

## Report of the Strategic Director Adult and Community Services to the meeting of Health & Wellbeing Board to be held on 18<sup>th</sup> March 2014.

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**Subject:**

**V**

**Impact of Welfare Reform on the Health and Wellbeing of Bradford's Residents**

To consider the health impacts of the Welfare Reform Act 2012.

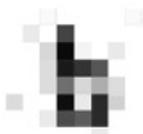
**Summary statement:**

- The Government's Welfare Reform Programme heralds the biggest change to the welfare state since its inception. The rationale for reform is that the current benefits system is too complex; it encourages dependency and traps people in poverty. The Government believes the changes will ensure that it 'pays to work'. The Act focuses on the working age population, resulting in pensioners in the main being protected from the reforms.
  - The purpose of this report is to highlight the scale of the changes and enable the Health and Wellbeing Board to consider the potential impact on health and wellbeing in Bradford the impact on patients, GP practices and health and social care services and what action might be taken in respond to the change.
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Janice Simpson  
Strategic Director, Adults & Community Services  
Report Contact: Imran Rathore  
Senior Strategy Officer  
Phone: (01274) 431730  
E-mail: [imran.rathore@bradford.gov.uk](mailto:imran.rathore@bradford.gov.uk)

**Portfolio: Adult Services and Health**

**Overview & Scrutiny Area: Health and Social Care**



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Improving Rural Services  
Empowering Communities



INVESTOR IN PEOPLE

Suzan Hemingway, Assistant Director Corporate Services (City Solicitor)



## 1. SUMMARY

- 1.1 The Government's Welfare Reform Programme heralds the biggest change to the welfare state since its inception. The rationale for reform is that the current benefits system is too complex; it encourages dependency and traps people in poverty. The Government believes the changes will ensure that it 'pays to work'. The Act focuses on the working age population, resulting in pensioners in the main being protected from the reforms.
- 1.2 The purpose of this report is to highlight the scale of the changes and enable the Health and Wellbeing Board to consider the potential impact on health and wellbeing in Bradford the impact on patients, GP practices and health and social care services and what action might be taken in respond to the change.

## 2. BACKGROUND

- 2.1 The aim of the Government's Welfare Reform Programme is to make the benefits and tax credits systems fairer and simpler by:
- Creating incentives to get more people into work by ensuring work always pays;
  - Protecting the most vulnerable;
  - Delivering fairness to those claiming benefit and to the taxpayer.
- 2.2. To realise this, the Government has introduced a range of reforms, significant number of which were introduced in April 2013. The key changes introduced so far (with the exception of Universal Credit) and their impact on Bradford District are summarised in sections 2.3 and 2.4 below. Appendix 1 provides a more detailed overview of the changes and impact.
- 2.3. Summary of the key reform areas and associated savings;

	<b>Saving</b>
<b>Localised Housing Allowance</b>	<b>£7.9m</b>
<b>Increased non-dependent deductions</b>	<b>£1.5m</b>
<b>Localised Council Tax support April 2013</b>	<b>£5-6m</b>
<b>Crises Loans and Community Care Grants</b>	
<b>Over-accommodation in the social sector</b>	<b>£3m</b>
<b>Benefit cap</b>	<b>£0.9m</b>

- 2.4 Brief summary of the impact of the reforms across Bradford District:
- Currently in the District 3,174 social sector households are facing a reduction in Housing Benefit because occupants are deemed to have too many bedrooms. This has come down from 3,564 when the reductions were first applied in April 2013.
  - So far, 272 households have had their Housing Benefit reduced, because of the benefits cap, which has affected 1,385 children. The average weekly loss is over £59.22 per week.

- Discretionary Housing Payments have helped reduce pressures on vulnerable families. The new policy has seen a significant increase in the number of awards being made.
- Demand for the Discretionary Support Payment Scheme is lower than originally anticipated. This may be attributed to, and be an indication that, households are managing affairs and / or using their personal support networks.
- There has been a significant rise in the number of people being referred to food-banks since April 2014.
- The Advice Network Partnership (ANTP) has reported an increase in demand for welfare reform related advice support.
- An increased number of claimants are being sanctioned for non-compliance since the introduction of the stricter scheme in October 2012. Bradford has seen a 13.5% increase in adverse sanctions which is the highest percentage increase in West Yorkshire.

