAL IMPLICATIONS

Statutory Power to undertake the proposals in the report:

25. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

26. None

POLICY FRAMEWORK IMPLICATIONS

27. None

AUTHOR:	Name:	Dorota Goble	Tel:	023 8083 3317
	E-mail:	dorota.goble@southampton.gov.uk		

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Social Fund Transition: Local Support to Replace Community Care Grants and Crisis Loans for Living Expenses
2.	Core Cities: Proposed Schemes to Replace Social Fund
3.	Use of Affordable Rent
4.	Section 106 Employment and Skills
5.	Community Learning Programme
6.	SAFE Choices Programme Annual Review 2011
7.	TUC Report: Families First; Who Loses Most from Cuts in Public Services

Documents In Members' Rooms

	None
--	------

Integrated Impact Assessment

Do the implications/subject/recommendations in the report require an Integrated Impact Assessment to be carried out.	No
--	----

Other Background Documents

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

--	--	--

Integrated Impact Assessment and Other Background documents available for inspection at:

WARDS/COMMUNITIES AFFECTED:	All
------------------------------------	-----

Report Tracking

VERSION NUMBER:	1
DATE LAST AMENDED:	19.12.2012
AMENDED BY:	Dorota Goble

FOR DEMOCRATIC SERVICES USE ONLY:

DATE AND TIME REPORT RECEIVED:	Date		Time:	
--------------------------------	------	--	-------	--

CLEARANCE: [] [TYPE YES or NO]

Name:

This page is intentionally left blank

Agenda Item 6

Appendix 1

DECISION-MAKER:	CABINET
SUBJECT:	SOCIAL FUND TRANSITION: LOCAL SUPPORT TO REPLACE COMMUNITY CARE GRANTS AND CRISIS LOANS FOR LIVING EXPENSES
DATE OF DECISION:	16 OCTOBER 2012
REPORT OF:	CABINET MEMBER FOR COMMUNITIES
STATEMENT OF CONFIDENTIALITY:	
None.	

BRIEF SUMMARY:

The Welfare Reform Act (2012) abolishes the discretionary elements of the Social Fund from April 2013 and therefore, Crisis Loans and Community Care Grants will no longer be available. In future the Government will be referring people who need emergency financial assistance to local authorities. The Government has decided that it would not be appropriate to place a new duty on local authorities in respect of new emergency provision so that there is flexibility to creatively re-design emergency provision to meet local needs. Although the financial settlement for councils in 2013/14 will include an element for emergency provision, the Government has decided not to ring fence this funding. There is also no guarantee of this funding beyond 2014/15.

As the guidance from the Government on 'successor models' is limited, this report requests delegated authority to the Director of Environment and Economy to develop a sustainable local response to enable people to become more self reliant in the future. The local response will take into consideration the work of the Scrutiny Inquiry on Welfare Reforms and assessment of agencies on the impact of Welfare Reforms locally.

RECOMMENDATIONS:

- (i) To note the letter from the Department of Work and Pensions (DWP) about the abolition of the Social Fund attached at Appendix 1 and that the Council's financial settlement will include an un-ringfenced element for local welfare provision which is not guaranteed after 2014/15.
- (ii) To consider the work of the Scrutiny Inquiry on Welfare Reforms and multiagency local assessment on the impact of the Welfare Reforms on local residents and services in developing a way forward.
- (iii) To delegate authority to the Director for Environment and Economy, following consultation with Cabinet Member for Communities and Cabinet Member for Resources, to develop and implement a sustainable and holistic way forward that enables vulnerable residents to become more self reliant in the future.

REASONS FOR REPORT RECOMMENDATIONS:

1. The Government has abolished the discretionary elements of the Social Fund and in future will be referring people who need emergency financial assistance to Local Authorities. The Government has decided that it would not be appropriate to place a new duty on local authorities in respect of new emergency provision so that there is flexibility to creatively re-design emergency provision to meet local needs.

2. The current scheme will no longer be available from April 2013 and therefore, the Council has to decide on the way forward to help local people become more self reliant when facing financial crises. As the funding is not guaranteed after 2014/15, it will be important to develop a holistic and sustainable way forward, bearing in mind the potential impacts of Welfare Reforms and reduction in public services. This is better done following full consideration of local assessments of the cumulative impact of the Welfare Reforms locally and the planned Scrutiny Inquiry work, to enable the development of an effective, co-ordinated and sustainable response and hence the recommendation is to request delegated authority to the Director for Environment and Economy to develop the way forward.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

3. To not undertake work on developing a local response would reduce effectiveness and capacity in the City to coordinate support to people in crisis and help them to become more self reliant.

DETAIL (Including consultation carried out):

4. The Government has abolished the discretionary elements of the Social Fund and in future, will be referring people who need emergency financial assistance to Local Authorities. The Government has decided that it would not be appropriate to place a new duty on local authorities in respect of new emergency provision so that there is flexibility to creatively re-design emergency provision to meet local needs. The current scheme will no longer be available from April 2013.
5. The letter received from the Government is attached at Appendix 1 and details the main changes and the Government's intentions. The Cabinet is recommended to note the letter from the Department of Work and Pensions about the abolition of the Social Fund attached at Appendix 1 and that the Council's financial settlement will include an un-ringfenced element for local welfare provision which is not guaranteed after 2014/15.
6. From April 2013, Crisis Loans and Community Care Grants will no longer be available. Crisis Loans and Community Care Grants were designed to provide essential support for people on low incomes to enable them to manage one-off items of expenditure and provide emergency financial support. The Government's intention is that these elements will be replaced with a combination of locally-based provision alongside a new nationally administered scheme that will provide an advance of benefit facility (i.e. for the existing Crisis Loans alignment payments, interim payments of benefit as well as Budgeting Loans).
7. Local authorities are being given flexibility in how they redesign emergency provision and this represents both a challenge and an opportunity. While on one hand it enables the development of a more responsive and locally integrated service, this has to be developed in a sustainable way as the funding is not guaranteed beyond 2014/15. In addition, the notional figure included for Southampton is less than the total allocation in previous years.

8. Any local response therefore has to consider the following:
 - (i) How to enable people to become more self reliant at dealing with emergency situations
 - (ii) How to maximise existing funding streams to develop holistic solutions
 - (iii) How can the local response be embedded in the wider response to the Welfare Reforms and their impact
9. Crisis Loans and Community Care Grants have historically provided vulnerable residents access to get timely support to prevent or deal with crisis, thus reducing the need for more costly crisis intervention by the Council. The Government's notional allocation to councils has been made on the basis of expenditure in 2009/10.
10. Community Care Grants are non-repayable grants, primarily intended to support vulnerable people to return to, or remain in the community, or to ease exceptional pressures on families (including avoiding violence, help after leaving care or leaving prison). In 2009/10, over 950 awards were made in Southampton and the average amount was £360. Eligibility is conditional on receipt (or imminent receipt) of an income related benefit and covers costs such as: furniture, cookers, beds, bedding and household equipment, floor covering, curtains and heaters; moving expenses, including removal costs, fares and storage charges; clothing and footwear; items needs because of disability (including wheelchairs, stair-lifts, special clothing, an orthopaedic mattress or an upright chair).
11. Crisis Loans are interest free and available to anyone who cannot meet their immediate short-term need in an emergency or as a consequence of a disaster; for example:- providing daily living expenses, rent in advance, board and lodgings, pre-paid meter fuel debts, and furniture and clothing in a disaster. Re-payments are recovered directly from benefits where possible and arrangements are made for repayment from those not on benefits. In 2009/10, over 7,500 awards were made in Southampton. The average amount was £52.
12. Nationally, demand for support via discretionary payments from the Social Fund has increased substantially since 2006/7. The cumulative impact of the Welfare Reforms and the ongoing economic situation could potentially create an increase in need and demand for crisis/emergency financial support locally. This change comes in at the same time as the Localisation of Council Tax Benefit and the Benefit Cap (April 2013). In this context it is even more important to take the opportunity to consider a longer term response which is not built on the current practice so that people can be supported to become more self-reliant.
13. Guidance for local authorities on 'successor models' is limited and they are being given the flexibility to creatively re-design the emergency provision to meet severe hardship for vulnerable groups according to local circumstances. There is no expectation or desire from central government that the new local services will mirror the current Social Fund schemes.

14. The DWP has held workshops to consider how to support local authorities in the developing successor models. They have identified four main design options that most councils are considering:
- Create a new service
 - Align and combine the funding to existing services and duties
 - Contract with new or existing external partners
 - A mixture of the above
15. The Council's response to abolition of Social Fund needs to be set within the broader agenda of the Welfare Reforms. This needs to consider the following:
- a. Initial discussions have taken place on the impact of the abolition of Social Fund has been undertaken via the Southampton Anti-Poverty Network and with organisations who work with the most vulnerable groups, identified as current users.
 - b. A cross Council Working Group has also been established to identify demand and future need for emergency financial help and to research options.
 - c. The Jobcentre Plus-led Southampton Connect project: Gateway to a Better Future (which aims to communicate the impact of welfare benefit changes in relation to vulnerable residents so that informed choices can be made about their lives)
 - d. A Welfare Reforms Scrutiny Inquiry which aims to:
 - understand the current and future cumulative impact of the reforms and consider residents experiences.
 - identify any gaps in knowledge and understanding of the local impacts on residents.
 - clarify the role of Council and key partners in communicating the changes to residents.
 - clarify the Council's and key partners current and future role in mitigating negative impacts of the reforms.
16. As it is important for the Council's response to be informed by the work describe above, it is recommended to:
- consider the work of the Scrutiny Inquiry on Welfare Reforms and multiagency local assessment on the impact of the Welfare Reforms on local residents and services in developing a way forward
 - delegate authority to the Director for Environment and Economy, following consultation with Cabinet Member for Communities and Cabinet Member for Resources, to develop and implement a sustainable and holistic way forward that enables vulnerable residents to become more self reliant in the future

RESOURCE IMPLICATIONS:

17. The Council's allocation will be received in the form of a ring-fenced grant to cover set-up costs in (2012/13) and programme funding and administration for 2013/14 and 2014/15. Government's intension is that the funding is to

be used to provide new provision. However, the details of the way forward will need to be agreed before the financial implications can be determined, especially as the grant is non-ring fenced. It will also be prudent to be cautious in ensuring the Council does not raise expectations as this funding will not be available beyond 2014/15 and the way forward must be based on future sustainability and affordability.

Capital/Revenue: None.

Property/Other: None.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

18. Welfare Reform Act (2012) abolishes the current Community Care Grant and Crisis Loan schemes.

Other Legal Implications:

19. Statutory duties include:
- The public sector Equality Duty (The Equality Act 2010)
 - The duty to mitigate the effects of child poverty (The Child Poverty Act 2010);
 - The duty to prevent homelessness (The Housing Act 1996).

