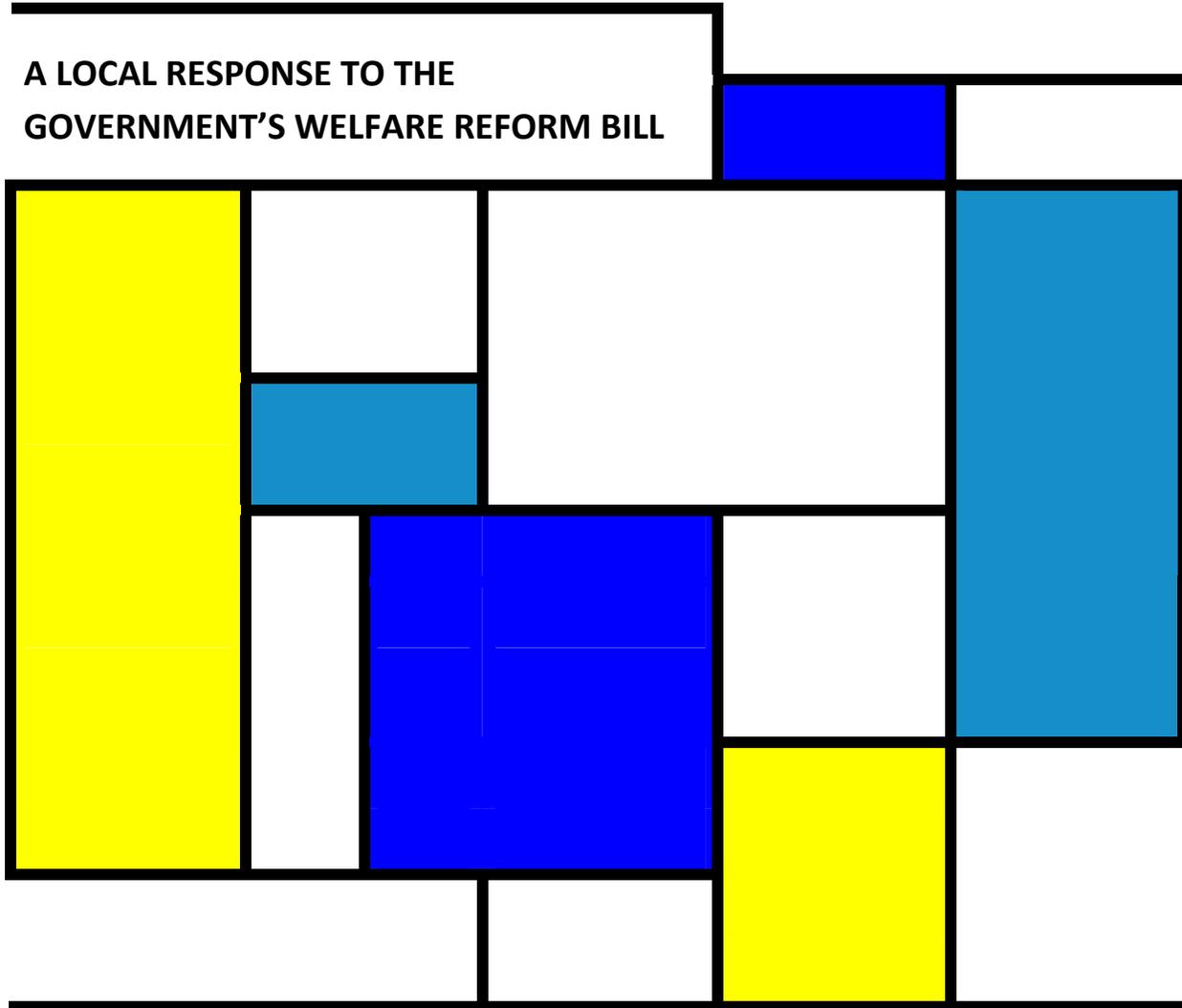

MAKING WELFARE WORK

for Stoke on Trent

A LOCAL RESPONSE TO THE
GOVERNMENT'S WELFARE REFORM BILL



STOKE ON TRENT CITIZENS ADVICE BUREAU AND BRIGHTER FUTURES HOUSING ASSOCIATION REPORT ON THE
IMPACT OF WELFARE BENEFIT CHANGES FOR PEOPLE LIVING IN STOKE ON TRENT



Forward

I passionately believe in a welfare system that treats everyone equally, empowering those who are able to work and supporting those who are not. A sustainable welfare system is one that helps people to live independent and fulfilled lives.

The proposed welfare changes will affect Stoke-on-Trent and many similar communities by:

- Adversely affecting children and disabled people
- Increasing personal debt and pushing more people into poverty
- Concentrating poverty into already disadvantaged areas
- Increasing the possibility of homelessness



The changes attempt to impose a single “one size fits all” solution on towns and cities which are facing starkly different economic challenges. This means that in a city like Stoke on Trent they will represent a false economy and will give at best only short term savings to the public purse. In the medium term they will both reduce our economic activity and add to the burden on public services.

This is because, Stoke-on-Trent, like many places in northern England, has levels of unemployment and long-term worklessness that have remained stubbornly high since the decline of our traditional industries. A number of recent studies have demonstrated that it is unusually dependent on public sector employers for the jobs that exist. The recent recession has compounded our economic problems. The lack of jobs means that there are too many people chasing every job vacancy.

In addition, we have a housing stock which is of low value, is often in poor repair and has very few of the single bedded units in which Government wishes single claimants to live. Homelessness has risen over the last few years and the proposed changes, which are introduced without regard for the distinctive features of our local housing stock, will undoubtedly make matters worse.

The Citizens Advice Bureau estimates that the introduction of Employment and Support Allowance alone will take at least £13 million pounds of spending out of the local economy. This will be like a large local employer closing down, local shops and suppliers will be hit hard. These changes, in other words, will force the local economy to contract rather than grow.

As poverty and homelessness rises, this will have an impact on our health and wellbeing. Individuals or families who are currently vulnerable but managing to survive will be pushed into crises requiring expensive and long term interventions by social services, the National Health Service, the justice system and support services.

Taking swift and decisive action together we can make a difference. This report set-out practical recommendations that I am hopeful will be acted-on as a matter of urgency.

A handwritten signature in black ink that reads "Tristram Hunt". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Tristram Hunt MP
Stoke-on-Trent Central

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Introduction

This update to our original report has again been compiled by The Stoke-on-Trent Citizens Advice Bureau and Brighter Futures Housing Association. As Staffordshire's premier anti-poverty charities we have monitored the Governments' proposed changes to welfare benefits and housing as they have been clarified over the past two years and we have used our experience to demonstrate how these may impact on the City. This version takes into account additional changes proposed since 2011 such as the proposed limit to uprating of benefits to 1%, the introduction of localised Council Tax Support and the replacement of Disability Living Allowance with Personal Independence Payments. It has also benefited from the scrutiny a wide range of other national organisations have given to these proposals in the past two years

Our best estimate of the impact of these changes on the City of Stoke-on-Trent is that £128.7 million a year will be lost to the local economy once the changes are fully implemented. This equates to every non-pensioner household in the City losing an average of £1,491 a year or the total domestic income of the City falling by 4% a year.

Our report describes the local and national context to the changes. We do not believe it is helpful to follow some commentators and describe Stoke on Trent as "unique". However, we do believe that Stoke-on-Trent continues to possess an unusual configuration of social and economic indicators which merit careful consideration in any reform. For example the recent reduction of supply in one bedroom flats in the private rented sector has serious implications for people affected by the under-occupancy penalty or so-called 'bedroom tax'.

We are also concerned that other simultaneous changes, such a significant cuts to legal aid (under which 1,380 people a year in Stoke-on-Trent will lose access to social welfare law advice to help them with debt, welfare benefit, housing and employment problems) will exacerbate the impact of the welfare reforms

In our work we meet thousands of local people who are currently dependent on welfare benefits. In many cases these people could be helped back into work by the regeneration strategies of central and local government. We fully support these efforts to create new local jobs. However, we recognise that they will not create instant jobs and thus we believe that, even for those who can be helped into work, the findings of this report will remain important in the interim. However, to replace the income lost through these cuts will require the creation of 10,279 jobs at the minimum wage or 5,397 jobs at the average local wage. Given the significant increase in part-time working recorded between 2001 and 2011 (up by 36.5% in Stoke-on-Trent compared to 26.1% regionally), this presents an even greater challenge than it appeared two years ago.

Our report (chapter 3) describes each of the most significant changes and the effects that they are likely to have on the local economy, communities or individuals.

The report concludes with a series of actions which should be taken locally to ameliorate the effects of cuts to the welfare system or to take advantage of opportunities which the changes afford.

Our principal recommendation, (p.26) remains a special multi agency Anti Poverty Partnership chaired by a senior Councillor should commission research to monitor the effects of the changes over the next few years. This committee should ensure that its conclusions are disseminated widely and reflected in local policy making and action. It should publish an annual report on the impact of the changes and levels of poverty in The City more generally. It should commission a take up campaign to reduce levels of under claiming of welfare benefits.

We hope that this report will be the basis for wide ranging discussion amongst the communities of The City and our strategy makers.

Finally we would like to thank Steve Johnston, Stoke-on-Trent City Council's Intelligence Manager for his invaluable help in preparing this report.



Simon Harris
CAB Stoke



Gill Brown
Brighter Futures

CHAPTER 1 The Local Context

Stoke-on-Trent is not unique in its experience of post-industrial poverty. However it does exhibit an unusual configuration of social and economic features which will have a major impact on the way changes to the welfare system affect our communities. We describe the eleven key features below:

1. Low wages
2. High levels of unemployment and worklessness
3. Types of employment
4. Education levels
5. Health and morbidity
6. Disability Living allowance
7. Employment and Support Allowance
8. Type and value of housing
9. Types of households
10. Housing Benefit and Local Housing Allowance
11. Homelessness.

1. Wages

Average full time workers wages in Stoke on Trent are almost 10% below the national average. They are about 4% below the West Midlands average and even these low average wages do not represent a typical income for many local people. If we compare incomes of all adults including part time and temporary workers, the national average is 47% higher than in Stoke and Stoke’s average salaries are inflated by the relatively high proportion of workers receiving nationally negotiated wages in the public sector.

Table 1. Average full time worker pay, source NOMIS official labour statistics 2012

£	Stoke-on-Trent	West Midlands	Great Britain
average pay	£233797.20	£24398.40	£26395.20
average full-time worker weekly pay	£449.60	£469.20	£507.60
average full-time workers hourly pay	£11.36	£11.85	£12.87

Table 1a Household Income 2012¹

£	Stoke-on-Trent	UK
Mean Income	28,953	35,992
Median Income	21,934	28,413

2. Unemployment and worklessness

Almost a third more people in Stoke-on-Trent are unemployed compared to the national average. Just as worrying is the total number of people who are economically inactive and seeking work which is 30% higher than the national average. Those who are economically inactive and not seeking work are almost all over retirement age or responsible for young children. Although described in official statistics as “economically inactive”, those without work are economically active in the sense that they spend money in the local economy. It can be argued that in a low wage area such as Stoke-on-Trent, their contribution to the local economy is of vital importance to the sustainability of local communities. Unlike more affluent people, all of their money is spent locally; they do not “export” money by taking holidays, by investing or by shopping elsewhere.