### **3. IMPACT ON HEALTH AND WELLBEING**

- 3.1** Welfare reform in the UK is occurring at the same time as a prolonged and deep economic recession, a period of high unemployment and changes within the health arena which makes attributing changes in health outcomes to a single policy agenda very difficult.
- 3.2** It is too soon to evaluate the impacts of either the economic recession or welfare changes using routine health data. It is difficult to detect anything other than large and widespread impacts: routine data are not currently linked to welfare uptake or economic activity, and there are no 'control groups' to enable comparison of those 'exposed' to the range of welfare reform initiatives and those who are not.
- 3.3** Although there is a clear relationship between income and health, it is difficult to demonstrate as yet the impacts of recession on the health of whole populations and on health inequalities. There is evidence<sup>1</sup> that some aspects of health tend to get worse during recessions (e.g. suicide) and others improve (e.g. road traffic fatalities). There is also evidence that some of the negative health impacts of recession may be delayed (e.g. cardiovascular disease and health inequalities).
- 3.4** Longitudinal studies have established the relationship between income and health, whereby greater income and wealth leads to better health. There is also good evidence that income inequalities result in health inequalities.
- 3.5** There is good evidence that reducing worklessness will have a positive impact on the health of both individuals and their families. However, there will still be those who, for various reasons, are not able to work, and who will therefore be more vulnerable to any adverse impacts of welfare reform.
- 3.6** Those who are currently in receipt of illness related benefits are known to be at high risk of premature mortality (even when factors such as socioeconomic status are taken into account) and the welfare changes may increase these risks.
- 3.7** Research<sup>2</sup> on the links between income inequalities and adverse health impacts highlight the key areas of risks outlined below. Appendix 3 also provides a

<sup>1</sup> Poverty-and-Mental-Health - <http://www.patient.co.uk/doctor>

The impact of welfare reform and the economic recession on health and health inequalities in Scotland October 2013

<sup>2</sup> The impact of welfare reform and the economic recession on health and health inequalities in Scotland October 2013

graphical illustration of the relationships.

- increased cardiovascular and respiratory illness
- increases in obesity-related illnesses
- Poorer mental health and general wellbeing
- increases in avoidable winter mortality
- increased substance misuse and associated alcohol- and drug-related harms
- increased unprotected sex and associated rises in sexually transmitted infections

**3.8** The mechanisms that are considered to lead to adverse health outcomes include:

- decreased real incomes
- increased income inequalities
- increased fuel poverty
- increased food poverty (and a consequent shift from quality foodstuffs to calorific quantity)
- increased stigmatisation
- decreased housing security
- psychological impacts of unemployment and job loss

**3.9** The welfare changes are likely to impact on the following groups<sup>3</sup>

- Workless households and those in low-paid work of more than 16 hours per week
- Households with children
- Lone parents
- Larger families
- Disabled people reassessed as ineligible for Personal Independence Payment

In Bradford these, impacts will be more concentrated in areas of multiple deprivation, where a greater proportion of the population is in receipt of welfare payments Appendix 2 provides a more detailed summary of the groups that may be affected by the reforms.

## **4. SUPPORT ACTIONS**

**4.1** As the impact of welfare reform affects people in multiple ways, services need to be adapted to meet the change in demand and be provided in a much more integrated way that is user friendly and effective. One of the key challenges facing public sector organisations will be to maintain and enhance services that support people in vulnerable situations, whilst developing new ones to meet emerging and changing needs. This issue has been recognised by the Government who have announced the set up of Local Support Services Framework (LSSF) to help claimants who may

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<sup>3</sup> The economic downturn, policy changes and health inequalities in London – Sir Michael Marmot - June 2012

require extra support to access Universal Credit. The framework recognises that there will be some people who will need extra support, including while they transition from the current benefit system to Universal Credit, making claims online and managing their money on a monthly basis. The Council is working with our partners to develop our response to the LSSF.

- 4.2** A multi-agency strategic coordination group has been set up to coordinate the work of partners to support the implementation and to mitigate against the impact of the changes. The group has a detailed action plan which incorporates the following key themes: Housing, Financial Inclusion, Employment Support, Health and Wellbeing. A summary of key actions is outlined in appendix 4.