POLICY FRAMEWORK IMPLICATIONS:

20. Economic Development

AUTHOR:	Name:	Sara Crawford	Tel:	023 8083 2673
	E-mail:	sara.crawford@southampton.gov.uk		

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
------------------------------------	-----

SUPPORTING DOCUMENTATION

Appendices:

1.	Settlement Letter (DWP)
----	-------------------------

Documents In Members' Rooms:

	None
--	------

Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
--	-----

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

6 August 2012

Dear Chief Executive

Abolition of the discretionary Social Fund and transfer of funding for a new provision

I am writing in respect of earlier correspondence on the provisions in the Welfare Reform Act that abolish the current Community Care Grant and Crisis Loan schemes. As you know these schemes will be abolished in April 2013 and in order to avoid a gap in support for vulnerable people new arrangements will need to be in place from April 2013.

I know from discussions your officials have had with my Department that your planning for a new provision is well under way. This letter is to inform you of the indicative amount of programme funding you will receive for your new provision and the amount of set up and administration funding to enable you to do that. Programme funding is indicative because the final figure will be based on discretionary Social Fund spend in your area for the 2012 – 2013 year.

The programme funding has been calculated by looking at the legitimate demand, for those aspects of the discretionary Social Fund being abolished, for your area. We then applied that as a percentage of the Department's allocated £178.2 million to arrive at your figure. For administration funding we are transferring the amount the Department for Work and Pensions spends on administering them. This works out at approximately twenty per cent of the transferred programme spend. For start up funding, we listened to what authorities have told us. The amount to be transferred therefore allows a degree of flexibility according to your intentions, and is in line with expectations that the programme funding will be, in most cases, aligned with existing provisions.

Community Care Grants were awarded for a range of expenses, including household equipment, and were intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. They were also intended to assist with certain travel expenses. Crisis Loans were made to meet immediate short-term needs in an emergency or as a consequence of a disaster when a person had insufficient resources to prevent a serious risk to the health and safety of themselves or their family.

Although you are not expected to replicate the previous Community Care Grant and Crisis Loan schemes, I attach for information a brief reminder of their purposes at Annex A.

RESTRICTED

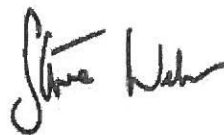
As you are aware, the Government has decided that it would not be appropriate to place a new duty on local authorities/devolved administrations in respect of the new provision you are planning. You need to be able to flex the provision in a way that is suitable and appropriate to meet the needs of your local communities.

However, whilst we do not want or expect you to replicate the current scheme in either whole or part, it is incumbent upon me to say that it is the intention of the Government that the funding is to be used to provide the new provision. Whilst the Government recognises the difficulties relating to the boundary between providing financial support and social services, we expect the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need, perhaps through a mix of cash or goods and aligning with the wider range of local support local authorities/devolved administrations already offer. In short, the funding is to allow you to give flexible help to those in genuine need.

I would add that spending decisions are, and will continue to be, a matter for local authorities and the Government does not intend to start placing restrictions on any future decisions they may make on funding.

Funding transfer details.

Southampton	
Local Authority:	Southampton
2012/13	
Set-up funding	£5,401
2013/14	
Programme funding	£540,104
Administrative funding	£114,128
2014/15	
Programme funding	£540,104
Administrative funding	£104,611



STEVE WEBB MP
MINISTER OF STATE FOR PENSIONS

RESTRICTED

Annex A - Former Purpose of Community Care Grants and Crisis Loans

Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means-tested benefits such as Jobseekers Allowance. The prime objectives were to:

- help people to establish themselves in the community following a stay in institutional or residential care;
- help people remain in the community rather than enter institutional or residential care;
- help with the care of a prisoner or young offender on release on temporary licence;
- ease exceptional pressures on families e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a calamity such as fire or flooding;
- help people setting up home as a part of a resettlement programme following e.g. time in a homeless hostel or temporary accommodation; or
- assist with certain travelling expenses e.g. for funerals of a family member or hospital visiting.

Crisis Loans were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family.

This page is intentionally left blank

Core Cities: Proposed Schemes to Replace Social Fund

City	Current Status Of Scheme	The Section That Will Process Social Fund	Key Elements Of Proposed Scheme	Method Of Making Payments	Other Features Of Scheme
Birmingham	<p>Draft policy written and internal consultation being sought before it is shared with Voluntary Organisations and Key Stakeholders.</p> <p>Delivery mechanisms are being drafted for consideration.</p>	Benefits Service will process Social Fund alongside Discretionary Housing Payments but will remain as two separate budgets.	<ul style="list-style-type: none"> • Is accessible to applicants • Is delivered on a grants-based system and will not require applicants to repay any award made to them • Will have a streamlined assessment and decision making process • Will make use of technology to minimise cash transactions. • Will deliver value for money through efficient procurement of key goods and services. • Provide an Out Of Hours service for those in crisis. • Methods of payment will be respectful of the dignity of those who apply. 	<p>Still being agreed with Finance - trying to avoid cash payments.</p> <p>For Community Support Grants we hope to procure the goods through existing procurement channels and have goods delivered and fitted to the home.</p> <p>For Crisis Grants we are in talks with large chain supermarkets to see whether we can agree a process with them in advance.</p> <p>This is in the very early stages of negotiation, but would assist in terms of providing 24 hour access to food, in crisis.</p>	<p>Are considering: Where an application is made via a support agency.</p> <p>Some type of priority system. But this again is still being developed.</p> <p>After the first application, we will consider what other support might be available to the individual (debt advice, benefits advice, other funding available, support through internal departments.</p> <p>Recommend only 2 applications per financial year.</p> <p>No right of appeal, but will reconsider a decision if there is new information that was not provided at the time.</p>
Bradford	Proposed	Revenues & Benefits	To be decided	No decision yet	No decision yet
Bristol		Commissioning out a service.	The Crisis and Prevention Fund will provide basic household goods and emergency payments to those who have greatest difficulty managing their finance. Eligibility is low income not benefit eligibility.	Awards will be given as vouchers, useable in respect of household goods. There will also be vouchers for food and pre-payment utility cards/keys	

City	Current Status Of Scheme	The Section That Will Process Social Fund	Key Elements Of Proposed Scheme	Method Of Making Payments	Other Features Of Scheme
			Applicants will be signposted for additional support where relevant – budgeting advice, energy advice, benefit advice and possibly signposted to.		
Coventry	Policy approval from Members due 8th January 2013.	Revenues & Benefits	<p>The Community Support Grant Scheme is designed to support vulnerable people, experiencing financial difficulties. The support will be given for food, goods or services in a crisis situation or where there is exceptional financial pressure on an individual or families.</p> <p>The Benefits Service will work with the local voluntary sector, social landlords and other stakeholders in the City.</p> <p>The Benefit Service works closely with a money management and welfare benefits advice service to provide budgeting and income maximisation advice.</p> <p>There will be Crisis claims and also Support Grant claims.</p>	<p>Application can be made by the customer and The Council will also consider applications submitted by Advice/Support Providers who on behalf of individuals routinely provide support and guidance for their clients.</p> <p>Such applications must be made with the individual's explicit consent.</p> <p>These applications will usually be made on line.</p>	<p>Applications will be processed by the Revenues and Benefits Discretionary Payments Team between 8.30 am and 4.00pm Monday to Friday.</p> <p>In the case of an out of hour's emergency the Council's Emergency Duty Team can be contacted.</p>
Hull	In development. We are in the process of writing our scheme for cabinet in January 2013.	The team will be within the Revenues and Benefits department under Housing Benefits with links to our Adjudication team.	<p>Hull's scheme will involve two awards: Community Crisis Loans (CCL) Community Support Grants (CCG)</p> <ul style="list-style-type: none"> • Qualification will be reliant upon being a Hull resident. • Repayment of Community Crisis Loans will be required (something which the DWP advise against however workshops/members unanimously believe it must be mandatory and demand without the need to repay would be impossible to determine. We believe the key is to be careful around recovery escalation opting for a self 	<p>Options presently being explored include the Post Office "Pay Out" product and a voucher system developed by Pay Point.</p> <p>BACS will also be used as a default.</p>	To be determined

City	Current Status Of Scheme	The Section That Will Process Social Fund	Key Elements Of Proposed Scheme	Method Of Making Payments	Other Features Of Scheme
			<ul style="list-style-type: none"> regulating penalty of future award exclusion for non repayment). • 2 Community Crisis Loan awards maximum per rolling 12 months with a potential for more within a period if one is repaid in full. • Maximum ongoing overall debt ceiling for CCL's • Predominant call centre access • Intelligent form to include a pre screening process to identify non qualifying excluded individuals at first point of contact. • Signposting to alternative means of help such as a more suitable discretionary fund, food bank, Legal advice centre or voluntary organisation. • Maximum awards for daily needs. 		
Leeds	<p>Proposed scheme approved by Executive Board 07/11/2012.</p> <p>Final scheme details to be submitted at a later date following consultation with stakeholder groups.</p>	Revenues & Benefits	<p>The Local Welfare Support Scheme has Two elements: Basic household goods and emergency provision. Also use settlement fund to support existing and new initiatives to create an integrated Local Welfare support Scheme across Leeds. Trusted third parties to make recommendations based on their assessment. Decision making remains with the council' Eligibility criteria on vulnerable groups similar to current scheme with some additions. Qualification dependent on low income and priority of individual application. All decisions subject to availability of funds.</p>	<p>Under discussion and negotiation.</p> <p>Direct payments to suppliers of basic household goods and supermarket vouchers for emergency provision. All subject to getting over the technical difficulties such as procurement.</p> <p>If possible avoid cash payments as otherwise will create unmanageable demand.</p>	<p>To develop a sustainable scheme of local welfare support, community based and with low council overheads.</p> <p>Recognition that funding is initially limited to two years.</p>
Liverpool	<p>Consultation ended on 9.11.12.</p> <p>Draft policy still to be finalised.</p>	The Benefits Service	<p>The Discretionary Financial Support Policy will seek to assist vulnerable people in meeting their need for subsistence or financial support where they are unable to meet their immediate short term needs or where they require assistance to maintain</p>	<p>Still consulting on options including Goods / Vouchers / Services but seeking to avoid any cash payments.</p>	

City	Current Status Of Scheme	The Section That Will Process Social Fund	Key Elements Of Proposed Scheme	Method Of Making Payments	Other Features Of Scheme
			their independence within the community. Application can be made by the applicant, their appointee or representative		
Middlesbrough	Approved by corporate management team, awaiting discussion at next Council meeting. Once proposed to members, there will be a 4 week consultation period with recognised service providers	The Benefits Service	<p>The Community Support Scheme will look to provide Crisis Awards cover scenarios where, due to a crisis, there is a severe risk to the health and safety of the applicant or an immediate family member or dependent which cannot be met from another source.</p> <p>Community Support Awards will enable the Council to provide support for vulnerable people in financial crisis.</p> <p>Application can be made by the applicant or by a Recognised Service Provider.</p>	<ul style="list-style-type: none"> Vouchers for Crisis Awards Goods For Community Support awards 	<p>Limited to 2 crisis awards per year.</p> <p>Referred for money advice should they spend money before next benefit payment date - if they have similar crisis in the future and have not been for money advice, claim to be refused.</p> <p>No cash awards.</p> <p>No repayment of awards, unless fraud detected.</p> <p>Recognised service providers will be allowed to complete applications and verify documentation on behalf of their residents.</p> <p>Replacement CCG scheme to be considered prior to occupation of the tenancy which differs to current working practices</p>
Portsmouth	Approval to commission service out gained in June 2012.	Commissioned Service	Aim of scheme being commissioned is to provide support to people in financial hardship. In kind and/or cash awards still	In kind and/or cash awards still being considered.	Consultation has been undertaken with key services in the city who