¹ CACI Gross Household Income Data 2012, quoted in ‘City of Stoke-on-Trent Statistical Summary January 2013’ –Stoke-on-Trent City Council08

Table 2. Labour supply of all people aged 16-64 source Census2011

(%)	Stoke-on-Trent	West Midlands	Great Britain
in employment	63.29%	68.0%	70.5%
unemployed	6.94%	8.6%	7.9%
economically inactive job hunting	2.07%	4.8%	5.7%
economically inactive not job hunting	27.7%	20.6%	17.6%

In May 2012 29,000 people living in Stoke-on-Trent are claiming out-of-work benefits; this is over 60% higher than the national rate. The proportion of the population receiving Employment & Support Allowance (ESA) or Incapacity Benefit in Stoke-on-Trent is almost twice the national rate. 18.0 % of local people of working age are claiming key out-of work benefits².

Table 3. Out-of-work benefits , source DWP-HMRC – February 2012

	Stoke-on-Trent (%)	West Midlands (%)	Great Britain (%)
Job seekers	5.5	5.0	4.1
ESA or incapacity benefits	11.1	6.8	6.5
All key out of work benefits	22.3	16.8	15.0

There were an estimated 161,300 persons of working age. Of these an estimated 102,100 were in employment and a further 11,200 'unemployed.' Of the remainder 44,700 were categorised as economically inactive due to ill health, looking after the home, students. The remainder were unclassified.

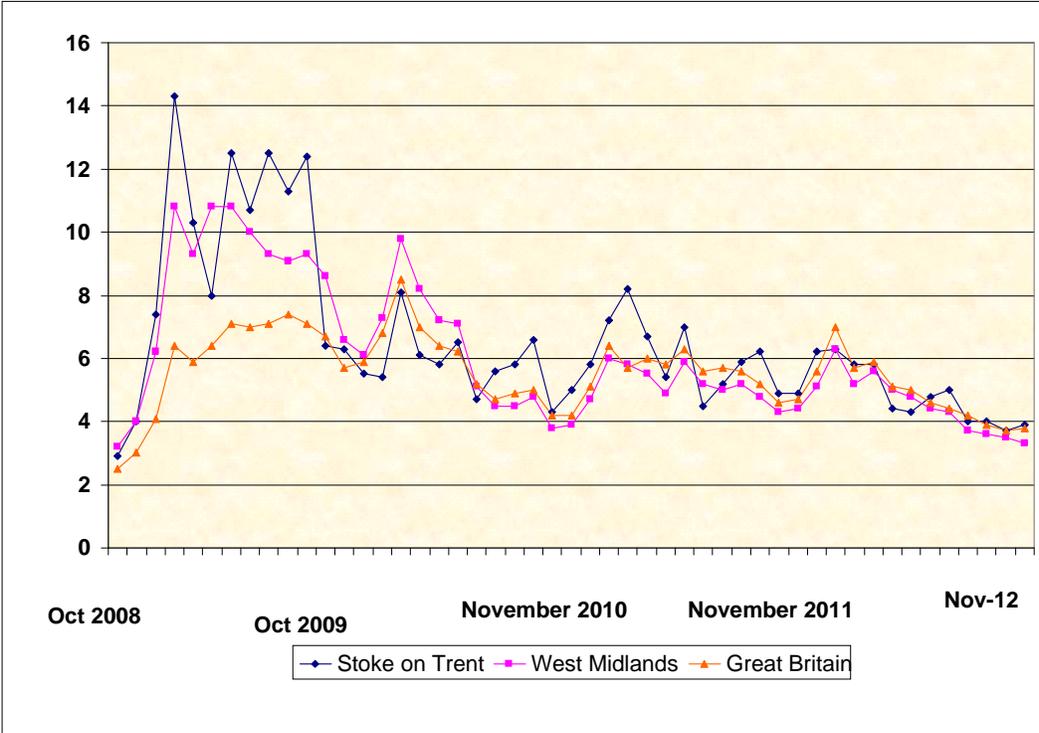
The table below shows that the position is equally stark for young people. The City Council reports that 7.7% of young people are not in education, employment or training (NEET). This compares with a national average of roughly a third less.

Table 4. Young people not in education, training or employment, source Department for Education, 2010

	Stoke-on-Trent	West Midlands	England
16-18 year old known to local authority	7,501	177,117	1,599,687
number of which are NEET	580	10,980	87,970
percentage of which are NEET	7.7%	6.2%	5.4%

² Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

Graph 1. Job seekers per notified Job Centre vacancy, source NOMIS



Since the recession hit in autumn 2008 Stoke-on-Trent has seen a larger ratio of JSA claimants to vacancies than the region and country, until the last twelve months during which time there has been a significant convergence as unemployment and vacancy rates have become closer to regional and national figures. However, it should be borne in mind Stoke-on-Trent has significantly higher numbers of people on ESA and other long-term sickness benefits than other areas so the number of workless people per vacancy in Stoke-on-Trent is higher than in other areas.

3. Type of Employment

The labour market in Stoke-on-Trent has contracted by 3.6% compared to the regional and national figures of 2.5% and 1.9% respectively. Stoke-on-Trent is the third least resilient area in the country³. This is largely because more than half of the employment is in the public sector compared to the national average of 42%. Unlike other cities, Stoke-on-Trent does not attract the redeployment of any large public sector employers. As local levels of employment have fallen, particularly in the manufacturing sector, the public sector has provided, within a shrinking workforce, a consistently greater proportion of the jobs. This means that a national percentage cut in the public sector would affect the workforce of Stoke-on-Trent more seriously than it would other cities. Similarly, a growth in the private sector will always start from a very low base and thus will not provide many jobs. Stoke is failing to benefit from the boom in knowledge based industries; 45% of employment is in such industries compared to the national average of 52%.

³ the Experian/BBC Resilience Study considered the resilience of an area's employment by reference to criteria including the proportion of people in managerial and elementary occupations and employees in resilient business sectors

Stoke on Trent has significantly lower levels of managerial, professional, technical and administrative occupations than either the region or England and Wales (36.7% compared to 48.4% regionally and 52.3% nationally) and higher levels of trades occupations, caring, leisure, service and sales roles (36.3% compared to 29.3% nationally) and even higher relative levels of process, plant and machine operatives and people in elementary occupations (27% compared to 18.3% nationally). This explains the lower than average wage and household income levels. The present reduction in public sector jobs will mean that the average wage will fall further behind the regional and national averages. Better paid workers are likely to leave the area to secure employment elsewhere as the already limited managerial, professional and technical opportunities reduce further. This will have a detrimental impact on the overall economy as people will be earning less and spending less.

Table 5. Employees 16 -74 by Occupation – March 2011, source ONS Census

Occupation	Stoke-on-Trent (%)	West Midlands (%)	England & Wales (%)
1. Managers, directors and senior officials	7.4	10.1	10.8
2. Professional occupations	10.5	15.8	17.4
3. Associate professional and technical occupations	8.9	11.1	12.7
4. Administrative and secretarial occupations	9.9	11.4	11.4
5. Skilled trades occupations	14.4	12.2	11.5
6. Caring, leisure and other service occupations	11.0	9.5	9.4
7. Sales and customer service occupations	10.9	8.6	8.4
8. Process, plant and machine operatives	11.0	8.8	7.2
9. Elementary occupations	16.0	12.5	11.1

4. Education levels

Educational attainment in the City traditionally has been low. It has improved considerably in the last few years, but remains problematic. The level of persons aged 16-74 with no qualifications has declined at a rate above both the regional and national level. However, more than one third of adults across the city have no qualifications compared with less than one-quarter nationally⁴. Less than one in six people living in the City hold a degree or professional qualification compared with more than one-in-four nationally. People living in Stoke-on-Trent are therefore more likely to be employed in low wage and low skilled roles and more dependent on welfare benefits to help supplement their income. Table 5 above shows the affect this has on the type of jobs people do.

5. Health and Morbidity

Local people have poor health with some of the highest rates of obesity and early death due to heart disease, stroke, and cancer.

The health of children and young people is also poor. The level of child poverty is higher than the national average, child obesity is higher, tooth decay in children aged 5 years and over is worse, the area has a higher than average rate of infant death and teenage pregnancy levels are amongst the highest in England.

⁴ Census 2011

Of particular concern is that people claim Incapacity Benefit due to mental ill health at twice the national rate. The number of hospital stays due to alcohol-related harm is 25% higher than the national average.

Industrial disease levels traditionally have been high in Stoke-on-Trent. Deaths from industrial diseases remain high. Coroners' statistics published by Ministry of Justice show that the City had the 10th highest number of deaths from industrial disease in 2010⁵. Perhaps the only positive aspect of the decline in traditional industries is that the levels of illnesses such as skin cancer and work related lung disease are now falling. This welcome decline is attributed both to changing employment practises and investment in treatments to prevent and tackle these health issues. Despite this drop in new cases, the number of people claiming Industrial Disablement Pensions is higher than the national average because of the damage done in past decades.

High levels of industrial illness and injury in Stoke-on-Trent have contributed to a higher than average number of people claimed benefits for long-term sickness. At its peak in November 2003 13.2% of the local working age population was claiming Incapacity Benefit compared to 7.5% for the West Midlands and 7.4% for Great Britain. By August 2010 the proportion of claimants had fallen to 11.4%, compared to 6.8% regionally and 6.7% nationally. The reasons for this decline may include stricter claims criteria introduced by government and chronically sick people moving from Incapacity Benefit to Retirement Pension as they age.

6. Disability Living Allowance and the new Personal Independence Payments

Since the first edition of this report the Government has published its plans for Personal Independence Payments (PIPs) which will replace Disability Living Allowance as the main source of support with the additional costs of disability. The following figures, supplied by Steve Johnston of Stoke-on-Trent City Council, demonstrates why this will affect people in Stoke-on-Trent more seriously than other cities.

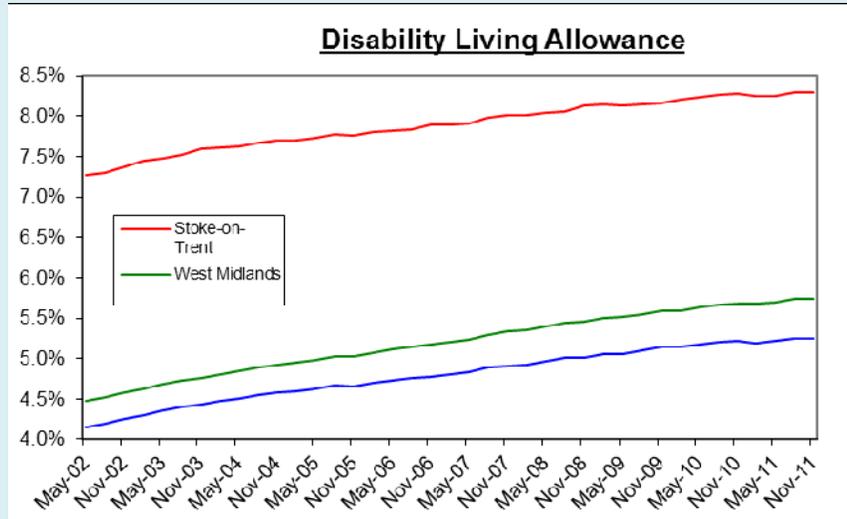
⁵ <http://www.justice.gov.uk/downloads/publications/statistics-and-data/mojstats/coroners-bulletin-2010.pdf>

All data refers to May 2012 and is derived from HMRC data provided through www.nomisweb.co.uk

Total Claimants

There are currently 19,950 DLA Claimants in Stoke-on-Trent representing c.8.3% of the total population

- This is the 11th highest rate in England (out of 326 local authorities)
- The West Midlands rates is 5.8% and the national average is 5.1%
- Since its introduction in 2002 the City has consistently had the highest rates in the region.
- Across England total claimant numbers have continued to increase from 1.97m in 2002 to 2.69m in 2012



Combinations of Benefits

Only 2,020 of the 10,650 DLA claimants of working age claim DLA only:

- 5,050 claim DLA and IB/ESA
- 1,810 claim DLA, IB and IS/PC
- 770 claim DLA, SDA and IS/PC
- 1,000 claim DLA and other combinations of HMRC benefits

The remaining 9,300 DLA claimants are made-up of 1,540 children under 16 – and 7,760 persons of retirement age.