## **5 ISSUES TO CONSIDER**

- 5.1** The key groups affected by the reforms, have been identified in Section 3 of this report. However, an emerging issue from the impact assessment and the work of the Strategic Coordination Group is the disproportionate impact on people with low-level mental health issues. They are likely to be significantly disadvantaged in multiple ways and their mental health problems, whilst lower grade, will often be chronic, associated with poor motivation and generally reduced functioning. It is suggested that this group will struggle to comply with the stricter requirements of the Claimant Commitment<sup>4</sup>, they also less likely to engage with formal statutory organisations such as Jobcentre Plus. It is therefore suggested that this group should be a priority and a greater emphasis placed on pursuing closer collaboration, integration and sharing and aligning resources of the services providing support in this area.

Some of the key issues that need to be considered are outlined below:

- Explore potential of co-location of services by building on good models of practice that are already working.
- Applying effective approaches, e.g. the recovery model used in mental health interventions and the pathways out of offending model used in work with adult offenders;
- Engaging hard to reach groups, and assisting those who suffer from mental health issues through the use of trusted places and organisations as a ‘front-door’ for access to support services. This will require greater engagement between primary health care services and social welfare advice agencies;
- Applying an integrated approach to service delivery through integrated commissioning. This needs to take place not just between health and social care bodies, but across the broad spectrum of organisations and agencies with a role to play in addressing inequalities;
- Direction of resources to address inequalities so that commissioning is based on who needs services most (rather than being constructed for universal access). Whilst it is recognised that this may involve withdrawing some existing services, the advantages of targeting are that it :-
  - *ensures tailored services are accessible to the most vulnerable*
  - *takes account of current limited resource and helps avoid duplication*

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<sup>4</sup> Appendix 1 – Point 7 – Claimant Commitment – Benefit Sanctions

- *allows commissioners to construct services based on clearly identified community needs*
- To support greater integration and targeting, the appetite for sharing information and aligning resources needs to be explored between statutory partners across District and Clinical Commissioning Groups (CCG) boundaries.

## **5.2 Questions for the committee to consider**

- How does this effect the commissioning priorities we currently have in place. Do we need to take a different approach to respond to the issues raised.
- What do we need to do to improve consistency of support services across the district and ensure that everyone is aware of the services available.
- Are CCG's – GPs and other partners aware of the general support available for residents.

## **5. FINANCIAL & RESOURCE APPRAISAL**

5.1 None.

## **6. RISK MANAGEMENT AND GOVERNANCE ISSUES**

6.1 None.

## **7. LEGAL APPRAISAL**

7.1 None.

## **8. OTHER IMPLICATIONS**

### **8.1 EQUALITY & DIVERSITY**

8.1.1 None.

### **8.2 SUSTAINABILITY IMPLICATIONS**

8.2.1 None.

### **8.3 GREENHOUSE GAS EMISSIONS IMPACTS**

8.3.1 None.

### **8.4 COMMUNITY SAFETY IMPLICATIONS**

8.4.1 It is not possible to provide a direct correlation between crime and welfare changes, but an inability to meet demand for financial support may result an increase in acquisitive crime.

### **8.5 HUMAN RIGHTS ACT**

8.5.1 None.

## 8.6 TRADE UNION

8.6.1 None.

## 8.7 WARD IMPLICATIONS

8.7.1 There are no ward implications as all wards are covered by the three CCGs and by BMDC.

## 9. NOT FOR PUBLICATION DOCUMENTS

9.1 None.

## 10. RECOMMENDATIONS

10.1 That the Board considers and provides feedback on the impact and risks outlined within this report.

10.2 That the Board makes recommendations on improvement actions for the Welfare Reform Strategic Coordination group to include in to the Welfare Reform action plan.

## 11. APPENDICES

Appendix 1: Summary of changes and Impact

Appendix 2: Groups affected by the reform

Appendix 3: Graphic illustration of impact of reforms on health and wellbeing

Appendix 4: Summary of support Actions

## 12. BACKGROUND DOCUMENTS

# Appendix 1: Welfare Reform Changes and Impact

1. **Spare room subsidy (April 2013):** A reduction in the amount of Housing Benefit for families living in council and housing association homes, with more bedrooms than the Government has allocated for their need.

Under the new rules people will be allowed:

- One bedroom per single person or couple
- One bedroom for a child;
- Or if they have more than one child:
  - One bedroom for two children under 10
  - One bedroom for two children of the same sex between the ages of 10 and 16
  - One bedroom for other single people or couples aged 16 or over

If people currently have more bedrooms than the Government has allocated, they will be affected as follows:

- one extra bedroom – their benefit will be reduced by 14%.
- two or more extra bedrooms – their benefit will be reduced by 25%.