City	Current Status Of Scheme	The Section That Will Process Social Fund	Key Elements Of Proposed Scheme	Method Of Making Payments	Other Features Of Scheme
			<p>being considered. Scheme will be targeted at those most in need. May follow similar eligibility criteria to DWP in the first year, until more learning has been gained around demand and the drivers for demand. Scheme will look at how it can harness the support that is available from other agencies; and the role of the referral process in this, to ensure that wider community support has been accessed, in order to provide longer term solutions to people's problems.</p>		<p>support people in financial hardship in order to shape the new scheme.</p>
Southampton	Proposed	No section – absorbed into current services	<p>A Tiered Approach:</p> <p>Tier 1: Website: Information for the public about where to get help, advice and information to deal with crisis and emergency. (This information will be given to DWP nationally to signpost enquiries).</p> <p>Tier 2: Signposting 'Toolkit': General Information to frontline staff /practitioners on support available and how to support residents to access it.</p> <p>Tier 3: Crisis Emergency Support: Increased capacity to respond to emergency/ crisis within key services (i.e. distribution of vouchers for food banks / supermarkets). Access via service (based on need).</p> <p>Tier 4: Crisis Prevention: Increased capacity to support vulnerable people to enable them to live as independently as possible within key services (i.e., rent deposit, help with removal costs, clothing, furniture).</p>	"In kind" support rather than cash	<p>Also use the fund to support existing and new initiatives to create an integrated and sustainable Local Welfare Assistance across Southampton.</p>

This page is intentionally left blank

Use of Affordable Rent

1. The following gives a strategic overview of Affordable Rent at both national and local level, followed by details of its impact on Southampton to date and local modelling which has been carried out on affordability of Affordable Rent.

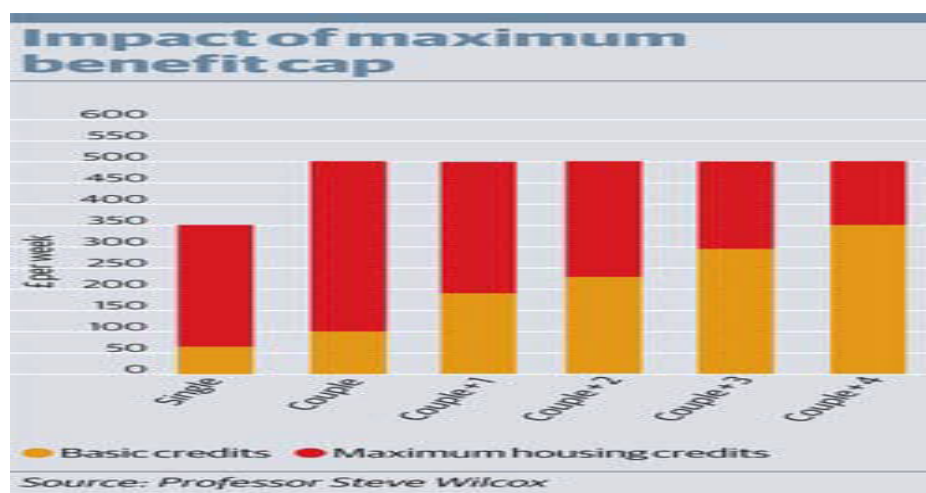
Affordable Rent- background & Government aims

2. The Government announced an intention to introduce a new tenure as part of the October 2010 Spending Review. Under this model social landlords are able to offer tenancies at rents of up to 80% of market rent levels within the local area. The additional finance raised is then available for reinvestment in the development of new social housing.
3. Essentially, this model envisages the replacement of the capital grant supply subsidy for social housing with a revenue subsidy. The scheme was expected to contribute to the delivery of 150,000 new affordable homes over 2011-15. After a successful bidding process the Government increased this estimate to 170,000 new homes (of which it is expected that 80,000 will be affordable rent and affordable home ownership properties) utilising £1.8 million in grant funding.
4. Local authorities have been able to build using this scheme since the reform of Housing Revenue Account subsidy is finalised in April 2012.
5. The Government intention for Affordable Rent was to:
 6. maximise the delivery of new social housing by making the best possible use of constrained public subsidy and the existing social housing stock
 7. provide an offer which is more diverse for the range of people accessing social housing, providing alternatives to traditional social rent
8. Grant Shapps (former housing minister) advised parliament that

Another criticism that I have heard is that this will be the end of mixed communities. In fact, it is quite the opposite, because what you are doing is building homes or providing affordable rent in areas that may previously have been only for social rent. You are, therefore, potentially mixing up the community better with people on different income streams and different levels of earning power. You are providing aspirational assistance to people who may continue to live there and pay a higher rent, at the end of their affordable-rent period, or who may even buy that home.

Welfare benefits

- From October 2013 Universal Credit will introduce a benefit cap which caps benefits at £500pw for families and £350 pw for single people under 35. People in work are exempt from the cap, even if in very low pay work.
- Universal Benefit Cap limits income to £500 per family per week – so limits amount of rent that different size families can afford after basic benefit credits accounted for:



- Affordability is only threatened if rent payments plus other benefits exceed the Benefits Cap
- As an example, a family of 2 non- working adults and 2 children living in a 3 bedroom Affordable Rent property on Townhill Park would pay £166.15 per week from their Universal Benefit, leaving them £333.85 each week for other living expenses, ie £17, 360 per annum once their housing costs are paid.

Affordability for People in Work

- People in work are not affected by the Universal Benefit cap. Their income remains the same regardless of rent level because Housing Benefit (HB) increases to cover the additional rent – up to the Housing Benefit Cap.
- Locally the Housing Benefit caps are currently: 1 bed £115.38/ 2 bed £150.00/ 3bed £178.85 / 4bed £242.31.
- All the proposed Affordable Rent levels for Townhill Park are within these caps, so anyone working on a low income would be able to get help to pay the rent up to the full rent level.

16. The Government's overriding principle is that work should pay and that no-one working should be in a worst position.

Link between Affordable Rent and Government affordable housing grant

17. The Homes and Communities Agency (HCA) are the organisation that administers all grants for affordable housing.
18. For their 2011-15 bid round the expectation was that any organisation seeking grant funding to build new homes would be charging Affordable Rent. Only in exceptional case would the HCA consider a bid that included social/ target rent. Usually this would be in areas where the Affordable Rent is actually lower than a social/ target rent such as in parts of the North.
19. Although the council did not bid under the 2011-15 bid round for Townhill Park, charging Affordable Rent would at least mean we are in a position to bid should additional funding become available and it was felt a bid was beneficial to the council.
20. It is not yet clear what the position will be after 2015 but it is generally believed that Affordable Rents will remain the norm.

Government's view of allocating to Affordable Rent

21. The HCA's guidance is:

Allocations and nominations processes for Affordable Rent homes are expected to mirror the existing frameworks for social rented housing. Providers will be under the same statutory and regulatory obligations when allocating Affordable Rent homes as they are when allocating properties for social rent.

22. There is scope for local flexibility within the existing allocations framework. Provided that a local authority's overall scheme is framed around the Reasonable Preference categories, local authorities can opt to reserve certain properties for allocation to other client groups. They may decide to exercise this discretion in relation to Affordable Rent, eg to target it at households in work but on low incomes. Similarly, providers will have discretion to allocate properties to households who are in work where those properties do not form part of nominations agreements with local authorities.
23. Effectively then, the council has the opportunity to consider a local lettings plan for Affordable Rent properties. However, any restrictions on who such properties are let to would potentially reduce the choice of applicants and might even impact on tenants wishing to return if they were not within the plan.

Impact on lettings in Southampton to date

24. Since the introduction of AR, the council has allocated 72 housing associations homes (via HomeBid, the Choice Based Letting Scheme) on AR. 15 of these were to tenants not in receipt of HB.
25. So, in 20% of cases the tenant is totally responsible for paying the full rent. In the other cases the tenant receives whole or part HB depending on their level of income. *(This does not mean only 20% are working, as those working on low income would be entitled to some HB too.)*
26. This compares to 25% of cases (in a representative sample) across all lettings including sheltered (excluding sheltered this drops to 18%). Basically then there is little difference in profile of new residents between AR and social rent tenancies.
27. All new council tenants ie non transfers, are now being charged target rent for existing properties rather than 'social rent'
28. The council's Allocations Team confirm that refusals for AR units are no higher than for social/ target rent. Their view is that rent level is simply not a determining factor in refusals. Issues such as parking, location etc are of far more concern to applicants.

Feedback from housing associations

29. As these housing associations (HAs) are working across areas larger than Southampton, their experience is useful.
30. One of our HA partners- (large regional) reported: They have seen no impact since introducing AR. Of their new AR letting, 47% have been to people receiving no HB, 20% to people on partial HB and 33% on full HB. Demand and re-let times have not been affected and income recovery levels remain very good. All AR rents are within current Local Housing Allowance (HB levels).
31. Another partner (national) advises: To date they have not identified any difficulties letting AR properties. Of the units let on AR so far, 40% of tenants have not been in receipt of any HB, 15% on partial HB only and 44% on full HB. They advise this is not significantly different to the overall profile of their social rent tenancies.
32. Another partner (large regional), advised: On 17 AR homes let in Southampton, 22% of residents are economically active compared to 33% of those who enter social rent accommodation.
33. Another partner (large regional), advised: They have had no difficulty letting AR properties (1 refusal from 232 lettings due to rent level), and conversion of existing properties to this rent have

not made any of them hard to let. The data they have shows they have not seen any change to the make up of their tenants following AR, with no change in financial circumstances of new tenants.

34. All advised that they are working hard internally to prepare for any potential impact of welfare reform, but none can quantify what the effect, if any will be.

35. In summary, HAs are not finding that AR is having a significant impact on any aspect of lettings or tenancies.

National comparison

36. For comparison the national breakdown on lettings for 2010/11 is included- this would not have included Affordable Rent tenancies, so is a useful basepoint for comparison.

37. What this shows is that at 20% of all AR units let to residents not receiving any benefits, the current situation in Southampton at worst mirrors the national picture pre Affordable Rent. However it is highly likely the situation in Southampton is better, because the 21% nationally working full time could still be receiving housing benefit.

2010/11

	HA	LA (adjusted) ²	Total (adjusted)	Total %
Working full-time ³	33,200	19,546	52,746	21.1
Working part-time ⁴	15,528	8,778	24,306	9.7
Govt training/New Deal	287	349	636	0.3
Jobseeking	30,711	22,286	52,997	21.2
Retired	11,276	9,706	20,982	8.4
Home/not seeking work	33,120	21,551	54,671	21.9
Student	2,480	1,691	4,171	1.7
Unable to work due to sickness or disability	18,339	11,627	29,966	12.0
Other adult (over 16)	2,423	6,812	9,235	3.7
TOTAL	147,364	102,347	249,711	

Local Modelling of impact of Affordable Rent

38. Sample modelling has been done using the best information currently available. The modelling was done using the AR rent for a 3 bed house- £166.15 pw

Model 1:

39. Based on a family with one working adult, earning the average full time salary in Southampton of £465.50pw (£23,998 pa) gross, the

household would be entitled to partial HB (£83.22 per week) as well as tax credits and council tax benefit.