Age Breakdown

More than one third of DLA claimants (6,730 persons) in Stoke-on-Trent are aged 65 and over compared with slightly more than one-quarter nationally. A further 6,080 are aged between 50-64 years, and 4,470 aged 25-49.

- An estimated 3.3% of children in Stoke-on-Trent claim DLA – comparable with regional and national rates.
- An estimated 17.2% of those aged 65 and over claim DLA compared with 9.7% across the West Midlands region and 8.4% across England.

Duration of Claim

78% of DLA claimants (15,610 persons) in Stoke-on-Trent have claimed DLA for 5 or more years – compared with 40% nationally.

Less than 5% of claimants (940 persons) in Stoke-on-Trent have claimed DLA for less than 1 year – compared with 6% nationally.

Care Award

- 4,480 claimants (22.5%) are in receipt of the higher rate care element (25.0% nationally),
- 6,030 (30.2%) the middle rate (35.4% nationally),
- 6,750 (33.8%) the lower rate (28.2% nationally), and
- 2,700 (13.5%) the nil rate.

These proportions are roughly in-line with the national and regional averages.

Mobility Award

- 11,810 claimants (59.2%) are in receipt of the higher rate mobility element (54.1% nationally),
- 5,350 (26.8%) the lower rate (32.8% nationally), and
- 2,800 (14.0%) the nil rate.

These proportions are roughly in-line with the national and regional averages.

Condition

By far the most prevalent medical conditions for which people claim DLA are:-

- Arthritis - 3,960 persons (19.8% of all City claimants or 1.6% of the population – compared with 16.7% of all claimants across England or 0.9% of the population).

As a proportion of the total population all of the following are in-line / slightly above the national average.

- Learning Difficulties - 2,090 persons (10.5% of all City claimants compared with 12.9% across England),
- Disease of the Muscles, Bones or Joints – 1,260 persons (6.3% compared with 5.9% - as above),
- Back pain - other / Precise diagnosis not Specified - 1,170 persons (5.9% compared with 4.8% - as above),
- Psychosis - 1,040 persons (5.1% compared with 8.4% - as above),
- Psychoneurosis - 1,020 persons (5.1% compared with 5.2% - as above),
- Heart Disease - 980 persons (4.9% compared with 3.5% - as above),
- Spondylosis - 880 persons (4.4% compared with 2.7% - as above).

Spatial Concentration

- At Lower Super Output Area level rates range from 1.7% adjacent to Staffordshire University to over 18% in parts of Fenton – reflecting the demographic concentrations present in these areas.
- Other concentrations (at LSOA level) exist in areas of Local Authority housing in Abbey Hulton, Bentilee, Blurton, City Centre, Longton Town Centre, Swingle Hill, Meir South, and Meir North.
- At ward level the Abbey Hulton and Bentilee areas have rates above 12% - while the wards of Blurton West & Newstead, Meir North, Hollybush & Longton West, Sandford Hill, Meir South, and Joiners Square are above 10%.
- The lowest rates – below 6% - are observed in – Hanley Park & Shelton (3.7%), Hartshill & Basford (4.7%), Trentham & Hanford (5.0%), Meir Park (5.2%) and Lightwood North & Normacot (5.9%) – reflecting a combination of age profiles and affluence.

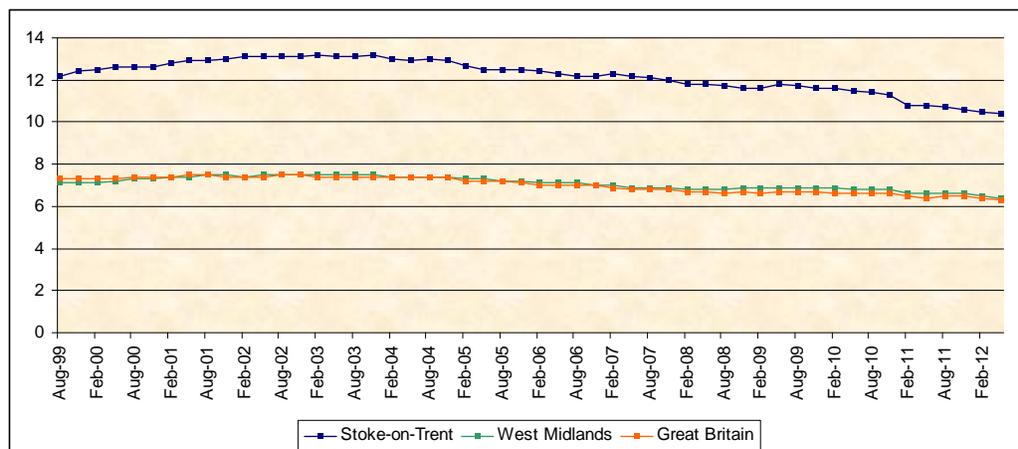
Steve Johnston,
Business Intelligence,
Corporate Resources
Stoke on Trent City Council

See also pages 33-34

7. Employment and Support Allowance

Graph 2 demonstrates that despite the efforts to move people experiencing long-term sickness off benefit and into work through the new regime of Employment and Support Allowance and the work Capability assessment, and despite the presence of the Work Programme, levels of long-term sickness remain stubbornly high in Stoke-on-Trent and significantly higher than the regional and national figures.

Graph 2. Percentage of working age people claiming Employment and Support Allowance or Incapacity benefit, source NOMIS



8. Type and value of housing

House prices in Stoke-on-Trent have traditionally been very low and this situation continues today despite the Housing Market Renewal programme. Stoke-on-Trent has the lowest house prices in England with an average property price less than half the national average. Values are also falling much faster than the national rate.

Table 6. House price index, source Land Registry, May 2011

	Stoke-on-Trent	West Midlands	England & Wales
average price	£73,733	£131,859	£163,083
% annual change	-4.7	-2.7	-1.3

Stoke-on-Trent has a significantly higher proportion of terraced housing than other areas and a far lower proportion of flats. The Private Sector Stock Condition Survey 2009 indicated a correlation between private renting and poor stock condition; 41.2% of private rented properties showed evidence of a Category 1 hazard compared to 18.2% of owner occupied properties. This had risen from the 35.8% reported in the 2007 Stock Condition Update.

Table 7. Dwellings in Stoke-on-Trent, source Census 2011

	Stoke-on-Trent (%)	West Midlands (%)	England (%)
Detached house	14.70	25.54	23.24
Semi-detached house	46.44	38.18	32.07
Terraced House	30.76	23.77	25.58
Flats	12.11	16.81	23.09

Of the properties offered to let through Rightmove, only 14.4% were one-bed and more than 75% were 2 or 3 bed. This reflects the fact that most of the private rented sector consists of 2 bedroomed terraced houses. These are usually preferred by landlords because they are cheaper to buy than new apartments. We are also noticing the gradual disappearance of one bed flats.

The impact of the bedroom tax is that it is already clear that demand is stripping supply and benefit customers risk being made homeless as they can't afford to meet the full rental costs.

Table 8 shows the split between those properties whose rent is within the Local Housing Allowance (LHA) rate, which is capped at the 30th percentile of private sector rents and those whose rents are above that level.

Table 8. Private rented sector letting available in North Staffordshire, source, Right Move, properties to let within 5 miles of ST1

	1 room	1 bed	2 beds	3 beds	4+ beds	total
up-to 30 percentile within LHA rate	0 0%	23 3.3%	73 10.7%	51 7.4%	6 0.8%	153 22.4%
above 30 percentile above LHA cap	2 0.5%	72 10.5%	298 43.6%	118 17.3%	39 5.7%	529 77.5%
total properties available	2 0.5%	95 13.9%	371 54.3%	169 24.7%	45 6.5%	682 100%

The number of unfit or substandard homes in the City was one of the reasons for government funding for the Housing Market Renewal programme. This led to some improvement in about 7,500 older properties and the demolition of 2,000 properties that were considered beyond repair. The premature ending of the Housing Market Renewal Pathfinder has left many undeveloped sites around the City Centre and a considerable number of derelict boarded-up properties. Much work is needed to improve the quality and fitness of properties in the City and to redevelop the derelict sites⁶.

Despite the Housing Market Renewal programme, investment in housing remains low. Since 2004/5 the net overall number of additional dwellings in Stoke-on-Trent has been falling. Since levels of house building peaked nationally in 2007/08 the number of net additional dwellings has fallen by 92% in Stoke-on-Trent, compared to 45% in West Midlands and 38% across England⁷.

The City Council has reported that "poor housing conditions are particularly associated with the private rented sector; pre 1945 terraced properties and converted flats⁸". Whilst this conclusion is not unexpected, its significance, in a City with such a large proportion of pre-1945 housing cannot be underestimated.

⁶ Renew North Staffordshire

⁷ Department for Communities & Local Government dwelling stock live tables

⁸ Local Area Needs, Stoke-on-Trent City Council, October 2010

9.Types of household

The table below shows that the number of one-person households is expected to increase by 8,000 over the next 10 years. At the same time the number of married couple will reduce by 6000 although this will be slightly off-set by an increase of 2000 in the number of cohabiting couples. If we take account the impact of EU accession, Housing Market Renewal and the change in the housing market over the last two years estimates show the number of one person households could already be as high as 107,250, with lone parent households likely to be around 10,000.

Table 9. Stoke-on-Trent actual and projected number of households⁹

Household Types	2001	2006	2011	2016	2021
Married couple	46,000	43,750	42,050	40,700	39,400
Cohabiting couple	9,250	10,450	11,450	11,900	11,950
Lone parent	8,600	8,300	8,000	7,650	7,350
Other multi-person	6,850	7,150	7,450	7,400	7,200
One person	32,500	33,700	35,050	36,600	38,100
All Households	103,150	103,400	104,000	104,250	104,000

The number of one person households is predicted to rise by 20% over the next decade further exacerbating the shortage of one bed properties.

Table 10. Household characteristic in Stoke-on-Trent private rented sector, source "Dynamics of the Private Rented Sector", Eco-Tech and University of Salford 2006 and 2011 census

	% Lone pensioners	% Childless couples	% one person non-pensioner	% families with children
1991	18	30	25	16
2001	7	12	31	25
2011 census	12.4	16.9	20.5	29.1

People in Stoke-on-Trent are less likely to own their own home and are more likely to rent than people in the West Midlands or England. Locally people are five times more likely to rent their home from the City Council than people nationally.

10. Housing Benefit and Local Housing Allowance

The City has a much higher proportion of people in receipt of Housing Benefit or Local Housing Allowance. The impact of the benefit cuts in housing will fall and Stoke will be disproportionately affected.