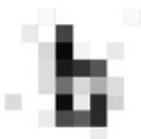
Although there has been an overall reduction in housing benefit claimants, the number of private sector claimants has increased. This shows that there has been a move from social sector to the private sector which could be attributed to the reform changes. However this puts additional pressure on private sector housing, which is a diverse market compared to other areas as it is dominated by smaller landlords. There are 10,000 individual landlords, 65% of which own less than 5 properties. This means that in most cases, private sector housing tenants do not enjoy the same support structure as social landlords and this puts vulnerable families at risk.

Incommunities and Manningham Housing Association, two of the largest Registered Providers in Bradford District, have reported increased arrears from tenants affected by the changes. Incommunities, for example, have reported that 48% of their affected customers have paid the full amount, 34% have paid something but not enough and 18% have not paid anything; What is not clear yet is whether this is sustainable or whether there will be further consequences.

So far, 272 households have had their Housing Benefit reduced because of the benefits cap, which has affected 1,385 children. The average weekly loss is over £59.22. In 47 cases, entitlement to Housing Benefit has been reduced to the minimum of £0.50 per week. Overall, the number of claimants affected in the private sector is 156, whilst the number in the social rented sector stands at 116

2. **Council Tax Benefit (April 2013):** Since April 2013, the Council has been responsible for administering Council Tax Benefit.

In Bradford, the changes have meant that low-income working age families have to pay council tax for the first time. On average they are facing bills of £200 per year.



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Under the previous system, the council was reimbursed by the Government for the actual amount of council tax benefit it paid out to claimants. Under the new Council Tax Reduction Scheme (CTRS), the Council receives a fixed amount from the Government, based on the projected amount of council tax benefit for 2013/14 less 10%. This represents a reduction of at least £5 million in 2013/14, taking account of the increasing number of people currently claiming benefit. This gap will increase further if the number of people claiming benefit goes up more than expected, or if council tax increases in future years. In September 2013, in Bradford there were 54,002 CTR claims made. In December, this decreased to 53,715 CTR claims and single parent households were predominantly the largest household type that was in receipt of the CTR in December 2013. Although new CTR claims show to be reduced, as the scheme enters its second years, time will prevail the true impact of the changes to Housing Benefit.

Collection rate at the end of October 2013 was 67.1%, compared with 68.9% last year. The number of summonses for non-payment of Council Tax has almost doubled over the same period. In January 2014, the collection rate rose to **83.6%**, compared to **71.6% collection rate** of those in receipt of CTR.

**3. Benefit Cap (April 2013):** In July 2013 a cap was introduced on the total amount of benefit that working age people can receive. This aim of the change is to ensure that workless households can no longer receive more in benefits than average income working families, after tax and National Insurance. The total amount of benefit that working age people can claim will be capped at:

- £500 per week for couples and single parents.
- £350 per week for single adults.

If the total benefit is more than these maximum amounts, claimants' Housing Benefit will be reduced to meet the new rules. In December 2013, 267 households in the Bradford District were affected by the benefit cap. Since August last year, there has been an increase of households being affected by the benefit cap changes. Phased introduction of this scheme means that the number of households affected increased, should now numbers are beginning to stabilise.

**4. Discretionary Support Payment (DSP) Previously called Social Fund) (April 2013):** The Community Care Grants & Crisis Loans elements of the Social Fund were previously administered by Jobcentre Plus. From April 2013, the money for these elements of the Social fund was transferred to local authorities. Bradford Council's replacement scheme covered the following areas;

- Crisis Loans: interest-free loans available to anyone in an emergency or because of a disaster. (NB: Crisis Alignment Loans, which are to help people to manage until their first benefit payment or payslip, will remain with the Department for Work and Pensions).
- Community Care Grants: non-repayable grants available to people on benefits, to help with things like household equipment. These are mainly to support vulnerable people to return to, or to remain in, the community or to ease exceptional pressure on families.

The Council has awarded a total of £667,000 to 3,805 residents from the Discretionary Support Payment Scheme. Between April 2013 and February 2014, there were 10,536 requests for the Discretionary Support Fund Demand is lower than originally anticipated.

This may be attributed to and be an indication that households are managing affairs and / or using their personal support networks.

This year's Local Government Finance Settlement revealed that Government funding would not be renewed in 2015. The impact of this is currently being considered by the Local Authority.