40. Based on average outgoings, the model shows they would be able to afford to pay the AR each week after other usual outgoings were taken in consideration.

Model 2:

41. Based on the same family but this time with the second adult also working part time and earning £300pw (gross), the family would not be entitled to any benefits.
42. In this model the family would also be able to afford to pay the AR each week after other usual outgoings were taken in consideration.
43. In summary- modelling using realistic examples confirms AR is affordable for working families.

Energy Charges

44. The current average heating charge for a 2 bed council flat is £13.13 per week (based on district heating charges)
45. The indication from national figures provided by the Code for Sustainable Homes website is that the weekly cost for a 2 bed house (the nearest comparator) could be as little as £7.60 per week (for heat and power).
46. This gives a potential saving of over £5 per week. Clearly the actual savings will depend on the type of energy and energy efficiency measures used, and the lifestyle of the individual household.
47. Potentially though, households in the new homes could save over £280 per year on heating alone, in addition to savings on power and water. This will assist further with affordability.

The cost of not introducing Affordable Rent

48. Detailed modelling has been undertaken to illustrate the cost to the Housing Revenue Account (HRA), if the level of rent charged on the 450 social properties proposed for Townhill Park is reduced from the Affordable Rent level, which is equivalent to 80% of Market Rent, to a lower level, which is closer to the Target Rent level for existing HRA dwellings.
49. The attached graph (appendix 1) shows that the total net cost to the HRA, over the period of the 30 year business plan, increases from the **£33.1M** figure, for an Affordable Rent at 80% of Market

Rent, to an increased total net cost of **£47.2M** at 70% Market Rent and **£61.3M** at 60% Market Rent.

Impact of phasing in Affordable rent

50. Another option that has been modelled is a phasing in of the full Affordable Rent levels, so that the rent payable by the tenant is 60% of Market Rent in the first year of occupation and 70% in the second year of occupation. The full Affordable Rent, at 80% of Market Rent, would be payable from the third year of occupation onwards. This option would increase the total net cost to the HRA by £1.4M, i.e. an increase in total net cost from **£33.1M** to **£34.5M**.
51. It is also worth noting that only 8% of tenants eligible to return to Hinkler Green (formerly Hinkler Parade) following the estate regeneration phase 1 work chose to do so. The vast majority positively chose to remain in the property they had been decanted to.
52. The experience to date then would suggest the majority of tenants moving into new properties following the redevelopment of Townhill Park will be 'new' residents and so the concept of 'phasing in' is less applicable because they won't have been paying the previous social rent levels.
53. Any tenants moving in to the new properties will be aware of the new rent level in advance, and will be making a positive choice to move (via HomeBid, the council's Choice Based Letting scheme) HomeBid has been in place for a number of years now and is a well understood and established. The rent level of every property being advertised is very clearly shown in the advert.

This page is intentionally left blank

SUBJECT: Section 106 Employment and Skills Plans

REPORT OF: Andy Tickner, Skills Manager

DIRECTOR: Dawn Baxendale, Director of Environment & Economy

THIS IS NOT A DECISION PAPER

SUMMARY:

Employment and Skills Plans (ESPs) are a requirement for all major developments in the city through obligations within Section 106 Planning Agreements and/or Sustainable Procurement policy.

The aim of ESPs is to maximise social and economic outcomes linked to major developments in the city. In particular, ESPs create local labour initiatives for new Apprenticeships and jobs to reduce unemployment, provide employer-led opportunities for local people to raise skills levels, and provide curriculum support/placement activities for schools/colleges.

This paper provides background and update for the ESP programme, outcome data of current activity and forecasts for future developments. This paper will be followed by quarterly updates.

BACKGROUND and BRIEFING DETAILS:

- 1 The Council introduced an Employment and Skills Plan (ESP) programme for major developments in May 2008. This was incorporated into planning policy and the Local Development Framework in January 2010 as Core Strategy 24 (Access to Jobs). All planning applications exceeding a major development threshold are in scope (residential 15 dwellings, industrial/commercial 1000m³). To maximise outputs the ESP activity is focussed on the largest developments, approximately 8-10 per year. Employment and skills targets are also embedded in the council's Sustainable Procurement Policy.
- 2 ESPs are employer-led, written by the developer with support from the council's Skills team. Activity targets cover three key areas:
 - **Job creation** – skills programmes and apprenticeship/job/enterprise opportunities for unemployed
 - **Workforce Development** – skills programmes for employees providing job sustainability and progression
 - **Education** – curriculum programmes with schools/colleges/universitiesESPs provide local opportunities in the construction phase for all developments, also end-use where there is employment floorspace such as retail and hospitality. Examples include Sainsbury's, IKEA, Premier Inn and Costco Wholesale.
- 3 ESP targets are matched to local priorities including Southampton Connect projects and the City Plan. Specific ESP activities are focused for priority groups, for example troubled families, young people not in education, employment or training (NEET), offenders, care leavers, and residents living in deprived/estate regeneration areas.

BRIEFING PAPER

- 4 Southampton was the lead local authority in a Construction Skills pilot in 2009 to introduce the National Skills Academy for Construction (NSAfC) programme. The NSAfC provides guidance and benchmarks for socio-economic targets in planning/procurement, and a structure for partnerships with employers, clients, colleges and funding providers. Construction targets are agreed based on the build value of each development. The Council was awarded full NSAfC accreditation in 2010. Other sectors have followed and the Council also holds accredited status for the National Skills Academy for Retail.
- 5 Southampton was also the first local authority in the wider Hampshire and Isle of Wight sub-regional area to include employment and skills targets for major developments. The Council has led the roll-out of ESP programmes across Hampshire and Isle of Wight. An ESP best practice guide, "Securing training and local employment through section 106 agreements" has been shared with neighbouring local authorities, developers, main contractors and training providers via the Solent LEP and PUSH.
- 6 Since the programme commenced 23 ESPs have been approved, of which 13 have successfully completed and 10 are currently active. The total development value is £434 million and the full development list is included in Appendix 1.
- 7 ESPs are currently in final planning stages for 8 new developments scheduled to start in 2012 with a build value of £132 million. Early negotiations have also started with Morrisons (East Street), Lidl Distribution Centre, Watermark West Quay, Platform Road and Centenary Quay Commercial. Table 1 below lists the developments scheduled to go live in the final quarter of 2012.

BRIEFING PAPER

8 **Table 1: New ESPs for Approval October - December 2012**

Programme	Build Value (£M)	Developer
Ordnance Survey Site (TW)	15	Taylor Wimpey
Thorner's Court (Churchill)	2	Churchill Retirement Homes
Above Bar Arts Complex (SNAC)	15	Grosvenor
BMW Schools	13	SCC
Centenary Quay Phase 3	20	Crest Nicholson
Mayflower Halls	42	Geoffrey Osborne Ltd
Pembroke Court	6	Anchor Trust
Estates Regeneration Phase 2	19	Lovell Ltd
Total	132	

9 ESPs are monitored quarterly with data and case studies obtained from developers to measure volumes and impact. Table 2 below provides a summary of ESP outcomes and remaining targets for current ESPs

10 **Table 2: ESP Outcome Summary – Achievement and Remaining Targets**

Benchmark	Outcomes Qtr 2 July-Sept 2012	Outcomes Total to Sept 2012	Remaining ESP targets
Local Supported Employment	22	374	58
New/Safeguarded Apprentices	7	88	67
Adult/Youth Work Experience	4	144	71
14-16 Work experience	4	50	22
Curriculum Support Events	14	207	26
Work Force Development	60	340	104

BRIEFING PAPER

- 11 Pre-employment Training (PET) programmes are the main delivery model for moving unemployed residents into supported employment. Each PET programme is designed with the developer and typically consists of three phases:
- Course to provide employability skills including literacy/numeracy and short vocational accreditation
 - Work experience placement, normally three weeks, to demonstrate commitment and competence
 - Guaranteed interview and potential progression into supported employment
- PETs are delivered by local colleges and training providers drawing from existing Skills Funding Agency budgets, ensuring the targeted use of funds at no cost to local authority or developer. PETs have been particularly effective for major retail recruitment. For example, Sainsbury's Portswood opened in March 2012 with an extensive PET skills course delivered to 186 local unemployment residents. The developer experienced a higher level of applicant than normally expected with new stores, and 45 unemployed people moved into work as a result of the course.
- 12 Construction Pre-employment Training is delivered every quarter in partnership with City College and developers providing work experience placements. The construction programme has delivered four courses in 2012 and has achieved:
- 55 unemployed people starting skills training, 21 residents from priority areas and average length of unemployment 5 months
 - 30 obtaining Construction Skills Certification Scheme (CSCS) cards
 - 35 progressing to work experience
 - 12 progressing into employment, 1 progressing into Apprenticeship, 1 progressing into full-time education
- 13 ESPs impact on deprived communities. An example is the estate regeneration of Thornhill. The ESP for the £15m Hinkler Place housing scheme with Barratt Homes achieved:
- 11 new apprentices covering carpentry, site technician, painting and decorating, dry lining and scaffolding
 - Pre-employment training for unemployed Thornhill residents
 - 43 local residents directly employed on site
 - Construction workshops and health and safety sessions delivered to local schools
 - School site visits and supervised site tours as part of careers guidance activity
- 14 An example of ESP educational projects is the STEM Challenge being led by Warings, as part of its targets for Admirals Quay and City Gateway developments. Commencing January 2013 a design challenge delivered by construction companies and their subcontractors for pre-GCSE students will help raise awareness of Science, Technology, Maths and Science as important career requirements.

BRIEFING PAPER

RESOURCES/POLICY/FINANCIAL/LEGAL IMPLICATIONS

- 15 The ESP programme supports the Solent LEP and Partnership for Urban Southampton Hampshire (PUSH) sub-regional priorities for skills for growth. It supports the Southampton City Council Plan 2011-14 priorities to create more jobs for local people, and more local people to be well educated and skilled. It also supports a number of Southampton Connect priority projects, particularly:
- Gateway to employment and volunteering opportunities
 - Gateway to a world of learning opportunities
 - Gateway to a better future
 - Connecting leaders of the learning city
 - Connecting the city to reduce re-offending
- 16 The ESP programme is co-ordinated by 1 FTE staff within the Skills team. Delivery of all targeted skills, recruitment and employment programmes uses existing mainstream and grant funding available via colleges and other stakeholders in the city, including SFA Adult Skills Budget, ESF and DWP grants.
- 17 The Council, working through Solent LEP, has developed a Growth and Innovation Fund (GIF) bid to expand the ESP programme in Southampton and the wider Solent area. The bid has been submitted to the UK Commission for Employment and Skills, with the outcome due to be announced in November 2012. If successful, GIF will provide additional resource for two years to enable a new ESP programme capturing smaller developments, the introduction of ESP targets in all Council procurement, and improved monitoring and data systems.