Table 11. Housing Benefit Recipients, November 2012, source Department of Work and Pensions

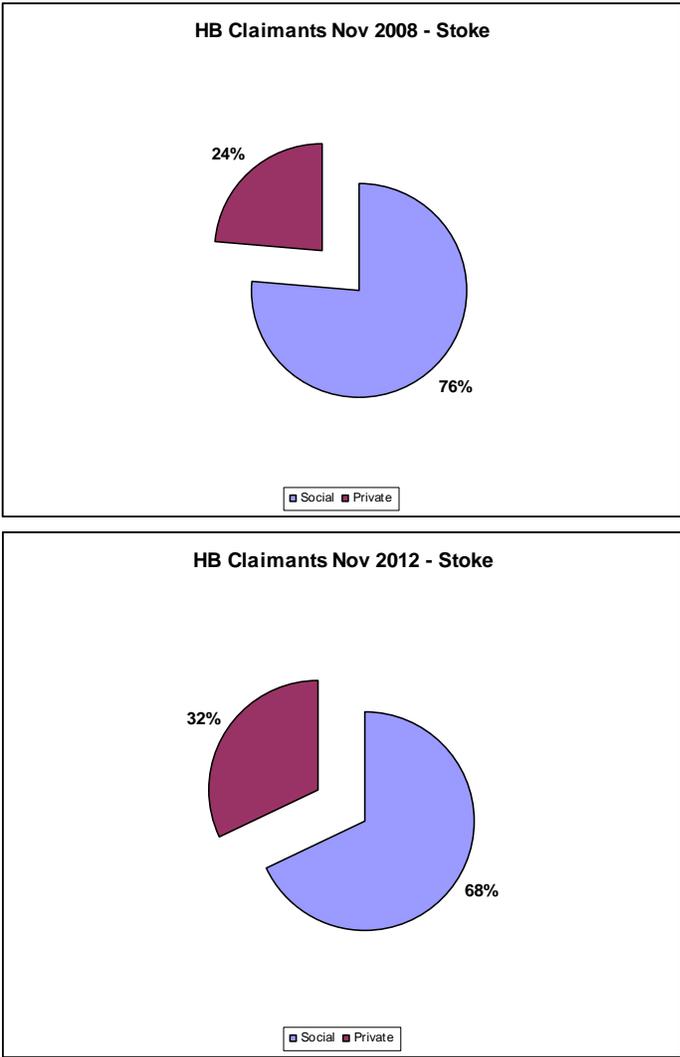
	Stoke-on-Trent	West Midlands	England & Wales
All Housing Benefit Recipients	26,710	462,440	4,564,580
Social Tenants (% of total)	18,170 (68%)	324,110 (70%)	3,007,300 (66%)
Private Tenants (% of total)	8,540 (32%)	138,160 (30%)	1,557,850 (34%)
Proportion of households(2011 Census) receiving Housing Benefit	25%	20%	19.5%

⁹ Household forecasts for Stoke-on-Trent UA, with an ethnic group dimension, University of Manchester, 2005

These clearly demonstrate that a higher proportion of households in Stoke-on-Trent rely on Housing Benefit than in the region or in England and Wales.

Private rented sector housing has become increasingly important in preventing and relieving homelessness. In Stoke-on-Trent 30% of homeless or potentially homeless people found homes in the private rented sector and 51% in social housing¹⁰.

Graph 3. Split between Social tenants and Private tenants as a proportion of housing benefit recipients



The two charts above show how the private sector has grown as a housing option for people relying on Housing Benefit, increasing its share of housing benefit recipients from 24% to 32% in four years. Between 2008 and 2012 the number of housing benefit recipients in Stoke-on-Trent rose by 18% but the rate of increase amongst private tenants was 60% and amongst social tenants just 5%.

¹⁰ Annual homeless prevention statistics – Department of Communities & Local Government

11. Homelessness

Homelessness began to fall in 2006. Wider use of the private rented sector and investment in supporting people services by the local authority proved very effective. However, Government statistics published in March 2011¹¹, show that homelessness is now rising. The Council accepted that its duties to assist homeless households had increased by 27% (compared to a national average increase of 19%).

Its` duty to house such households increased 35% locally (14% nationally). Households housed in temporary accommodation increased by 86%.

Stoke-on-Trent City Council's housing register shows that 38% of applicants require one bed housing. This type of accommodation represents only 4.2% of all Council stock and only 11% of all lettings. This lack of one bed accommodation accounts for 43% of the overall housing shortage.

¹¹ Quarterly homelessness statistics, Department of Communities & Local Government

CHAPTER 2 The National Context

This chapter seeks to identify the four main drivers behind Government policy. The Government's stated aims are to reduce the size of the State and create instead a Big Society. It argues that this will reduce the current deficit and on-going public expenditure, and make Britain more economically competitive. The Government aims to grow the UK economy by stimulating manufacturing industry to create new jobs. It also aims to simplify the workings of the State bureaucracy.

The welfare benefits budget was 19% of public spending in 1950 and it peaked at 30% in 1992. Currently it accounts for 16% of Government expenditure.

Driver 1 – Cutting public expenditure

This table shows each of the proposed major changes and the savings they are expected to generate. The aim is for a simpler, cheaper system that will save £22bn over the next four years.

Table 14. Predicted savings from welfare reforms. Source: Department of Work and Pensions

Change	Savings per year by 2014
up-rating of benefits and Tax Credits to the Consumer Price Index	£5.8bn
cap on household benefit payments	£270 million
freezing Child Benefit	£975 million
removal of Child Benefit from households with a higher rate tax payer.	£2.5bn
Local Housing Allowance caps and restriction to 4 bedroom rate	£65 million
Local Housing Allowance rate to be set at the 30th percentile	£425 million
the extension of the Shared Room Rate to single claimants under 35 years of age	£215 million
index linking of Local Housing Allowance	£390 million
Non-Dependant Deductions increase, reversing previous freezes	£340 million
limiting working age Housing Benefit entitlement to reflect household size	£490 million
Increasing the rate at which tax credits are reduced as income rises, from 39% to 41%	£765 million
Introducing a £2,500 income disregard for households facing a drop in income	£585 million
Tax credits childcare costs reduced from 80 per cent to 70 per cent	£385 million
Freezing of both basic and 30 hour elements of Working Tax Credit	£625 million
To receive Working Tax Credit, couples with children will have to work 24 hours (instead of 16) between them, and one must work at least 16 hours	£390 million
Reducing back-dating from three months (93 days) to one month	£330 million
Reducing the rise in income that a family can experience before their entitlement to tax credits is affected (the income disregard)	£420 million
Introducing a time limit of one year for entitlement to Employment and Support Allowance (contribution based) for those in the work-related activity group	£2bn
DLA mobility for people in residential care will no longer be paid unless they fully self-fund their own care	£135 million
Spending on Council Tax Benefit will be reduced by 10 per cent and decisions will be localised from 2013	£490 million
Freezing the maximum Savings Credit award in Pension Credit for four years from 2011	£330 million
Replacing Disability Living Allowance with Personal Independence Payments	£2.2 billion
Limiting uprating to 1% for 3 years from 2014	£1.9 billion
TOTAL ESTIMATED SAVINGS	£22 billion

Three of the proposed changes will incur additional costs but these are small compared to the amounts being saved:

- £90 million extra expenditure over the next two years which extends a temporary change in the Support for Mortgage Interest scheme for a further year.
- £40 million extra expenditure over the next two years on Discretionary Housing Payments.
- £2.56bn extra expenditure over the next three years to increase Child Tax Credit.

Driver 2 – Reducing administrative complexity and costs

Like many previous administrations, this Government aspires to simplify the welfare benefits system and thus reduce the size of the administration required to support it. Government is aware that previous attempts at simplification have been unsuccessful for one of two reasons. Firstly, they failed to take account of the special circumstances of groups or individuals. Patches were then required when public opinion was brought to bear on the anomalies and inadequacies thrown up by these simplified systems. The effect of the patches is to degrade the simple systems into a mass of complex and expensive exceptions and special rules. Secondly, the administrative simplicity of previous systems of universal benefit led to money being given to individuals who were perceived as not needing it.

Driver 3 – Making work pay

Government is aware that the marginal rate at which a person's income rises when they return to work often deters them from making the change to employment. There is little incentive to exchange the relative freedom of a life on subsistence level benefits for the demands of employment on the same income.

The Government is therefore introducing proposals which it believes will ensure that for every £1 extra people earn, they will be at least 35p better off as a result of being in work. Up to 2.7 million households will be better off as a result of the changes, with more than a million of these seeing an increase of £25 a week. But the Institute for Fiscal Studies has warned that while the changes could benefit 2.5 million households, a further 1.4 million face being worse off.

Ministers say transitional arrangements, costing £2.1bn, will be put in place to make sure no-one is worse off while they are being migrated to the new system. The short-term cost, they insist, will reap considerably higher savings in the long term.

Driver 4 – Reducing welfare dependency

Government argues that a life on benefits has become a lifestyle choice for some people. They want everyone to experience the satisfactions, intellectually, economically, socially, medically and societally of remunerative work. They believe that the rise in the number of claimants who were declared medically unfit to work during the 1980's and 1990's was caused by family doctors wrongly declaring people unfit to work because there did not appear to be any work for them to do.

Families with young children will be particularly affected by a number of the cuts, including:

- Withdrawal of Child Benefit for higher income families
- Families with babies under one year of age will lose out significantly as a result of the changes announced in the budget
- Lone parents will have to look for work and claim Jobseeker's Allowance, rather than Income Support, when their youngest child is aged five instead of seven

Fuel poverty will become an increasing problem for many people

- Funding for the Warm Front programme for 2010-11 is currently £345m. The Government has announced a reduction of 68% in this budget from 2011-12 onwards

CHAPTER 3 Specific Changes

This chapter explores the effect of fourteen of the Government's proposed benefit changes on the economy and people of Stoke-on-Trent.

1. Up-rating of tax credits and benefits limited to 1% until 2016

Introduced from: April 2013

Predicted national saving: £2.3 billion by 2016

The measure introduced in the 2012 Autumn statement proposes limiting the uprating of Job Seekers Allowance, Employment and Support Allowance, Income Support, elements of Housing Benefit, Maternity Allowance, Statutory Sick, Maternity and Adoption Pay and elements of tax credits to 1% a year until 2016.

This breaks the historic link between benefit uprating and inflation and means for the first time that the value of people's benefits will fall in real terms regardless of other changes. Most estimates of the savings to be made assume an inflation rate of 2.2% to 2.6% over this period, leading to cumulative cuts of up to 4% over this period.

Forecasts of the impact of these changes produced by Citizens Advice show losses by 2016 ranging from £4.50 a week for a single unemployed person to £13 a week for a family with two children where one adult is working and earning £13,000 p.a.

This change will also have an adverse effect on levels of Local Housing Allowance (LHA), which will be uprated annually by 1% from 2014 following one year at CPI (2013) In the ten years to 2007/8, median rents rose by almost 70 per cent whereas CPI rose by less than 20 per cent. If the LHA is up rated in line with the CPI, then its link to actual housing costs is removed. LHA will therefore become less and less realistic. This tendency will be exacerbated by the further restriction of uprating to 1% making LHA an even less realistic reflection of rents. Overall this change is likely to create an exodus of private landlords prepared to supply accommodation to LHA claimants and thus to reduce the income available for the improvements and repairs necessary in the private rented stock. This in turn will increase the demand for social housing which cannot be met by current development plans.

Recommendations for action:

1. MPs should press for the reinstatement of the Retail Price Index as the basis of the annual up rating of benefits and LHA rates.
2. The Local Authority should commission an annual report on the effect of this change. The report should be presented to the Full Council in a similar manner to the report of the Director of Public Health.

2. Child Benefit frozen and means tested

Introduced: April 2011 and January 2013

Predicted national saving: £975million a year by 2014

Taken alongside the changes described in paragraph 16 This cut will impose a loss of benefit equivalent to the rise in RPI index every year. At current inflation rates a family with two children will see the value of their Child Benefit fall from £33.70 per week to £29.26 per week. Some families will have this compensated for by increases in Child Tax Credit.