## **5. Discretionary Housing Payments (DHP) April 2013)**

The Discretionary Housing Payments have helped reduce pressures on vulnerable families. The new policy has seen a significant increase in the number of awards being made.

The guidance for Discretionary Housing Payments has been amended to reflect the abolition of Council Tax and introduction of Universal Credit. DHPs can potentially assist customers who will be affected by some of the key welfare reforms with help towards their rent. For example, those affected by:

- The benefit cap
- Size restrictions for social rented sector tenants

DHP cannot be used to pay for Council Tax. In some cases, lump sum payments can be made for rent deposits, payments in advance, removal costs or to clear rent arrears to prevent homelessness.

Between April 2013 and January 2014, there were 3454 applications for DHP, Also, figures published by DWP (Sept 2013) show that there were 544 awards given to those affected by the removal of spare room subsidy in the social rented sector. This emphasises the impact on those in the social rented sector, tenants affected by the changes are seeking extra assistance and payments. be it via DSP or DHP

## **6. Personal Independence Payments (PIP) (June 2013):** From April 2013, Personal Independence Payments (PIP) replaced Disability Living Allowance for working age claimants.

To qualify for PIP, claimants must:

- be age 16 – 64
- Satisfy the daily living and/or mobility activities test for three months prior to claiming, and likely to continue to satisfy this test for at least a further nine months after claiming.

Current DLA claimants will start to be assessed for PIP from October 2013 onwards, and it is intended that all current DLA claimants will have been re-assessed by October 2018.

Approximately 28,000 people receive DLA in the Bradford District. The majority of re-assessments have been delayed until October 2015, but some groups will still be affected by the changes in the coming year.

A National Audit Office report<sup>5</sup> states that claimants are experiencing long delays to PIP decisions and the DWP is not able to tell them how long they are likely to wait, creating distress and financial difficulties. The report also found that the new PIP will cost almost three and a half times more than DLA to administer and will take double the amount of time to process.

By October 2013, there were 92,000 people whose claims were outstanding with assessment providers Atos Healthcare and Capita Health & Wellbeing; almost three times the number expected at this stage.

Within six months of the introduction of PIPs in some areas of the north of England, a backlog of 92,000 cases had built up, almost three times the number expected. The DWP had made decisions in only 16% of the expected number of cases.

## **7. Claimant Commitment / Benefit Sanctions**

As part of the reform agenda, the Coalition Government further strengthened the conditions and sanctions that apply to those claiming Job Seekers Allowance (JSA) and those in the work-related group of Employment and Support Allowance (ESA) claimants. Since 2012, benefit payments can be suspended for a minimum of four weeks and for up to three years where a claimant fails to take sufficient steps to search for work or to prepare themselves for the labour market, or where they turn down an offer of employment or leave a job voluntarily.

Since the introduction of the 'stricter regime' in late October 2012, the key headlines are:

- an increased number of adverse sanctions compared to the same period last year – up by 1,000 or 13.5%
- a higher proportion of adverse sanctions in Bradford district (51%) than in West Yorkshire (44%) and Great Britain (42%)

Under the new sanctions regime, in September 2013, a total of 17,225 sanction decisions have been made, of which, 8,784 were adverse decisions by the Jobcentre Plus in the Bradford District. In Bradford, 51 per cent of JSA Sanctions were adverse decisions. An adverse decision is a decision found against the claimant, i.e. a sanction or disallowance is applied.

## **8. Universal Credit (UC)**

Universal Credit will replace a range of benefits with one single monthly payment. It will replace all means tested benefits and tax credits for people of working age and introduce a single system of means tested financial support for people who have no work or who are in lower paid employment. The government expects all claims for Universal Credit to be made online

There are currently around 12.5 million claims for the benefits that will be replaced by Universal Credit (UC). Due to this huge number, the introduction of UC is being phased in between 2013 and 2017.

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<sup>5</sup> Personal Independence Payment: early progress – National Audit Office, February 2014

## **9. Online New Benefit Claims**

The government has stated its intention for the administration of UC to take place online and has a target of 80% of claims to be conducted online. DWP research has found that about half of claimants felt they would need support to use online claims arrangements.

The Citizen Advice Bureau (CAB) has reported feedback from the first UC pilot in Tameside which shows that 78% of their clients struggled to complete online forms without assistance. They also reported that 1,453 Tameside CAB clients - many of whom will soon start to receive UC - have applied for emergency financial support, and that 78% of those clients required help getting through the online application process.