Appendices/Supporting Information:

- 1 Employment and Skills Plans Full List

Further Information Available From: **Name:** Andy Tickner
Tel: X4603
E-mail: Andy.tickner@southampton.gov.uk

BRIEFING PAPER

APPENDIX 1: Employment and Skills Plans Full List

Programme	Build Value £M	Developer	Completion
Chancery Gate Business Park	8	Chancery Gate	Jun-08
IKEA	20	IKEA	Dec-08
Antelope Park	10	The Range	Jul-09
West Quay 3 (Site B)	7	Whitbread	Apr-11
Operational Command Unit	10	Hampshire Police	May-11
Eastpoint Centre	8	Eastpoint Centre	Jul-11
Mayflower Gantry	15	First Wessex	Jul-11
City Depot	8	SCC	Aug-11
Sainsbury's Portswood	19	Sainsbury's	Jun--12
Sea City Museum	8	SCC	Nov-10
Coxford Road	7	Barratt David Wilson	Nov-10
Oasis Academies	30	SCC	Sep-12
Thorner's Court	3	Thorner's Homes	Sep-12
Centenary Quay Phase 1	20	Crest Nicholson	Sep-12
Hinkler Parade	15	Barratt David Wilson	Dec -12
Newlands Primary	5	SCC	Apr-12
Civic Centre Refurbishment	15	SCC	Feb-13
Shirley Road (360-364)	8	Orchard Homes	Feb-14
Boldrewood	50	Southampton University	Sep-15
BAT	20	Costco Wholesale	Apr-13
Admirals Quay	32	Allied Developments	Dec-14
Parkville Road	12	Bouygues Development	Mar-14
Centenary Quay Phase 2	16	Crest Nicholson	Oct-14
Total	434		

SUBJECT:	Community Learning
REPORT OF:	Lorraine Davison, Operations Manager, Skills Economy & Housing Renewal
DIRECTOR:	Dawn Baxendale, Director of Environment & Economy

THIS IS NOT A DECISION PAPER**SUMMARY:**

The Council receives an annual budget of £394,000 from the Skills Funding Agency (SFA) to deliver the Community Learning programme.

This paper provides a performance summary of Southampton City Council's Community Learning programme for the 2011/12 Academic Year (1 August 2011 – 31 July 2012). It includes quantitative data, examples of learning impact for local communities, and the overall contribution to city priorities.

BACKGROUND and BRIEFING DETAILS:

- 1 The Council's Community Learning programme is delivered through a framework of local approved providers established in 2010. The framework consists of 21 Providers made up from colleges, schools, voluntary sector organisations and service areas across the council, such as libraries, Arts & Heritage and Surestart.
- 2 In 2011/12 academic year, 21 providers delivered 6,239 learning activities, an increase of 661 (11.9 %) on the previous year. In total 4,750 learners were engaged in courses ranging from Fisheries Management to Family Literacy to Healthy Meals for less than a Fiver. The total Guided Learning Hours also increased from 60,466 to 68,629 (13.5%) and the average course duration has seen a small increase to 11 hours per course. In quantitative terms, the 2011/12 programme has delivered more courses, to more learners, with a smaller budget income than the previous year.

BRIEFING PAPER

Table 1: Community Learning Participants 2011/12

	LLDD	Male	Priority Area	BME	Over 60 years old	Without Level 2	Unemployed	Not in education in last 2 years
Target 11/12	10%	42%	50%	10%	20%	No target	No target	No target
Achieved 11/12	19%	28%	49%	17%	25%	30%	23%	29%
Achieved 10/11	14%	24%	49%	17%	19%	33%	34%	30%

- 3 Delivery of the Community Learning programme is targeted to encourage participation from priority groups and sections of the community that do not traditionally engage in learning activities. The programme has broadened its range of courses to offer relevant and interesting learning opportunities. Table 1 above shows performance against demographic targets. Over 88% of learners involved in learning activities met at least one of the targets, with 64% meeting two or more. The programme has considerably over-achieved against targets for learners with learning difficulties and/or disabilities, learners from BME Communities and over 60s.
- 4 A case study example is a course run by Solent Mind targeting members of the Russian & Pakistani community who traditionally have not been comfortable discussing Mental Health issues, especially with professionals or people outside their own families. The course was run by a Mental Health specialist supported by an advocate from the community and an ESOL tutor providing translation support. The course content included spotting the signs of mental health problems, what support GPs could offer and the role of the carer/family in supporting those with mental health issues. Learners fed back that the course had helped to change their attitude to people with mental health problems, reduced their feelings of isolation and enabled them to make more informed choices about their treatment options.
- 5 Table 1 also shows that a target was set to increase male learners to 42%. Although this was not achieved male participation did increase by 5% (409 learners) against the previous year. The national average for male participation on Community Learning is 35% and two special projects targeting male learners are to be delivered in 2012/13 to help the Southampton programme to meet or exceed this .

BRIEFING PAPER

- 6 A case study example aiming to support male learners is the SOCO Music Project. As well as trying to recruit male learners, this project focused on working with learners including those with learning difficulties/disabilities and substance misuse issues. Learners were given the opportunity to participate in courses teaching Music Production, Film, Photography, Animation and Song/lyric writing with the ultimate aim of giving them employability skills, confidence, creativity, a sense of achievement and, where appropriate, accreditation through the completion of specific units. Feedback from learners included:
- *“This course has given those who attend something to focus on and enabled them to channel their creativity”* – Support Worker at Richmond Fellowship (specialist mental health support service).
 - *“It has given me more purpose to life”* – Participant from Southfield Low Secure Unit (in-patient mental health facility for those who have committed crimes or who are considered a danger to themselves or others)
 - *“The sessions help me and are important to us.”* – Participant from Amity Supported Living (providing supported living services and care in the Hampshire area to adults with learning disabilities or those facing mental health challenges).
- 7 In 2011/12, the breadth of the curriculum offered through the delivery partners has increased with over 817 courses delivered covering 360 different subjects and levels from unaccredited drop-in sessions to year long classroom based GCSEs. These learning opportunities were offered at 142 different locations in and around Southampton from Colleges to Church Halls and from Fishing Lakes to Residential Homes.
- 8 The 2011/12 academic year also saw an increase in the number of courses offering accredited outcomes due to an increased emphasis on the development of employability skills. A total of 725 enrolments (11.6%) were for courses providing formal qualifications as well the acknowledged softer skills such as increased confidence, motivation, teamwork and time management.
- 9 The Community Learning Curriculum is designed to reflect the City Council’s seven priorities and some examples of this are included in Appendix 1: How Community Learning Impacts on City Council Priorities.
- 10 Social Return On Investment (SROI) in Community Learning provides an equivalent monetary value for the cost to society of activities that are usually difficult to measure in financial terms. A recent publication, 'Valuing the Impact of Adult Learning' by Daniel Fujiwara of the London School of Economics and Political Science, used the latest methods as recommended in recent HM Treasury Green Book guidance (Fujiwara and Campbell, 2011), to work out what the equivalent cost would be in monetary terms to produce the same value to the individual of undertaking two or more learning activities in an academic year. Table 2 below shows how learners in Southampton have benefitted in the 11/12 academic year using this calculation.

BRIEFING PAPER

Table 2: SROI for Southampton Community Learning 2011/12

Domain area	Value to the learner*	Overall gains made in 2010/11**
Improvements in health	£148	£220,520
A greater likelihood of finding a job and/or staying in a job	£231	£344,190
Better social relationships	£658	£980,420
A greater likelihood that people volunteer on a regular basis	£130	£193,700
Overall total		£1,738,830

*Gains made equivalent to the spend of the sums listed

**1490 learners undertook 2 or more learning activities in 11/12

Appendices/Supporting Information:

How Community Learning Impacts on City Council Priorities

Further Information Available From: **Name:** Lorraine Davison

Tel: X7959

E-mail: lorraine.davison@southampton.gov.uk

BRIEFING PAPER

APPENDIX 1: How Community Learning impacts on City Council Priorities

1. More jobs for local people

- Employment Skills
- Bookkeeping
- CSCS Card training (H&S Card required to get construction work)
- Lunchtime Supervisor training
- Teacher training courses
- Introduction to brickwork / plastering / tiling
- Introduction to Fisheries Management
- Confidence Building & Employment
- Confident Job Seekers
- ICT with Jobsearch

2. More local people who are well educated and skilled

- Motor vehicle Maintenance
- Committee Skills
- GCSEs in English, Maths & Science
- Literacy, numeracy & ESOL courses
- Food Safety in Catering
- Food Hygiene
- Business Skills
- Level 1 Certificate in Football Coaching
- Learn to dance / paddle / ski/ snowboard/ swim

3. A better and safer place in which to live and invest

- Customer Service Training
- Emergency First Aid (EFAW)
- Environmental Taster Day
- Exercise for Fitness & Wellbeing
- Fire Safety & Prevention
- Getting People Involved
- NVQ Level 3 Community Development
- Preventing Accidents
- Reconciling Conflict
- Running your own Community Group

4. Better protection for children and young people

- Baby Resuscitation
- Baby & Child First Aid
- How to use the Internet Safely
- Parenting Course
- Parents Forum Training
- Story Crafts
- Safe from harm

BRIEFING PAPER

5. Support for the most vulnerable people and families

- Assertiveness and Confidence Building
- Community Action in Housing
- Community Learning Champion Training
- Family Finance – me and my money
- Raising Awareness of Dementia
- Library License (course to support learners with learning difficulties to be confident in using the library)
- Made of Money
- Mental Health
- Self Esteem Workshops
- Play Skills
- Making the most of books

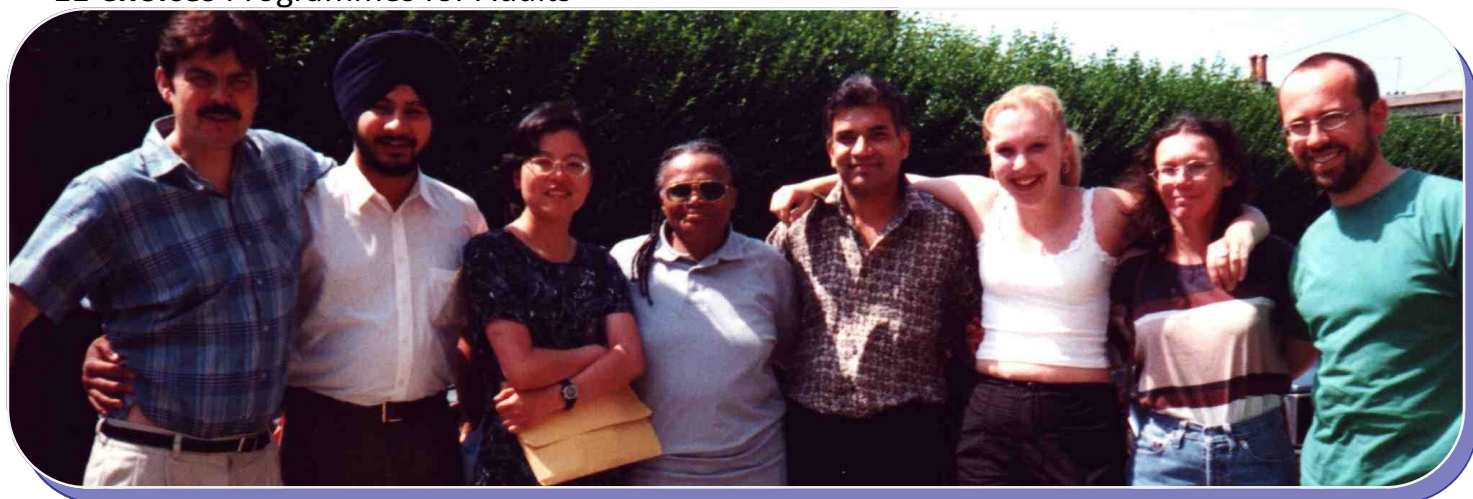
6. Reducing health inequalities

- Family Meals Under a Fiver
- Family Wellbeing
- Healthy Eating – Make your own Recipe Book
- Healthy Cooking on a budget
- How to manage anxiety
- Touch Tour (tour of Tudor House Garden for the Visually Impaired)
- Women's refuge & Outreach
- Play Skills