Recommendations for action:

1. The Local Authority should review its charging policies to devise a way of compensating poorer families for this cut, ensuring that they do not lose access to public services for which there is a charge

3. Local Housing Allowance to be set at the 30th percentile
 Introduced: October 2011
 Predicted national saving: £475million a year by 2014

Local Housing (LHA) is the amount deemed necessary to pay for private rented accommodation in any given area. It is the maximum rent that will be paid in a claim for Housing Benefit. This is currently set at the mid-point or 50th percentile, of local rents. Setting the maximum rent allowable for LHA at the 30th percentile will mean that people claiming LHA to cover the whole of their rent will only have access to the bottom 30% of the market instead of the bottom half of it.

Table 15: Local Housing Allowance rates at the 30th percentile

	1 room	1 bed	2 bed	3 bed	4 bed	5 bed
LHA rates up to 31 March 2011	£55.00	£80.77	£98.08	£115.38	£160.38	£219.23
LHA rates from 01 April 2011	£44.00	£75.00	£90.00	£106.15	£146.54	Abolished
LHA rates from 01 April 2012	£47.06	£78.46	£91.15	£109.62	£144.23	
LHA rates from 01 April 2013	£48.10	£79.62	£91.15	£109.62	£144.23	

Note - All 30th percentile figures are indicative only

Fifty per cent of private rented sector tenants in Stoke-on-Trent are in receipt of Local Housing Allowance. This is twice the national rate. The introduction of this cap to LHA could therefore result in unexpectedly large numbers of people becoming homeless or getting into rent arrears. As a result more people will turn to the Council for help. Many will have a legal right to assistance from the Council. The change may therefore create more work and generate more associated costs for the local authority.

These changes will also mean many private landlords will be discouraged from making the repairs necessary to substandard properties and others will be driven out of the market altogether.

Recommendations for action:

1. The Local Authority should set-up schemes that help people access affordable private rented sector accommodation. These should include provision of insurance against rent arrears for landlords and bonds for tenants. This will help meet housing demand, prevent homelessness and enable move-on from supported housing
2. Housing Associations should be encouraged to lease properties from private landlord because they are not subject to the constraints imposed by Local Housing Allowance. Similarly Local Authorities should develop schemes to refer statutorily homeless people to private landlords. These schemes would take advantage of the fact that properties let to prevent homelessness are not subject to 30% rule under Local Housing Allowance.

3. The Local Authority should provide private rented sector landlords with advice on how they and their tenants can get help. They could explore the setting-up of early warning systems designed to support tenants and landlords who might be getting into difficulties.
4. The Local Authority should work with landlords in the private and social rented sectors to maximise the Housing Benefit available to them.
5. The Local Authority should commission proactive arrears management advice services, working with private landlords and their tenants to ensure maximum take up of Housing Benefit. The services would also provide early intervention and support for tenants at risk of arrears.
6. The Local Authority should consider how delivery mechanisms such as Supporting People and Homelessness Grant can be used to prevent homelessness and respond to people in crisis.
7. The Local Authority should promote the provision of Discretionary Housing Benefit payments to claimants adversely affected by the changes and agree a policy for awarding Discretionary Housing Payments.
8. The Local Authority should seek the support of MPs to press their case for a Local Housing Allowance Transition Fund grant which is currently before Government.

4. Extension of the Shared Room Rate to single claimants under 35 (up from 25)

Introduced: Jan 2012

Predicted national saving: £215 million by 2014

Currently single people aged under 25 who rent accommodation in the private sector have their housing benefit restricted to the Local Housing Allowance rate for a bedroom in shared accommodation. The proposed change will extend this restriction to single people aged under 35, except for those in receipt of the severe disability premium, causing an average loss of £45 a week to those claimants affected.

Stoke-on-Trent's private rented sector is characterised by two bed terraced property. The percentage of single room accommodation showed a significant decline between 1995 and 2001. For many people, shared accommodation is not appropriate. Some single people, particularly young women, are vulnerable to exploitation by others or they have health problems that would make it difficult for them to share a home. Joint tenancies mean joint liabilities where one person can be held responsible for the utility bills and rent arrears of a housemate. This change will result in far too many people inappropriately sharing poor quality terraced housing which does not have adequate sanitary or catering facilities.

The Department for Work and Pensions (DWP) has demonstrated that people under 35 usually aspire to their own home. Brighter Futures has considerable experience of the beneficial effect on those with health and social needs of living in self contained accommodation.

There are some exemptions to the scheme, these are for tenants who live in self contained accommodation AND:

1. Receive the severe disability premium because they are entitled to the middle or higher rate care component of the Disability Living Allowance.
2. Need an extra bedroom for a carer who provides the tenant with the overnight care they need but does not normally live with them.
3. Have spent at least three months in a hostel for homeless people specialising in rehabilitating and resettling within the community. The three month period does not have to be continuous nor do they have to have

stayed in the same hostel. Once someone has qualified for this exemption it will remain in place until age 35 even following a change of address.

4. Are ex-offenders who pose a risk of causing serious harm to the public and are managed under active multi-agency management under the Multi Agency Public Protection Arrangements (MAPPA). This is considered appropriate in order to safeguard the public and will remain in force for as long as conditions apply or until age 35.
5. Were previously in care and are under the age of 22. The shared room rate will apply when they reach 22.

Recommendations for action:

1. MPs should argue for exemptions to the single room rate for those people who would be vulnerable to exploitation if they shared a home or where moving would have a disproportionate impact on the tenant or on their carer.
2. The Local Authority should facilitate a lodger to landlord matching service. This could be aligned with landlord accreditation scheme so that landlords could promote their credentials as well as advertise rooms they had to let.
3. The Local Authority should publicise the fact that anyone could rent a room in their home and get up-to £4,600 per annum tax free. Local Authorities should provide support for first time landlords.

5. Limiting working age Housing Benefit entitlement to reflect household size

Introduced: April 2013

Predicted national saving: £490 million

This change will restrict Housing Benefit for working-age tenants who are occupying a larger social rented property than required, such as a couple or a widow in a three-bedroom house. Size restrictions already apply to private sector tenants.

Cutting Housing Benefit for working-age tenants who under occupy their homes will affect around a third of those living in social housing. The DWP estimates that this change will affect 670,000 people living in social housing. Households who under-occupy by one room will lose 14 per cent of their Housing Benefit. Those with two or more spare rooms will lose 25 per cent. Communities will begin to experience significant change in the make-up of the local population as people forced to find alternative accommodation move away from established support networks.

Underlying this change are the assumptions that under occupancy is of itself a problem and that alternative, smaller, accommodation is readily available. Stoke-on-Trent has a large number of 3 bedroom houses in the social rented sector but relatively few one bed flats. It will be important that social landlords respond by prioritising the allocation of smaller properties to under-occupying tenants. We are already seeing the consequence of this practice will be a reduction in the availability of one bed accommodation, possibly adding to the number of homeless single person households. (See table 8- page 14)

In many cases it will be impossible for the under-occupying tenants to get transfers to properties of the right size in the social rented sector. If they move to the private rented sector they will feel the impact of the Local Housing Allowance cuts outlined above. In either case the effect will be to make their tenancies less sustainable, rent arrears are likely to rise and large numbers of tenants are likely to be affected.

Table 16: Estimated combined social rents per week for 2 + bed properties and numbers of social housing households estimated to be subject to the under occupation penalty . Revised Jan 2013 using updated DWP regional loser totals

	Losers (estimated)	Value of the benefit cut for 1 extra bedroom (14%)	Value of the benefit cut for 2+ extra bedrooms (25%)
Great Britain	659,987		
Stoke on Trent North	1,295	£482	£861
Stoke on Trent South	1,246	£474	£846
Stoke on Trent Central	1,210	£474	£846
Newcastle under Lyme	916	£515	£920
Staffordshire Moorlands	363	£551	£984

Stoke-on-Trent City Council has identified over 3,500 tenants likely to be under occupying who will lose an average of £10 per week.

Stoke-on-Trent City Council’s draft Discretionary Housing Payment policy prioritises the under occupancy penalty as one of the situations in which a Discretionary Housing Payment will be available. However, while acknowledging that the scale of the problem will dwarf the resources available, the priority groups under the policy are very restrictive.

The consequence of this will be to exclude a large number of people who will become at risk of losing their home through no fault of their own.

Our experience is that many adults who have enduring mental ill health or learning disabilities are vulnerable to exploitation when living in a shared home. This is particularly the case if they have not had a say in the decision making process about whom they live with. There is also a case for separated parents to be exempt from this policy as it will make it harder for them to have meaningful access to their children.

The impact of these changes will result in an increase in arrears or reduced disposable income where the eligible rent falls but the occupants cannot move to a smaller property, greater turnover of properties in social housing estates leading to an undermining of communities, greater demand for an inadequate stock of smaller homes, potential increase in housing benefit spend if there are no alternatives available in the social sector and the tenant has to move to a more expensive privately rented property.

Recommendations for action:

1. MPs should argue that an exemption be made against under occupancy if additional bedrooms are require to allow a tenant to have meaningful contact with his or her children for whom he or she does not have care.
2. MPs should argue for the right for a Local Authority to seek exemption from these regulations where they can demonstrate that the profile of their housing stock makes it impracticable to expect people to live in one bed accommodation, as is the case in Stoke on Trent.
3. MPs should argue against the imposition of the under-occupancy rules on existing tenants.
4. The Local Authority should seek to renegotiate nominations agreements with Housing Associations to make sure the supply of social housing is used to the full potential to meet demand. There is need to ensure maximum take-up of nomination rights with social housing providers.
5. The Local Authority should give planning preference to single bed accommodation and prioritise support for landlords and others seeking permission to create one bed units.

6. The Local Authority should investigate sources of funds to provide grants to those converting accommodation to provide one bed properties.
7. Local Authority and Housing Associations could increase supply of one bedroom accommodation by encouraging the refurbishment of empty commercial properties to bring them back into use as one bed roomed accommodation.
8. Local Authority and Housing Associations should work in areas where there is an oversupply of two or three bedroom accommodation and an undersupply of one bedroom accommodation to convert traditional semi-detached houses into smaller units.
9. Where an existing tenant is faced with being penalised by this rule the Local Authority should consider converting the tenant's 3 bed house into two one bed flats and letting one of them to the tenant.
10. The Local Authority and Housing Associations should ensure that all housing management staff are trained to give basic financial advice and have the skills necessary to make appropriate referrals to specialists.
11. The Local Authority should commission proactive arrears management advice services working with private landlords and their tenants to ensure maximum take up of Housing Benefit and to support early intervention of tenants at risk of arrears.
12. The Local Authority should explore how delivery mechanisms such as Supporting People and Homelessness Grant can be used to prevent homelessness and to respond to people in crisis.
13. The Local Authority should promote the provision of Discretionary Housing Benefits payments for claimants adversely affected by the changes and agree a policy for awarding Discretionary Housing Payments.

6. Non-Dependant Deductions to increase, reversing previous freezes

Introduced: April 2011

Predicted national saving: £340 million by 2014

Deductions can be made from the claimant's benefit if they share their home with adults not dependent on them, such as adult children over the age of 18. The deductions are justified on the assumption that the non-dependent person will pay a contribution towards the rent. These deductions will be increased under the new rules. The deductions are fixed sums which depend upon the non-dependents' gross weekly income. The deduction is made regardless of whether the non-dependent person pays or not.

There are six separate rates of Non-Dependant Deductions depending on the declared earnings level of the non-dependant. These rates have been frozen since 2001. They range from £7.40 to £47.75 a week. From April 2011 there will be staged increases in non-dependant deductions. They have risen each year and from April 2013 will range from £13.60 to £87.75.