In communities where there is a relatively low broadband/digital uptake, this could create significant numbers of people not accessing benefits to which they are entitled. OFCOM data shows that Household take up of broadband in Bradford is 65%.

Conversely, the DWP are celebrating positive results from the Universal Credit pilot exercises. The study, which was conducted by research company IFF, questioned 901 claimants over four UC pathfinder areas as well as 1,800 new JSA recipients (for comparison against current benefit system) who would be eligible for UC if they were living in the pathfinder areas.

## **10. Food Banks**

There has been a significant rise in the number of people being referred to food banks over the last few months. Food banks are reporting that there is a correlation in the proportionate increase in referrals and the changes to the benefit system effective from April 2013. For example, Bradford Metropolitan Food Bank has reported that it gave out over 820 food parcels in January 2014, compared to 121 for the previous year.

## **11. Advice Support**

The Advice Network and Training Partnership (ANTP) has reported an increase in demand for welfare reform related advice and support. Figures from the Community Legal Advice Services Partnership (CLASP) also indicate that there has been an increase in the rate of enquires they have received since 2011. Benefit enquiries continue to be the main area for advice. In 2011-12, 29.2% (27942) of all enquiries (95614) received were benefit related. This rose to 31.2% (33016) in 2012-13.

The major concerns reported by the Advice Centres are a general rise in people suffering from mild/moderate mental health issues, Work Capability Assessments for ESA, debt problems and destitution, often related to the imposition of sanctions.

## **Appendix 2: Groups Affected by Welfare Reform.**

The population groups most likely to experience the impact of the welfare changes and economic recession overlap. In particular, those who are of working age, children in low income families, ethnic minorities and those who have disabilities are thought to be at greatest risk. Those aged over 65 years are at least risk, given that state pension provision is to be increased by at least the rate of consumer price inflation (CPI).

Those at greatest risk are concentrated in the most deprived areas in Bradford District. This is partly because of the more profound lack of employment in deprived areas, the higher levels of ill-health and multiple disadvantages, and the greater cuts in public spending in the most deprived areas.

Some individuals and households who are in receipt of multiple benefits are likely to experience greater impacts than those projected on the basis of the changes in individual benefits. Those in receipt of multiple benefits will also be the most likely to be subject to the household cap of £500 per week.

The Office of the Children's Commissioner predicts an increase in child poverty. The Institute for Fiscal Studies (IFS) show an increase in absolute poverty rates in 2013/2014 with the largest impact amongst households with four or more children.

One in four children in the District lives below the poverty line (households with less than 60% of average income) equating to 36,080 0-18 year olds. Bradford's rate is more than the national average or West Yorkshire rate. A further third of the District's children live in households that have low income plus material deprivation.

The child poverty rate in Bradford District has been declining since 2007. The most recent, official child poverty figures for 2010-11 (published in autumn 2013) showed a further small reduction of 0.3% following a substantial 1.2% fall the previous year, giving the District a child poverty rate of 25.8% in 2011 compared to the England rate of 20.1%.

Despite the sustained fall in the rate more than one in four children in the District still live below the official child poverty line (almost one in two children in some small areas of the District). Two factors, the projected upswing in child poverty rates from 2012-2020 plus the concentration of child population growth in the most deprived areas of Bradford District indicate that the current decline may not continue. An additional factor is that the District has a growing child population from communities that can experience delayed access to out of work benefits which could have the effect of under-counting child poverty in some of the most deprived areas of the District.

GPs across the district have reported an increase in cases of hardship. Key issues reported are:

- Mothers neglecting their own needs to provide for their children.
- Increase in food banks referrals in some areas

- Reluctance to seek support from food banks and other support agencies (mainly due to the stigma/perception associated with these services). This cohort of people is at risk of taking on unsecured debt from friends and other providers.
- Lack of support for females aged over 40 left with no male support either through divorce or bereavement. The worst cases are females aged 50-60+ who have been bereaved.
- Seeing more patients with Mental Health problems more frequently
- Increase in patients requesting the GP to 'fill out forms' for them as their benefits have been stopped/reduced.