Annual Review

2011

11 Choices Programmes for Adults



5 Youth Choices programmes for NEETS



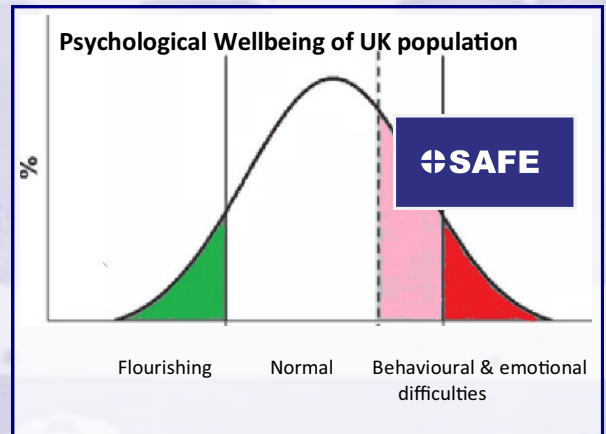
3 Schools Choices Programmes for year 11



Why is Choices different?

The Gap We are facing epidemic levels of emotional and behavioural difficulties. The anxiety level of an average child today is the same as a psychiatric patient in the 1950s.

Some unemployed people may be helped by presentation skills, CV, and employer contact (services delivered by welfare to work providers). However many people are stuck in anxiety and depression, with low self-esteem and chronic lack of confidence and motivation. Normal welfare to work assistance doesn't help enough and while mental health therapies can assist with mental illness they don't provide the holistic approach to life and work needed for life-progression and human flourishing.



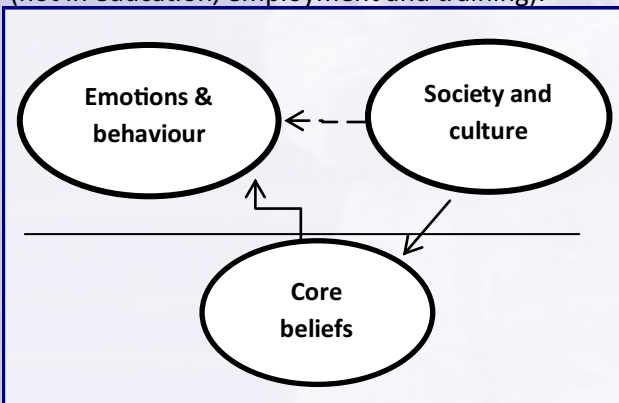
Workless young people may be helped by practical training, improved literacy and employability skills (services delivered by education and training providers). However large numbers face behavioural, emotional and social difficulties (BESD), and feel disengaged from education. They have very low self-esteem, risky and challenging behaviour including drug and alcohol misuse, and anxiety or depression. Normal learning provision doesn't address these young people's needs sufficiently, who remain alienated, are often excluded from school or become long term NEET (not in education, employment and training).



The Solution

Underlying these symptoms are core beliefs including a vulnerable identity, feeling valueless, being stuck and isolated, feeling judged and not being in control. These beliefs have been influenced by social factors: relational trauma, family breakdown, and stress in education or work; and cultural factors: the centrality of consumerism, subjective experience and self-expression.

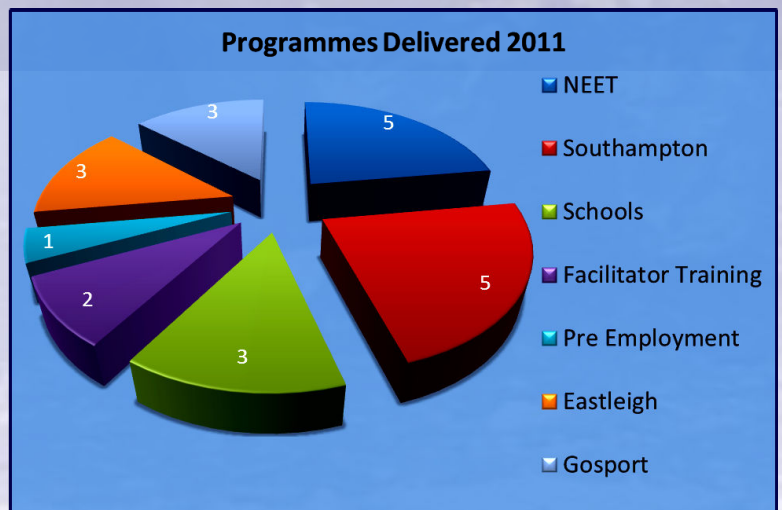
The core beliefs must be addressed in order to overcome people's barriers and change their emotional wellbeing and behaviour, and the Choices course has been specially designed and developed. The content covers relatedness: group work and belonging, autonomy: overcoming barriers and goal setting, self-worth: CBT and healthy thinking, and competence: strengths and contribution. People are treated with dignity (not devalued), they are empowered (not dependency), and they gain intrinsic motivation (not external threat). This results in healthy beliefs and significant increase in self-efficacy and confidence which is the key to improved emotional state and changed behaviour.



Activity in 2011

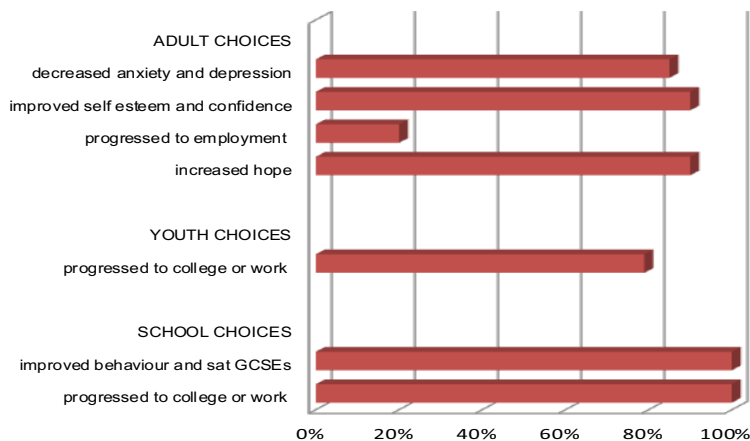
Trained 113 adults in Southampton, Eastleigh and Gosport areas and 75 young people, 26 still at school and 49 post-school.

In order to maximise social impact over the medium term, we have focussed on equipping new facilitators in Choices, so the courses we delivered this year were often in partnership with other voluntary organisations and churches.



20% returned to paid work is a huge success given that most had been judged not able to work.

Individual Impacts



Research These findings are in line with the University research report: *N. Maguire et al, October 2010, Evaluation of the Choices and well-being project, University of Southampton*, following a three years randomised control trial researching into the possible impact of Choices. This found a clinical and statistically significant change in depression and anxiety as well as statistically significant change in self-esteem and self-efficacy and a correlation between reduced depression and increase re-employment. The effects were statistically very powerful, and give a strong evidence base for Choices.



Community Impact

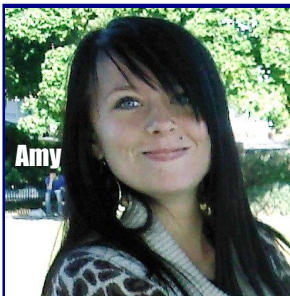
The result of the courses is that a large number of people engage in their community, whether through being good neighbours now that they are not depressed, or by joining a local group or by contributing through voluntary work. In addition, equipping local facilitators means that a resource is left in the local community when the funded project ends, building on-going sustainability. Both these community impacts are forms of building social capital.

Life Changing Impact

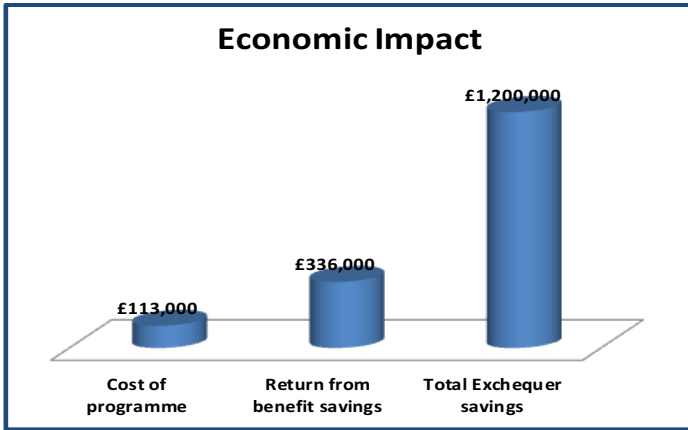
“I came along on the first day with few pre conceived ideas about what to expect and an open mind. I felt at ease and interested from the start and found that I could identify with most of the themes discussed. I found everyone attending very pleasant and the trainers have lovely personalities, are very understanding and make the activities fun. The pace at which the course progressed felt just right as it gave me time to learn or discover things and then to absorb them. I have enjoyed working in pairs or teams and fulfilling different tasks. This has all helped the candidates to learn more about each other and the feeling of ‘belonging to a group’ has grown week by week. Personally I have learned to identify skills I did not know I had and my self confidence and self esteem have increased, I feel much more confident and optimistic about applying for a job and also better equipped to match my skills up to those which may be required in a job. I feel much better about myself already and hopeful of further improvement. Having not worked for 2 ½ years due to poor health I needed to find a way of rebuilding my confidence and the trainers and the other members of my group have all contributed to this. Furthermore I had not realised the difference having two specific days a week where I was occupied would make. This course has made me see how much better I feel with a structure like that in my week and I want to put this in place as soon as possible – either in a job or with voluntary work.”