Non-dependents unable or unwilling to pay the additional costs incurred as result of this change may be forced to leave home. This will increase the number of under-occupiers, who will then become affected by the changes outlined in the previous section. It is estimated that the top rate non dependant deduction will rise from £47.75 to £87.75 a week.

Non-dependant deductions are complex to administer and difficult for claimants to understand. They are perceived as unfair since they are imposed at the same rate regardless of the rent due. There has long been pressure for their reform or abolition.

However, the introduction of Universal Credit brings with it a flat rate 'Housing Costs Contribution' of £68 a month regardless of income, which is the nearest equivalent. This raises the very real prospect that some tenants with a non-dependant deduction, even with an under occupancy penalty, may be significantly better off claiming Universal Credit rather than Housing Benefit. During Universal Credit's introduction there will be a need for advice for tenants about which scheme is most advantageous to them.

In some cases, where the tenant remains on housing benefit, the effect of these deductions will be to take tenants out of the scope of housing benefit altogether and require their rent to be paid by the non-dependents with no contribution from the actual tenant. If a non dependent person fails to pay it will be difficult for the tenant to enforce their right to a contribution. In such cases it is likely that, after a period of disagreement, the non-dependent will leave and perhaps become homeless. The tenant is likely to be in arrears and possibly under occupying. Low levels of under occupation in the City are a testimony to the way in which local communities have used the available housing resource prudently. People have generously offered rooms to those without accommodation. Such informal solutions to the housing shortage will be discouraged by this change.

Recommendations for action:

1. MPs should argue for the right of a Local Authority to seek exemption from the under occupancy rules where it can be demonstrated that the profile of its housing stock makes it impracticable to expect people to live in single bedded accommodation.
2. The Local authority and housing associations should bring together tenants who find their Housing Benefit cut because of under occupation with those forced to move because of the impact of Non-Dependant Deductions. People moving out of accommodation affected by the single room rent should be assisted to become lodgers or sub-tenants of social housing under-occupiers. Although the non-dependent deductions would still apply, the rent from the lodger/sub-tenant would compensate. Housing associations may need to review their tenancy agreements to support such arrangements and first time landlords will require support and advice.

7. Reduce the flexibility of Working Family Tax Credits

Introduced: 2012

Predicted national saving: £240 million a year by 2014

Currently Tax Credits are assessed for 12 months based on the income received in the previous 12 months and the amount the recipient expects to receive in the next. Currently if a claimant receives less than expected, any resultant underpayment of Tax Credit will be made up. A claimant can ask for a new assessment during the year if they suffer a sudden fall in income. Once the fall in income is proved, their Tax Credits rise accordingly. It is proposed that any decrease of less than £2,500 a year won't prompt any reassessment of Tax Credits and people will have to cope with the loss of income.

Recommendations for action:

1. The Local Authority should publicise the need to plan the timing of a claim if workers are aware of likely fluctuations in their wages.
2. The Local Authority should promote the provision of Discretionary Housing Benefits payments for claimants adversely affected by the changes and agree a policy for awarding Discretionary Housing Payments.

3. The Local Authority should support the provision a special advice hotline provided outside normal office hours to assist those affected.

8. Cutting entitlement to contribution based Employment and Support Allowance to one year

Introduced: April 2011

Predicted national saving: £2 billion a year by 2014

Employment and Support Allowance (ESA) is the benefit which used to be called Incapacity Benefit. Currently there is no limit on length of a persons` claim for the element derived from their national insurance contribution record, other than the length of their incapacity for work. It is proposed to limit entitlement to the contribution based element to one year in all cases. Nationally this cut will affect about 1 million people and reduce their incomes by up to £2 billion by 2014. It will hit hardest those with longest term sickness, cancer, heart or circulatory disease and other illnesses which prevail in Stoke on Trent. This change will cut the income particularly of those with a working or pensioned partner who have no entitlement to the means tested element of ESA. This change violates the traditional National Insurance principle, whereby people pay national insurance and are protected in times of need.

Recommendations for action:

1. The voluntary sector should assist MPs to argue against this limitation by providing examples of the hardship that it will create.
2. MPs could argue against the implementation of proposals to reduce entitlement to Employment and Support Allowance at least until regeneration and job creation programmes are in place to provide work for those who are capable of work. This will not help those who remain incapacitated after one year.

9. Reassessment of Incapacity Benefit claimants under Employment and Support Allowance rules

Introduced: currently in operation

There are approximately 14,000 Incapacity Benefit claimants in Stoke-on-Trent and all are required to undergo a process to review their entitlement to benefit under new criteria. The criteria are tighter and it is intended that the Work Capability Assessment will lead to many people being disqualified from Incapacity Benefit.

Department of Work and Pensions (DWP) research shows that, Between October 2008 and February 2010, 122,000 decisions to remove entitlement to ESA were appealed. In 39% of cases the decision to refuse Benefit was overturned.

A conservative estimate is that, locally, 50% of Incapacity Benefit claimants could lose benefit. This could result in a loss of income of on average of £28 per week. This could cost the local economy £13m per annum. The loss, however, could be much greater. A single person who fails to qualify for ESA would lose 30% of their weekly income. This change could double the number unemployed people seeking work. The impact of these cuts will fall disproportionately on Stoke-on-Trent as we have a disproportionately high number of people claiming Incapacity Benefit and Employment Support Allowance.

Although not part of the welfare benefits changes, from April 2013 the impact of taking welfare benefits advice out of the scope of legal aid will hit those people who want advice on how this and other changes affect them. In particular, it will make it impossible for many claimants to challenge decisions they disagree with or to correct the mistakes that will inevitably occur in any wide scale welfare change.

Recommendations for action:

1. The voluntary sector should collate evidence of the way in which medical reviews are handled by independent contractors. Evidence of malpractice should be reported swiftly to MPs and, where appropriate the relevant professional bodies.
2. The Local Authority should support specific work to maximise the take up of means-tested benefits for those who become entitled to them when their contribution-based ESA expires.
3. Job Centre Plus and Work Programme contractors should set-out how they intend to co-ordinate their efforts to cope with the potential sudden increase in unemployed people so as to mitigate the impact on the local economy.
4. The Local Authority should provide extra resources to assist those who seek to appeal against benefit disentitlement decisions. The effectiveness of this approach and its effect on the local economy should be monitored.
5. The Local Authority, housing associations and voluntary sector organisations staff should be given training in advising people threatened with the removal of their livelihood.
6. MPs should press the Government to complete the implementation of the recommendations of the Harrington review of the Work Capability Assessment in full as a matter of urgency.

10. Cuts to help for home owners.

Introduced: January 2011- Completion 2014

Cost to Government: £90 million over the next two years

Government is seeking to make two separate but linked changes in the way they support home owners who cannot make their mortgage payments. Claimants receive help with their mortgage interest at a fixed rate, regardless of the actual interest they are required to pay. From January 2011 the rate was dropped to 3.63%, which is below many mortgage rates, especially sub-prime rates. This will inevitably lead to an increase in repossessions and homelessness.

Secondly, since January 2009 the maximum period for which people could claim help with their mortgage payments whilst unemployed or sick was limited to 104 weeks. From January 2011 the first batch of claimants who were still unemployed have seen this support stop. This has left them with no help towards their mortgage payments. This has inevitably led to an increase in arrears, repossessions and homelessness.

Recommendations for action:

1. MPs should lobby for exemption to this rule for those in particularly vulnerable groups.
2. The Local Authority should seek to secure continuation of funds for the special advice sessions at the District Court on possession hearing days if Legal Services Commission funding ends.
3. The Local Authority should seek to secure extra funds to increase capacity to provide debt advice.
4. The Local authority should offer support to launch of a campaign to explain the implications of this cut to local lenders.

5. Housing associations should be encouraged to use their resources to set up “sale and lease back” schemes for tenants affected by this cut.

11. Introduction of Universal Credit

Introduced: in pilot areas from April 2013, nationally for new claims from October 2013.

Predicted national cost: £2.1 billion

Universal Credit will combine all means tested benefits and tax credits into one. The intention is to make processing claims simpler, improve take-up, reduce error and be cheaper to administer. The Government estimates that about 2.7 million households will have higher entitlements as a result of Universal Credit, with more than one million households seeing an increase in entitlements of more than £25 a week.

Issues:

- **Conditionality & sanctions** – we are concerned that Universal Credit will see the introduction of fixed penalties for what could be genuine mistakes arising from the changes to the system and the methods of claiming.
- More specifically we are concerned that some of the work-related requirements, especially those connected with the individual earnings threshold may be counter-productive or contradictory. E.g. someone who works part-time and earns the minimum wage will be required to look for increased hours, if they are available. Normally the requirement is to spend 35 hours a week job searching. It is unclear whether this requirement will be varied if they are working for some of those 35 hours.
- The increasing prevalence of part-time work and zero hours contracts to create flexibility, especially within the service sector may act against the aspiration that claimants should increase their work and they may be sanctioned for something that is effectively not their fault.

Table 17: Changes in how people describe themselves as in part time and full time employment.

Source : 2001 and 2011 Census

	Stoke on Trent	West Midlands	England
Described as part-time	+36.5%	+26.1%	+27.1%
Described as full-time	-1.2%	-0.1%	+3.6%

- **Introduction of savings limit where none exists with Tax Credits** – at present there is no savings limit for Tax Credits so capital is completely disregarded. Under Universal Credit only capital under £6,000 will be disregarded, anything between £6,000 and £16,000 will attract a tariff income of £4.35 a month for every £250 or part thereof will be assumed and any savings over £16,000 will exclude the claimant from Universal Credit. Transitional protection will protect existing claimants but it is not clear, yet, how long this will last.
- **Digital by default** – we are concerned that many of the more vulnerable claimants of Universal Credit will be unable to make a claim due to lacking access to the internet or lacking the skills or confidence to undertake complex transactions online. In addition there appears to be little provision either for online claims or telephone claims for people whose first language is not English. Our experience of the problems faced by non-English speakers trying to access HMRC to discuss their Tax Credits does not inspire confidence. Callers cannot access an interpreter until they have answered the security questions... in English. This anomaly often precludes them from any meaningful dialogue with HMRC.

- **Monthly payments & budgeting issues** – while we understand the Government’s aspiration that Universal Credit imitates work, there will be many Universal Credit recipients for whom work is not an option due to ill-health or disability or caring responsibilities and therefore to whom this aspiration is irrelevant. Many households used to budgeting weekly will struggle to switch to monthly payments and we are concerned this will lead to an increased uptake of payday loans, other sub-prime credit products and even greater resort to loan sharks as families struggle to cope at the end of the month. In their own research the DWP identify that 67% of claimants surveyed ran out of money ‘Always/most times’ or ‘More often than not/sometimes.’ This rose to 80% for people receiving JSA.
- **Loss of Direct Payments for rent.** Added to the difficulties of managing a monthly payment is that rent will be part of the Universal Credit so claimants will no longer be able to opt for payments to be made directly to the landlord. This is likely to be compounded by under-occupancy penalties and increased non-dependent deductions. Early pilots of this change have shown significant increases in rent arrears which could lead to people losing their home as they struggle to manage balance of the demand between the rent debt and a pay day loan.
- **Exempt rents**
The definition of exempt accommodation in the Housing Benefit regulations is:

1. Where a social landlord employs staff directly to provide care, support or supervision to its tenants, as long as this is more than minimal. There is no clear amount as to what is more than minimal, although it is probably safe to say 2 to 3 hours should be.
2. And the accommodation is provided by a housing association, registered charity, registered social landlord, county council or voluntary organisation.

Local authorities are interpreting this locally. Where we are the landlord there is no risk of properties not being exempt. Where we are not the landlord we need to talk to the local authority. Stoke CC have agreed that where support is part of a tenancy agreement they will class the property as exempt. Other rents at risk include Walsall Almshouses.