Another key area of concern is the issue of fuel poverty. Currently 75% of the fuel poor in the UK are either unemployed or economically 'inactive'. The fuel poor also have the lowest incomes, with 87% being in income deciles 3 and below. The combination of low income and unemployment means the fuel poor are likely to be exposed to the changes associated with the reform programme and specifically the introduction of Universal Credit. For example, low income households tend to use complex short-term budgeting strategies to manage their finances, relying on a range of sources to get by e.g. family, friends and creditors. They also tend to prioritise their spending on food, fuel, travel, clothing and other household goods, depending on their immediate needs. The key area of risk would be that the fuel costs will impact on other areas of life. For example, research by online parenting site Netmums found that 1 in 4 mothers chose to feed their families rather than heating their homes, with a further 9 out of 10 admitting that they ration their energy use.

Case studies from the advice agencies commissioned by the Council and feedback from health partners have also highlighted the risk of people with low level mental health issues facing more difficulties due to the changes in the welfare programme. These case studies have highlighted the need to help unemployed people to increase their coping strategies and to mitigate the financial impact of income loss and debt on their everyday life.

Last year, the mental health charity Mind reported a national 50% rise in calls to its support service, Mind Infoline, with callers experiencing severe financial worries. Online traffic to its welfare advice page also increased markedly. There is well documented evidence of financial difficulties exacerbating mental ill health and of people with mental health problems facing a high risk of poverty.

Between 2001 and 2011, 28% of suicides in England & Wales were defined as 'patient' suicides (i.e. people who were either in contact with mental health services at the time or had been in contact during the previous 12 months). 72%, therefore, had no current or recent contact. (National Confidential Inquiry into Suicide and Homicide by People with Mental Illness. University of Manchester. July 2013). It is too soon, and will probably not be possible, to determine whether the Welfare Benefit reforms will impact on the suicide rate. However, there has been an increase in the suicide rate during the recession (notable increase in 2008) and anecdotal evidence from Housing providers and other partners would suggest this should be an area of concern.

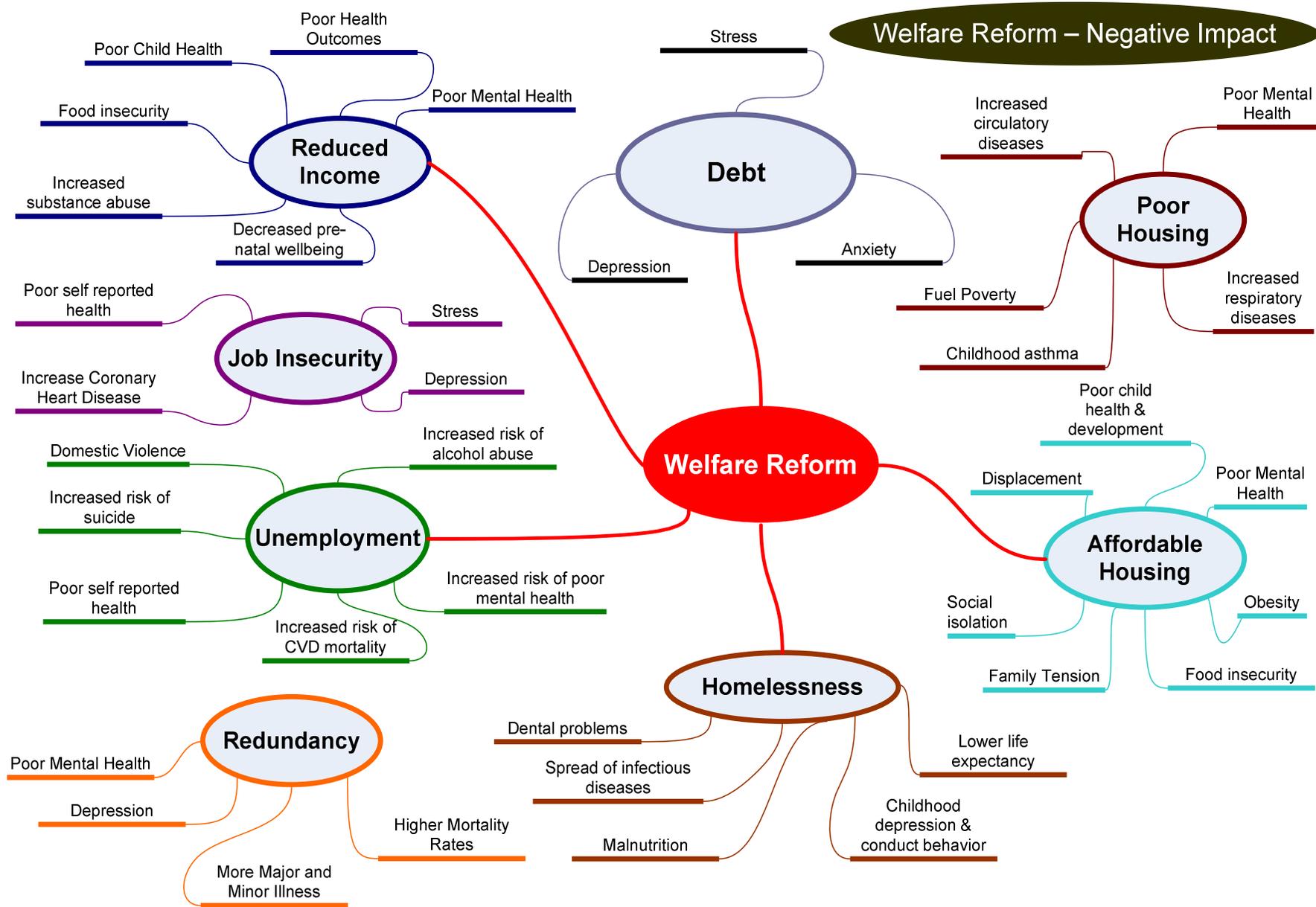
In relation to the economic recession, young adults seem to be disproportionately affected by unemployment and under-employment (although the impacts of reduced working hours,