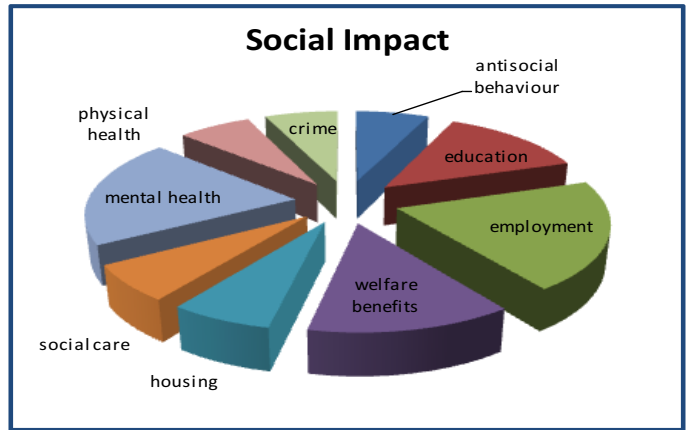
Judith



“My situation before I came to the course was that I had just got rejected from college and recently lost my job so I felt like there was no hope for me. I was handing CVs everywhere trying to look for a job. After handing all those CVs out I had nothing came back to me so I went to Connexions and spoke to the careers advisor who sent me to Youth Choices which then helped me turn my life around. I came to Youth Choices because I had such low confidence it couldn't be any lower. When I was on the course I learnt so many things like ‘head, hands and heart’ which help you massively when going into an interview. There were certain things I wanted to overcome when I was on the course. I managed to get my confidence up and to sort out my CV which Youth Choices helped me with. Youth Choices really helped my future because now I work in a clothes shop in town and when I was in the interview I used the ‘head, hands and heart’ to help me tell the manager what my strengths are – knowing what they are really does help. Youth Choices helped my social skills as well because you could be a shy person but then when the course has begun you get a confidence boost and start being talkative and coming out of your shell. Things I learnt on the course that are going to help me from now on has made my confidence high which makes you feel good about yourself and my self esteem is good now. Also I know now that I am in control not letting someone else control your life.”

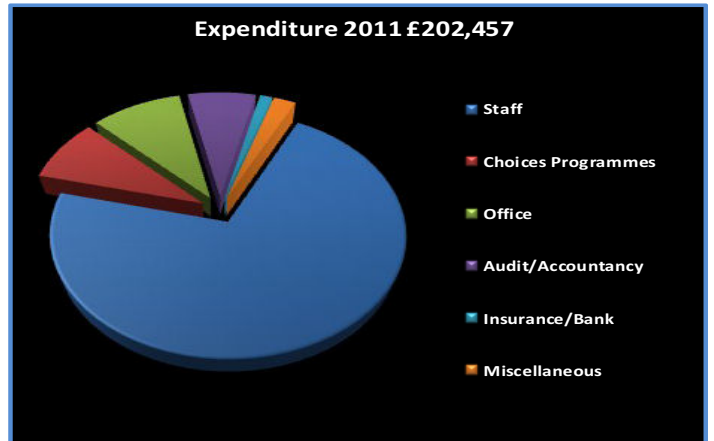
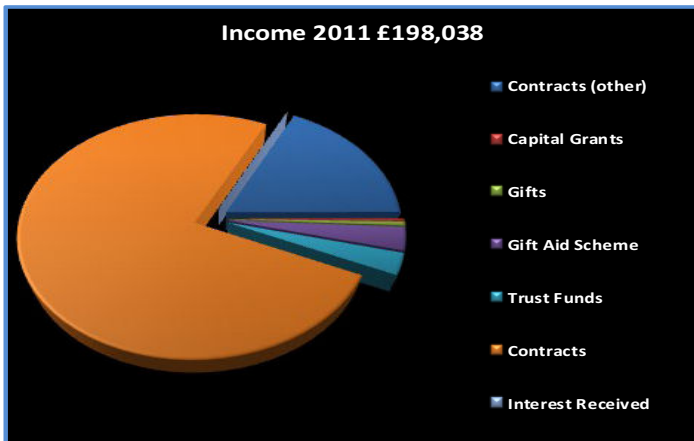


The cost for training 105 adults in Choices is **£113,000**. The direct welfare benefit savings including incapacity benefit, housing and council tax is estimated to be **£336,000** over 5 years. Based on Oxford Economics calculation for each person with mental health to return to work, including income tax, NI and VAT, the savings to the Exchequer is **£1,200,000** over 5 years. This 10 fold return on the initial investment is because the Choices candidates started so far from the job market they were unlikely to gain a job in the next 5 years. Most other employment initiatives focus on those near the job market who would get a job in the next year, so their real savings are much smaller.



For the adult course there are savings on mental health due to reduced GP time and fewer prescriptions, gains from improved physical health and gains in criminal justice for police, prison and court costs. For youth courses the main gains are for school discipline, less anti-social behaviour and engagement in education. This leads to long term employment which prevents life time costs to welfare and housing, mental health, physical health, social care and crime.

Statement of Financial Activities



A full copy of the Annual Report and Accounts is available on request

The Safe Team who made it all possible this year



Jacqui Hollick
Facilitator



Becky Ward Youth developer



Jenny Gomm Choices Coach



David Phillips Administrator



Norman Jones Facilitator



Nigel Hughes Executive Director



Andy Foreman Project Manager



Keith and Alison Cooper Catering and Cleaning



Eileen Swieton Chair, Friends of SAFE

Trustees, Anthony Scammell, Jane Fisher, James Pavey.



TUC



Families First: who loses most from cuts in public services

A TUC analysis of the distributional impacts of public spending cuts

Introduction

This TUC report, based on analysis undertaken by Landman Economics, sets out the scale of cuts in public services that households across the UK have experienced to date, and are set to face in years to come, considering the impacts of the spending reductions resulting from the Government's austerity plan. While the focus of much public debate has been on cuts in social security spending, the majority of spending reductions (61%) the Government has announced will lead to public service cuts rather than in benefits and tax credits. This analysis shows how they have hit households to date, and the consequences they will have for different family and household types in the future.

Methodology

The analysis is based on a model developed by Howard Reed and Tim Horton which uses survey data about households' use of public services, matched against service expenditure levels (derived from the Treasury's Public Expenditure Statistical Analysis [PESA] statistics)¹ and the Government's future spending plans. Using a breakdown of expenditure on services (derived from PESA) at a fine level of detail, the model decomposes the broad categories of expenditure into many smaller categories. For example, 'health' is broken into medical services and medical research, and then each sub-category is broken into many further categories such as 'NHS Trusts', 'Hospitals and Community Services' etc. The model then allocates total government spending to households on the basis of a range of information concerning which households receive and use particular services and how much they use them.²

The model assesses the scale of cuts in each service area using the Government's spending plans as set out in the 2010 Comprehensive Spending Review and updated in Budget 2012. For the years beyond 2014/15 (the end of the current CSR period) the analysis presumes that additional spending cuts continue to fall in relative proportion to the cuts taking place up to 2014/15. The scale of the cuts which the analysis models for these financial years is calculated using the data provided by the Government in Budget 2012 and PESA 2012³, and new research from the RSA/SMF.⁴ Budget 2012 showed that poorer than expected growth

¹ The baseline dataset used for the initial (pre-cuts) distribution of public spending is *PESA 2009*, available from http://www.hm-treasury.gov.uk/d/pesa_180609.pdf; the information on the size of cuts to different spending areas is taken from *PESA 2012*, available from http://www.hm-treasury.gov.uk/d/pesa_complete_2012.pdf

² Further details on how the model works is available here: <http://www.tuc.org.uk/extras/wherethemoneygoes.pdf>

³ See HM Treasury, *Budget 2012*, Table 1.2 and Annex A; HM Treasury, *PESA 2012*, Chapter 1.

⁴ We only know departmental spending settlements up to 2014/15 (the current CSR period). However, Budget 2012 set out the Government's plans for £25 billion of additional spending cuts by 2016.17, and new analysis from the RSA/SMF, undertaken by modelling the spending implications of current growth forecasts, shows that a further additional £20 billion of cuts in real terms will be required by 2017/18, if the Government stick to their current fiscal targets. The report can be downloaded from here: <http://www.smf.co.uk/research/economic-policy/fiscal-fallout-the-challenge-ahead-for-public-spending-and-publi/>.

meant that the Government’s austerity plans would continue into 2016/17, and set out the scale of the cuts that the Government anticipated in these years⁵ - an additional £25 billion of spending cuts (in real terms) by 2016/17. Since then, an RSA/SMF study has also shown that if the Government stick to their current fiscal mandate, and if current growth forecasts are correct, a further £20 billion of cuts in real terms by 2017/18. Our analysis shows what the impacts of cuts on this scale would be for different services and family types.

The analysis does not consider cuts in benefits and tax credits, only departmental spending allocations.⁶ In addition we do not report on regional variations, as the model only captures the variations in regional spending arising from different patterns of household income and service use and does not consider targeted spending cuts by region.

Overall spending reductions

The total amount of spending that public services are set to lose over the years ahead is significant – according to current forecasts spending is set to fall by £65 billion in real terms by 2016/17 and by £79.2 billion by 2017/18. In this scenario, by the end of this financial year only 33% of all public service cuts will have been implemented.⁷

Cumulative cuts in public spending 2011/12 to 2017/18 (2012 prices)

Year	Cuts in billions	Proportion of cuts to 2016/17	Proportion of cuts to 2017/18
2011/12	-18.4	28%	23%
2012/13	-26.3	40%	33%
2013/14	-36.4	55%	46%
2014/15	-50.5	77%	64%
2015/16	-59.9	91%	76%
2016/17	-65.7	100%	83%
2017/18	-79.2	n/a	100%

⁵ See HM Treasury, *Budget 2012*, Annex A.

⁶ This report provides summary findings from the analysis. The full dataset is available to download here: <https://www.tuc.org.uk/tucfiles/455/SpendingCutsNovember2012.xlsx>

⁷ IFS analysis as to the scale of public service cuts that we have experienced to date excludes capital spending cuts, whereas our analysis includes both capital and current spending in total figures. As there is some evidence that capital spending is being cut first, this explains some of the discrepancy between our figures and those of the IFS (which suggest that 12% of public spending cuts will have been implemented by the end of this financial year). In addition the IFS baseline is 2007-08 (see IFS Green Budget Chapter 3 at <http://www.ifs.org.uk/publications/6003>, Figure 3.5) while our baseline is 2009/10, as we are only looking at fiscal consolidation in the current parliament.

Despite the Prime Minister’s commitment that health spending would be protected from cuts, budgets are set to fall 1.4 per cent (compared to financial year 2010/11) by 2016/17, and by 2.2 per cent to 2017/18.⁸ Further and higher education spending are set to be worst hit, with services in this area set to see a 42.4 per cent real terms fall by 2016/17 (and a potential 66.5 per cent cut by 2017/18), hitting college and university students hard. Social housing (36.7 per cent), the police (31.2 per cent) and nursery and pre-school education (24.7 per cent) are also set to experience significant real terms reductions by 2016/17.