The bedroom tax and benefit cap restrictions will come into force in April 2013 for all non-exempt properties. **These restrictions do not apply to exempt accommodation.**

Claimants in exempt accommodation will remain on housing benefit for their housing costs but all their other benefits will move to Universal Credit as per the above timetable

Service charges

1. The Universal Credit eligible service charge list includes
 - a. Accommodation specific charges – use of essential items such as furniture or domestic appliances
 - b. The Salary and Management costs included in our service charge may become ineligible, approx. £16 per week
2. Non-dependant deduction apply to over 21s, over 25s for housing benefit.
3. The local authority can restrict, by reference to a rent officer’s/local housing allowance determination, the amount of rent eligible for benefit. LHA in stoke on Trent, per week, are as follows
4. Shared accommodation rate restriction applies to everyone under 35 years old

a. Shared accommodation	£47.06
b. 1 Bedroom	£78.46
c. 2 Bedroom	£91.15
d. 3 Bedroom	£109.62

- **Minimum Income Floor for self-employed people** – self-employed people will be assumed to be earning a certain amount each month regardless of their actual earnings. This will hit people unable to earn above the Minimum Income Floor and may make it unviable for them to continue in self-employment.
- **No support with mortgages for people in work** - No housing costs to be included for owner-occupiers in paid work – ‘zero earnings rule’. This will be a potential step, of the kind which Universal Credit was designed to remove, for the relatively small number of people receiving help and may act as a deterrent for some people to take work. However, claimants will then be in the unenviable position of having to choose between being worse off in work or suffering a sanction. This will be offset to an extent by the increased monthly work allowances (formerly earnings disregards) available where the award contains nothing for housing costs.
- **Loss of higher rate personal allowance for single parents under 25** – Under Universal credit single parents under the age of 25 will no longer be entitled to receive the higher rate of personal allowance. Instead, they will receive the same rate of allowance as an under-25-year-old without any children. This means that out-of-work single parents between the ages of 18 and 25 will receive £15 per week less than they would under the current system – a loss of £780 a year.

This £15 a week reduction in personal allowance for parents under 25 will also affect working single parents who would otherwise receive Working Tax Credits, meaning that in total approximately 240,000 single parent families under 25 will be affected by this change.

- **Real time reporting including the impact for self-employed and agency/casual workers** – a key component of the Universal Credit process is the ability for real time changes in wages to be accommodated via the HMRC’s Real Time Information system. Although this will have been piloted for 18 months by the time Universal Credit is introduced there are still plenty of opportunities for it to fail. The back-up self-reporting provisions, if Real Time Information fails for any reason, will be confusing for claimants and increase the likelihood of genuine mistakes for which claimants will inevitably find themselves sanctioned.

It is likely that casual and agency workers, staff on zero hours contracts and other employees with ‘flexible’ work patterns will be those most at risk of failures in Real Time Information and consequent budgeting challenges.

- **Support via Local Support Service Frameworks** – The DWP will be working with local authorities and other partners to establish Local Support Service frameworks to provide advice and support to people over the introduction of Universal Credit. It is essential that Stoke City Council engages actively in this process to ensure that the appropriate support is in place with the following issues:
 - Information and advice for residents about the changes and how individuals will be affected including the ability to model likely entitlements;
 - Information briefings and training for service providers with service users who are affected by Universal Credit;
 - Support for residents/claimants with the claims process, including increasing access to online claims through wifi, pop-up internet cafes and other community based and innovative solutions;
 - Support for claimants with budgeting and managing money under the new payment regime, including training and support in financial confidence building;

- Advice and support for residents with the consequences of the introduction of Universal Credit, especially benefits advice around appeals, debt and housing advice where Universal Credit leads to the likelihood of legal sanctions for debt or housing arrears.
- **Reduction in support for severely disabled people (SDP)** - People who are severely disabled and live on their own or just with a child have extra costs which are not faced by severely disabled people who have a partner or carer. Under the current system they are eligible for severe disability premium, but there is no equivalent for this in Universal Credit. The Severe Disability Premium is currently worth £58 a week. While existing recipients will be protected under the transitional arrangements, new claimants and existing claimants who become disabled will be worse off under the new scheme with no opportunity to improve their circumstances.
- **Reduction in support for working people, with disabilities** - In order to get extra help in work, someone with a disability or health condition will have to qualify as not 'fit for work' under the work capability assessment. In addition Part 5 regulation 51 makes it clear that where someone earns more than the equivalent of 16 hours at the minimum wage they will be entitled to have a Work Capability Assessment to assess if they qualify for extra help when moving from a sickness benefit. However, when someone in work with a degenerative condition needs to reduce their hours, they will not be entitled to ask for a Work Capability Assessment to see if they qualify for any extra help unless also on Disability Living Allowance or Personal Independence Payments.
- **Amendments to Pension credit for mixed age couples** – A couple with one above pension age and one below pension age (a 'mixed-age' couple) are currently entitled claim pension credit. Under Universal Credit, a mixed age couple will not be entitled to state pension credit and will effectively be treated as a working age household, with a benefit entitlement that is more than £110 lower per week. Requiring the younger of the couple to seek work or engage in work related activity is understandable, but removing entitlement to pension credit without adding a pensioner addition into universal credit deprives the elder of the couple of their entitlement. This could be resolved with the inclusion pensioner premium within Universal Credit for such couples. The date from which this change will take effect has yet to be confirmed but it will not be earlier than October 2013. Existing 'mixed age' couples who are already receiving Pension Credit when this change is introduced will be protected.
- **Changes for disabled people in work** - At present disabled people working more than 16 hours per week are entitled to the disability element of Working Tax Credit. It is payable to those who have a disability or condition that makes it more difficult for them to find and sustain employment. It is important because disabled people frequently face extra costs from working which cannot be met by schemes such as Access to Work. 116,000 families receive the disability element of Working Tax Credit worth £54 a week.

Under Universal Credit, any person requiring additional support because they are disabled will have to take the Work Capability Assessment . Anyone who is found to be fully 'fit for work' in the Work Capability Assessment will receive no extra financial help within Universal Credit. In the current system, this additional financial support is provided through the disability element of Working Tax Credit.

- **Changes to support for disabled children** - At present, families with a disabled child in receipt of some level of Disability Living Allowance, may be entitled to receive additional financial support through the disability element of child tax credit, currently worth £57 a week. Under the new system, this support is to be provided through a 'disability addition' in a family's Universal Credit entitlement.

However, the proposal is to cut the level of this financial support in half to just £28 a week. This change will affect those families with a disabled child unless the child is receiving the high rate care component of Disability Living Allowance or is registered blind. The government estimates that this change will affect around 100,000 disabled children.

Recommendations for action:

1. MPs should press Government to issue greater detail on the impact of Universal Credit and to argue for :
 - a. housing costs based on actual housing costs and retention of option to pay directly to landlord
 - b. retention of additional support to people with disabilities currently available under Income Support, via the Severe Disability Premium, and the disability element of Working Families Tax Credits, both of which appear abolished.
 - c. adequate provision of help with childcare costs.
 - d. Statutory Sick Pay and Statutory Maternity Pay should be treated as earnings and not benefits so that recipients can benefit from the earnings tapers.
 - e. Income from self-employment should not be deemed to be at the national minimum wage as in many cases this will be more than it actually is.
2. The Local Authority should monitor closely the effects of this benefit on the local economy as the impact of its implementation become clearer.
3. The Local Authority should press the DWP for an adequate financial settlement through the Local Support Service Framework and use this money to commission a range of support services from local providers to support more vulnerable residents to engage with Universal Credit. These services should be focussed on:
 - a. Independent advice on entitlement and challenging decisions
 - b. Support for budgeting and managing the new payment regime
 - c. Support with making and managing claims online, especially for those whose first language is not English

12. Personal Independence Payments

Introduced pilot in 2013, national new claims from June 2013.

Predicted national savings £2.2 billion

The Personal Independence Payment replaces working age Disability Living Allowance from 2013-14.

- PIPs will be phased in between a pilot phase for new claims (including CW and CH post codes) from April 2013 and existing cases will be reassessed on a rolling basis to complete the transition by 2016.
- There will be two components – daily living and mobility each paid at a standard or enhanced rate.
- Assessment will be by a face to face assessment with a health care professional against a list of 10 criteria for daily living and 2 for mobility, each scoring up to 8,10 or 12 points. 8 points are required for qualification at the standard rate and 12 points for the enhanced rate.
- This may simply transfer some of the problems with Employment and Support Allowance’s work capability assessment into the new PIP.
- It is likely, from October 2013, that people being reassessed who qualified under the old criteria for Disability Living Allowance will find that they do not qualify under the PIP criteria, or they qualify for less without any apparent change in their condition simply because they passed one test but fail another. Personal Independence Payments will be where the 20% savings in the national DLA budget will be made.

- Stoke-on-Trent has a significantly higher than average number of people receiving Disability Living Allowance, (8.3% of the population compared to 5.1% nationally) with 19,950 people receiving it in May 2012. Therefore any cuts will fall disproportionately heavily on the local area.

Recommendations:

- Surveillance systems be put in place to assess success rates under the new scheme and to monitor the validity of the assessment process;
- Support be provided for people attending assessments so they understand the process, the criteria and how to ensure their needs are accurately assessed;
- Support be provided for people wishing to challenge refusals or reductions in award. It is likely far more appeals will be generated from Personal Independence Payments than Universal Credit, especially bearing in mind the experience of Employment and Support Allowance.

13. Abolition of Community Care Grants and Crisis Loans

Introduction: April 2013

Savings for government: £tbc

Community Care Grants and Crisis Loan will be abolished and replaced by some form of local support run by Local Authorities (yet to be announced in Stoke) and devolved administrations. This has the potential to make an imperfect system even worse. Currently the Public Accounts Committee estimates that only 32% of “legitimate need” for community care grants is met. This clearly impedes people’s ability to be resettled and establish a settled way of life, important as a step towards employment and independence.

The payment of these benefits will create an enormous bureaucratic task for the Local Authority at a time when it is required to cut expenditure. Without access to crisis loans more people will be forced to take out pay day or sub-prime loans with prohibitive levels of interest forcing more people in to debt more quickly.

Recommendations for action:

1. The Local Authority should, if it is responsible for the social fund transfers to local government, commit to ring-fencing this funding for its original purposes.

14. Ending of Education Maintenance Allowance

Introduction 2011

The abolition of this award has had a serious impact on the economy and participation in further education in Stoke-on-Trent.

This cut was particularly savage because those families with teenagers who would have qualified for Educational Maintenance Allowance have felt the impact of the Non-Dependent Deductions. Young people will remain reliant on family support or on whatever they can earn in their spare time. The impact of this has been to make further education less attractive to children of poorer families. The figures above (Chapter. 1, Table 4 and Graph 1 pages 8-9) demonstrate both the low number of available jobs and the high number of young people who are not in education, employment and training. These changes are likely to mean that fewer young people will be able to afford to continue their education and the social and economic capital of the City will therefore be diminished.

Recommendations for action:

1. MPs should press for restoration of Educational Maintenance Awards or the introduction of a comparable scheme to replace it.

15. Localisation of Council Tax Support

Introduction April 2013

Predicted national saving: £480 million

From April 2013 all local authorities will be responsible implementing their own council tax support scheme, which in the majority of cases will require all households to contribute towards their council tax.