Spending cuts: percentage from 2010/11 to 2017/18, by spending function

	to 2011/12	to 2012/13	to 2012/13	to 2014/15	2015/16* (implied)	2016/17* (implied)	2017/18 *(implied)
Health	-0.3%	-0.4%	-0.7%	-0.9%	-1.1%	-1.4%	-2.2%
Education- Nursery + pre-school	-5.0%	-9.0%	-12.0%	-16.0%	-19.0%	-24.7%	-38.7%
Education (school level)	-4.9%	-7.3%	-9.4%	-9.5%	-11.3%	-14.7%	-23.0%
Education (FE/HE)	-7.3%	-13.6%	-21.4%	-27.5%	-32.6%	-42.4%	-66.5%
Transport	-1.1%	-2.5%	-2.9%	-5.5%	-6.5%	-8.5%	-13.3%
Police	-6.0%	-13.0%	-16.2%	-20.2%	-23.9%	-31.2%	-48.9%
Social housing	-9.1%	-16.0%	-18.4%	-23.8%	-28.2%	-36.7%	-57.6%
social care (elderly)	-5.7%	-10.1%	-11.6%	-15.2%	-18.0%	-23.4%	-36.8%
Social care (other) ⁹	-7.6%	-13.4%	-15.5%	-20.2%	-23.9%	-31.2%	-48.9%
Defence	-4.8%	-6.5%	-14.2%	-16.4%	-19.4%	-25.3%	-39.7%

* As stated above, for these years we have assumed spending cuts fall in relative proportion to the cuts taking place up to 2014/15.

While some departmental cuts have been frontloaded, in other areas the worst cuts are still to come. For example while 36.5 per cent of pre-school level cuts (to 2016/17) will have taken place by the end of this financial year (and 49.8 per cent of school cuts) only 28.8 per cent of the reduction in health spending and 29.5 per cent of transport cuts will have been implemented by the end of this year. As these reductions include capital and current expenditure it may be that, as there

⁸ The Prime Minister regularly claims that NHS spending is rising in real terms, quoting figures from NHS resource Departmental Expenditure Limits (DEL). However, when you add in Capital DEL and Annually Managed Expenditure to get total health spending (as our analysis has) there is a clear real-terms reduction.

⁹ This includes working age and children’s social care and services.

are some indications that capital cuts have been frontloaded, current expenditure cuts are even less far progressed.

Spending cuts: proportion of cuts implemented by year to 2016/17, by spending function

Service area	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Health	21.6%	28.8%	50.4%	64.8%	76.8%	100.0%
Education - nursery and pre-school	20.3%	36.5%	48.6%	64.8%	76.8%	100.0%
Education (school level)	33.4%	49.8%	64.1%	64.8%	76.8%	100.0%
Education (FE/HE)	17.2%	32.1%	50.4%	64.8%	76.8%	100.0%
Transport	13.0%	29.5%	34.2%	64.8%	76.8%	100.0%
Police	19.3%	41.7%	52.0%	64.8%	76.8%	100.0%
Social housing	24.8%	43.6%	50.1%	64.8%	76.8%	100.0%
social care (elderly)	24.3%	43.1%	49.5%	64.8%	76.8%	100.0%
Social care (other - e.g. working age and children's social care & services)	24.4%	43.0%	49.7%	64.8%	76.8%	100.0%
Defence	19.0%	25.7%	56.1%	64.8%	76.8%	100.0%

Spending reductions by family type

The analysis also looks at how different family types will be affected by the spending reductions. It finds that families with children experience the greatest cuts in services, with, for example, a single earner household with children set to lose over £6,100 a year by 2016/17 (equivalent to around 11% of average income for a household of this type), while workless couple households with children are set to lose over £8,700 over the same period (around 28% of average income for a household of this type). While those out of work are set to lose more than those in work, the cash impacts for families with children (both those with and without employment) are far worse than for households without them, whether or not they are in or out of employment.

Spending cuts: cumulative cash effects up to 2017/18 (2012 prices)

Household type	2015/16 spending reductions	As % of household income	2016/17 spending reductions	As % of household income	2017/18 spending reductions	As % of household income
single, not working	-£2,949.32	-18.3%	-£3,232.91	-20.0%	-£3,892.97	-24.1%
single, working	-£1,434.94	-4.9%	-£1,573.88	-5.4%	-£1,897.28	-6.5%
lone parent, not working	-£7,265.74	-25.0%	-£7,947.75	-27.4%	-£9,535.21	-32.8%
lone parent, working	-£5,677.23	-14.0%	-£6,199.93	-15.3%	-£7,416.58	-18.3%
no-earner couple without children	-£2,689.00	-11.5%	-£2,949.38	-12.6%	-£3,555.41	-15.2%
no-earner couple with children	-£7,978.05	-25.5%	-£8,735.13	-28.0%	-£10,497.29	-33.6%
1-earner couple without children	-£2,272.28	-5.1%	-£2,491.69	-5.6%	-£3,002.40	-6.8%
1-earner couple with children	-£5,634.09	-10.0%	-£6,165.50	-10.9%	-£7,402.41	-13.1%
2-earner couple without children	-£1,867.35	-3.4%	-£2,048.09	-3.7%	-£2,468.79	-4.5%
2-earner couple with children	-£4,902.24	-6.9%	-£5,368.22	-7.6%	-£6,452.83	-9.1%
single pensioner	-£2,523.71	-11.1%	-£2,767.98	-12.1%	-£3,336.55	-14.6%
couple pensioner	-£2,383.08	-6.3%	-£2,613.78	-6.9%	-£3,150.76	-8.4%
multi-family household, no children	-£3,860.89	-6.6%	-£4,229.73	-7.3%	-£5,088.23	-8.7%
multi-family household, with children	-£8,153.99	-11.4%	-£8,910.29	-12.5%	-£10,670.63	-15.0%

The following table gives a sense of the scale of losses that families are set to experience in different service areas by 2016/17¹⁰. It shows that the cuts in school age education spending are large for families with children, and that families with children are also set to lose significant amounts in social care and higher and

¹⁰ Data on losses for previous and future years are available in our full analysis here:
<https://www.tuc.org.uk/tucfiles/455/SpendingCutsNovember2012.xlsx>

further education provision. Health spending cuts have the greatest financial impact for pensioner households.

Spending cuts: cumulative cash effects up to 2016/17 (2012 prices)

Household type	Health	Social care	Police	Transport	Housing	School-age education	HE/FE
single, not working	-£123.99	-£302.30	-£164.01	-£39.14	-£469.53	-£12.80	-£171.87
single, working	-£26.53	-£44.56	-£156.19	-£99.75	-£101.76	-£1.33	-£80.45
lone parent, not working	-£116.33	-£591.97	-£220.18	-£66.90	-£622.85	-£1,003.38	-£732.34
lone parent, working	-£69.49	-£180.44	-£204.68	-£87.61	-£282.27	-£992.26	-£802.04
no-earner couple without children	-£215.70	-£207.36	-£136.55	-£112.71	-£222.03	-£1.03	-£60.20
no-earner couple with children	-£208.62	-£566.86	-£184.46	-£115.27	-£509.17	-£1,196.80	-£640.86
1-earner couple without children	-£117.77	-£86.59	-£138.13	-£144.64	-£74.70	-£5.83	-£163.03
1-earner couple with children	-£119.79	-£268.43	-£165.02	-£157.68	-£153.01	-£982.69	-£483.91
2-earner couple without children	-£49.93	-£24.01	-£144.40	-£197.46	-£31.91	-£2.56	-£109.54
2-earner couple with children	-£91.55	-£125.69	-£156.39	-£185.55	-£49.23	-£865.28	-£514.17
single pensioner	-£172.84	-£443.53	-£107.97	-£43.74	-£264.61	-£1.63	-£12.94
couple pensioner	-£261.97	-£183.79	-£100.14	-£91.10	-£92.14	-£6.81	-£18.92
multi-family household, no children	-£148.50	-£233.78	-£148.57	-£189.13	-£147.35	-£35.53	-£532.16
multi-family household, with children	-£153.43	-£244.96	-£169.87	-£213.09	-£203.61	-£971.28	-£1,569.63

When cuts to 2016/17 are considered by household income those who are the poorest lose proportionally the most. By April 2017 the poorest households will have lost services equivalent to over 30% of their income, compared to a loss of just 2.5% for the richest.

**Spending cuts: cumulative cash effects by deciles up to 2016/17
(2012 prices)**

Income group	Cumulative cuts	Cuts as proportion of household income
1 (poorest)	-£3,995.33	-31.7%
2	-£4,634.28	-20.8%
3	-£4,619.96	-16.6%
4	-£4,337.89	-13.7%
5	-£4,084.35	-11.2%
6	-£3,834.39	-9.5%
7	-£3,467.64	-7.4%
8	-£3,124.28	-6.0%
9	-£2,952.31	-4.6%
10 (richest)	-£2,805.57	-2.5%
average	-£3,785.60	-8.2%

The analysis also looks at what the distributional impacts of additional spending cuts which may be implemented by 2017/18, as discussed above, and again shows further significant impacts for all family types. The poorest households are set to lose services equivalent to over 38 per cent of their income over this period, compared to losses of 3 per cent for those in the richest decile.

**Spending cuts: cumulative cash effects by deciles up to 2017/18
(2012 prices)**

Income group	Cumulative cuts	Cuts as proportion of household income
1 (poorest)	-£4,805.31	-38.2%
2	-£5,570.92	-25.0%
3	-£5,550.06	-19.9%
4	-£5,205.56	-16.5%
5	-£4,907.51	-13.5%
6	-£4,608.68	-11.4%
7	-£4,174.02	-9.0%
8	-£3,761.03	-7.2%
9	-£3,555.09	-5.5%
10 (richest)	-£3,378.18	-3.0%
average	-£4,551.64	-9.8%

The report also shows how much households in different income deciles have lost already. By the end of the last financial year the average household had already lost over £1,200 in public services – but that’s only around a third (36 per cent) of the cuts that families are set to experience by 2014/15, and less than a quarter of the cuts (23 per cent) that households could be on track to experience by 2017/18.

Spending cuts: cumulative cash effects by deciles up to 2014/5 (2012 prices)

Household decile	to 2012/13	As % of household income	to 2013/14	As % of household income	to 2014/15	As % of household income
1 (poorest)	-£1,716.57	-8.6%	-£2,261.13	-11.0%	-£3,083.36	-15.4%
2	-£2,054.42	-1.9%	-£2,652.56	-2.9%	-£3,579.70	-4.1%
3	-£2,064.67	-12.4%	-£2,641.37	-15.9%	-£3,572.73	-21.2%
4	-£1,928.37	-6.8%	-£2,489.80	-9.1%	-£3,360.95	-11.9%
5	-£1,779.19	-5.0%	-£2,329.44	-6.8%	-£3,157.54	-9.7%
6	-£1,607.68	-12.3%	-£2,173.05	-16.2%	-£2,962.59	-21.6%
7	-£1,407.74	-2.0%	-£1,940.59	-3.0%	-£2,672.31	-4.3%
8	-£1,211.31	-4.6%	-£1,732.49	-6.3%	-£2,407.34	-8.4%
9	-£1,086.86	-1.3%	-£1,617.82	-2.0%	-£2,273.62	-2.9%
10 (richest)	-£965.29	-3.1%	-£1,506.54	-4.4%	-£2,160.85	-5.8%
average	-£1,582.21	-5.2%	-£2,134.48	-6.6%	-£2,923.10	30%