The local scheme adopted in Stoke will have the following characteristics:

- The minimum payment in Stoke-on-Trent will be 30% of the relevant rate, the highest percentage in North Staffordshire
- The maximum band will be Band D
- The savings limit for people under pension age has been reduced from £16k to £10k
- Proposed increases in earnings disregards appear not to have been included in the final scheme

The likely consequences of these changes to the scheme will be:

- An increase in arrears and more and more people becoming subject to recovery action with the real prospect of people being imprisoned for non-payment
- A significant fall in collection rates and increase in uncollected council tax, which in turn will impact on the council's ability to self-fund services

Recommendations

- Hardship Fund – rules should be consistent, fair, proportionate and the amount budgeted significant enough to prevent hardship
- Recovery methods – default recovery methods should be deductions from wages or benefits rather than bailiff action
- The City Council should adopt a policy to remit arrears in prescribed circumstances (e.g. where arrears are wholly attributable to benefit shortfall and no hardship payments available)
- The City Council should adopt a policy not to press for imprisonment except for wilful refusal

16. Withdrawal of Child Benefit from families where there is one parent earning more than £50,000

Introduced January 2013

Predicted national saving: £2.5 billion

While this much publicised change will not affect many of the poorest families in the city it is significant for the following reasons:

- Hitherto Child Benefit has been a universal benefit, available to all regardless of income provided that some fairly simple qualifying criteria were met, ever since it ceased to be a tax allowance. Much of its previous support derived from its universality and the fact every family in the country had a stake in it. This has now gone
- Its simplicity also meant it was one of the cheapest benefits to administer and had one of the lowest error rates, making it a remarkably efficient mechanism for distributing money to families. The introduction of a mechanism to limit entitlement immediately increases the complexity and the scope for error or fraud
- In a bid, presumably, to avoid excessive cost from a more sensitive means-testing system, the proposed method has created numerous anomalies, especially where a couple with two incomes just below the threshold can have a higher household income and receive Child benefit than a couple with one earner, who earns over £50,000, who will lose some or all of their benefit. The concession of a phased withdrawal for income between £50,000 and £60,000 has been introduced but only if the taxpayer opts for income tax self-assessment
- Traditionally child benefit has been paid to the mother and has been valued as a woman's independent income, especially where the state of the relationship means their partner's earnings have not been shared. This measure now ensures that women in such circumstances will be entirely dependent on their partner

Summary and Recommendations

Summary

Stoke-on-Trent possesses an unusual configuration of social and economic features that will be adversely affected by the proposed reforms to the welfare system because of the following factors:

- Low wages earned
- High levels of unemployment and worklessness
- Limited types of employment, mainly being low skilled and low paid
- Poor educational attainment levels
- High levels of poor health and morbidity
- Low number of one bedroom homes and the low value of housing
- Increasing number of single person households

The proposed welfare reforms being driven by the Government aim to reduce the size of the State and reduce the current deficit through:

- Cutting public expenditure
- Reducing administrative complexity and costs
- Making work pay
- Reducing welfare dependency

Specific reforms that are of concern for Stoke-on-Trent are:

- Up-rating of benefits and tax credits to the consumer price index
- Freezing Child Benefit
- Local Housing Allowance to be set at 30th percentile
- The extension of the Shared Room Rate to single claimants aged under 35
- Limit working age Housing Benefit entitlement to reflect household size
- Non-Dependant Deductions to increase, reversing previous freezes
- Reduce the rise in income that a family can experience before their entitlement to Tax Credits is affected
- Cutting entitlement to Contributory Employment and Support Allowance to one year
- Re-assessment of Incapacity Benefit claimants under Employment and Support Allowance rules
- Cuts to help for home owners
- Introduction of Universal Credit
- Introduction of Personal Independence Payments
- Abolition of Community Care Grants and Crisis Loans
- Ending of Education Maintenance Allowance

Recommendations

A. GENERAL ANTI POVERTY MEASURES.

To mitigate the impact of Welfare Benefits cuts in Stoke-on-Trent we recommend that the Local Authority should coordinate activity by public, private and voluntary organisations in The City to ensure that:

1. A special multi agency Anti Poverty Partnership chaired by a senior Councillor should commission research to monitor the effects of the changes over the next few years. This committee should ensure that its conclusions are disseminated widely and reflected in local policy making and action. It should publish an annual report on the impact of the changes and levels of poverty in The City more generally.
2. A take up campaign should be commissioned to reduce levels of under claiming of welfare benefits.
3. Regular meetings with MPs should be held to report to them on the impact of the cuts.

4. Advice services should be commissioned to ensure that all people affected by the changes have independent information and advice on their entitlements under the new system to ensure the maximum take up of benefits.
5. Specialist tribunal representation services should be commissioned to ensure that those people who wish to exercise their right to challenge decisions and rectify mistakes have the expert advice and support to do so.
6. Housing associations, front-line services and community and voluntary groups are trained and resourced to inform their users of basic entitlements to welfare Benefits and to accurately identify appropriate referrals to specialists when required.

B. MEASURES RELATING TO SPECIFIC CUTS.

More specifically, we recommend action by individuals, groups or authorities as follows:

Members of Parliament

We hope that local MPs may wish to seek wherever possible to modify the legislation to fit the particular circumstances of the City as well as opposing its most oppressive features. We recommend that they consider:

1. Pressing for the retention of the Retail Price Index as the basis of the annual uplifting of benefits.
2. Press for exemptions for vulnerable people to be included throughout the Welfare Reform Bill as indicated above.
3. To argue for exemptions to the single room rate for those people who would be vulnerable to exploitation if they shared a home or where moving would have a disproportionate impact on their life or the life of their carer.
4. To argue for the introduction of provision for a Local Authority to seek exemption from the single room rent rules or under occupancy rules where it can be demonstrated that the profile of its housing stock makes it impracticable to expect people to live in one bed accommodation.
5. To argue against the imposition of the under-occupancy rules on existing tenants.
6. To argue against the implementation of proposals to reduce entitlement to Employment and Support Allowance until regeneration and job creation programmes are in place to provide work.
7. To use the high levels of poor health in Stoke-on-Trent as an argument against reassessment of Incapacity Benefit claimants under Employment and Support Allowance rules.
8. Ensure that the cuts to legal aid which will take benefits advice out of the scope of that scheme are either reversed or compensated for from other sources.
9. To press Government to ensure disabled people will not be worse off under the Personal Independence Payments than they were under Disability Living Allowance.
10. Press government to issue greater detail on the impact of Universal Credit and to argue for the detailed changes referred to in 11.1 page 33.
11. Press for the restoration of Educational Maintenance Awards or introduction of comparable scheme to replace it.

The Local Authority

The Local Authority should establish the City wide Anti Poverty Partnership described above, involving public, private and third sector organisations to:

1. Commission an annual report on the effect of the welfare benefits system on the wellbeing of The City and for it to be presented to the Full Council in a similar manner to the report of the Director of Public Health.
2. Review its charging policies to devise a way of compensating poorer families for these cuts and ensuring that they do not lose out on access to public services for which there is a charge.
3. Set-up schemes that can help people access affordable private rented sector accommodation. These should include provision of insurance against rent arrears for landlords and bonds for tenants.
4. Provide private rented sector landlords with advice on how they and their tenants can get help. Explore setting-up early warning systems that can support both tenants and landlords who might be getting into difficulties.
5. Work with landlords in the private and social rented sector to maximise the Housing Benefit available to them.
6. Commission proactive, preventative housing and arrears management advice services to work with private landlords and their tenants to ensure maximum take up of Housing Benefit and early intervention and support for tenants at risk of arrears.
7. Promote the provision of Discretionary Housing Benefits payments for claimants adversely affected by the changes and agree a policy for awarding Discretionary Housing Payments.
8. Seek the support of MPs to press the case for a Local Housing Allowance Transition Fund grant which is currently before Government.
9. Facilitate a lodger to landlord matching service. This could be aligned with landlord accreditation scheme so that landlords could promote their credentials as well as advertise rooms to let.
10. Publicise the fact that anyone can rent a room in their home and get up-to £4,600 tax free. Provide support to first time landlords.
11. Consider how delivery mechanisms such as Supporting People and Homelessness Grant can be used to prevent homelessness and respond to people in crisis.
12. Renegotiate nominations agreements with housing associations to make sure the supply of social housing is used to the full potential to meet demand. There is need to ensure maximum take-up of nomination rights with social housing providers.
13. Give planning preference to single bed accommodation and prioritise support for landlords and others seeking permission to create one bed units.
14. Investigate sources of funds to provide grants to those converting accommodation to provide one bed properties.

15. Where an existing tenant is faced with being penalised by the under occupancy rules for Housing Benefits, consider converting their 3 bed house into two one bed flats and let one of them to the tenant.
16. Ensure all housing management staff are trained to enable them to give basic financial advice and make appropriate referrals to specialists.
17. Bring together tenants who find their Housing Benefit cut because of under occupation with those forced to move because of the impact of Non-Dependant Deductions. People moving out of accommodation affected by the single room rent should be assisted to become lodgers or sub-tenants of social housing under-occupiers.
18. Publicise the need to plan the timing of a claim for Tax Credits if workers are aware of likely fluctuations in their wages.
19. Support the provision a special advice hotline provided outside normal office hours to assist those affected by changes to Working families Tax Credit.
20. Support specific work to maximise the take up of means-tested benefits for those who become entitled to them when their contribution-based ESA expires.
21. Provide additional resources for assistance to those who seek to appeal against benefits disentanglement decisions. The effectiveness of this approach and its effect on the local economy should be monitored.
22. Staff should be given training in ways of coping with people threatened with the removal of their livelihood.
23. Seek to secure continuation of funds for the special advice sessions at the District Court on possession hearing days.
24. Seek to secure extra funds to increase capacity to provide debt advice.
25. Provide support to a campaign to explain the implications of the cuts to local lenders.
26. Monitor closely the effects of Universal Credit on the local economy as details about how it will work become clearer.
27. If responsibility for the social fund transfers to local government then there should be a commitment to ring-fencing this funding for its original purposes.

Job Centre Plus and Work Programme Contractors can make the following contribution:

1. Set-out how they intend to co-ordinate their efforts to cope with the potential sudden increase in unemployed people so as to mitigate the impact on the local economy.

Housing Associations could take action in the following areas:

1. Housing Associations should be encouraged to lease properties from private landlord because they can then let them outside of Local Housing Allowance. Similarly, referral schemes should be developed whereby statutorily homeless people are referred to private landlords by the Local Authority to take advantage of the fact that properties let to prevent homelessness are not subject to 30% rule under Local Housing Allowance.

2. Increase supply of one bedroom accommodation by encouraging the refurbishment of empty commercial properties to bring them back into use as one bedroomed accommodation.
3. Work in areas where there is an oversupply of two or three bedroom accommodation and an undersupply of one bedroom accommodation and consider the conversion of traditional semi-detached housing into smaller units.
4. Ensure all housing management staff are trained to enable them to give basic financial advice and to make appropriate referrals to specialists.
5. Bring together tenants who find their Housing Benefit cut because of under occupation with those forced to move because of the impact of Non-Dependant Deductions. Social landlords may need to review their tenancy agreements to support such arrangements and first time landlords will require support and advice.
6. Staff should be given training in ways of coping with people threatened with the removal of their livelihood.
7. Use resources to set up “sale and lease back” schemes for tenants affected by cuts in support for homeowners.

Other Voluntary Sector organisations

1. Should assist MP's to argue against the limitation of Employment and Support Allowance to 1 year by providing examples of the hardship that it will create.
2. The voluntary sector should collate evidence of the way in which medical reviews are handled by independent contractors. Evidence of malpractice should be reported swiftly to MP's and, where appropriate the relevant professional bodies.
3. Should contribute enthusiastically to the work of the Anti Poverty Partnership.