reduced real wages and indirect impacts through decreased public services are likely to have a wider reach).

A study commissioned by the Joseph Rowntree Foundation (JRF) in 2011 explored the effects of the economic downturn on mental health and well-being in Bradford. The study focused on unemployed people in a 'transition phase' in the job market – young people (aged 18–25) who had recently entered the job market, and older workers (aged 50 and over) who were closer to retirement age. Research has shown that these groups are particularly at risk of being hit hard by the economic recession and so are at higher risk of reduced mental well-being and of mental health problems.

Therefore, in relation to the combined impacts of welfare changes and the economic context, young people and those in receipt of benefits (and in particular those in receipt of disability benefits and multiple benefits) are the groups most likely to experience health impacts. These impacts will be more concentrated in areas of multiple deprivation where a greater proportion of the population are in receipt of benefits.

Appendix 3



## Appendix 4: Welfare Reform Support Actions

The changes to welfare reforms are relatively recent, and there is currently limited data on impact. Work is underway with partners to develop a shared Intelligence Framework to track the impact of these changes over time and to shape our response.

The Council has already allocated £2.2m (£1.1m for 2013/14 and the same amount for 2014/15) from the public health budget to fund advice related support work. As part of the Council's Budget Proposals for 2014-16, it has also been proposed that in the next two years, organisations funded to deliver the following services continue to have their Community Funding resource protected from cuts: Advice Services, Domestic Violence (Rape Crisis), Community Centre core costs and Youth Services.

Social sector registered providers have established support teams which are working with clients affected by the changes to help them to move home to more suitably sized accommodation, seek employment, stay and pay, move in lodgers/non dependents to mitigate individual losses and with debt, budgeting and benefits advice.

A multi agency team drawn from Social Landlords, Jobcentre Plus and Childrens Services is working to ensure that all those affected by the Benefit Cap are contacted and supported as they adjust to the change. However, the message from all partners is that in order to avoid the cap they need to go into work.

Bradford District Credit Union (BDCU) is a key partner in responding to the challenges of Welfare Reform, in particular with access to affordable credit. It is a growing organisation and has opened new shop front premises in the city centre, which has improved its visibility and client access. It is currently exploring other location options in the District. BDCU is also working on an online budget account pilot with Incommunities tenants, which will enable testing of the account management software and administration before it is rolled out across the district.

The Council and Incommunities have commissioned a pilot to test out direct payment of benefits. Under the pilot, 20 Incommunities tenants are, or will shortly be, receiving their housing benefit payments directly, from which they will be expected to pay the rent. It is hoped to use the new on-line housing benefits form to trigger the payment (although in reality, payment will continue uninterrupted if something goes wrong in the trial). The pilot is designed to coincide with the roll out of the budgeting account by the Credit Union. In this way, the pilot will test:

- both the Council's and Incommunities' ability to manage tenants receiving payments directly

- the use of on-line applications
- the tenants' ability to manage their finances
- the support the Credit Union can provide for this
- how well the 'Digital by Default' agenda works

The number of payday lending internet companies has been increasing along with a growth in payday lenders on our high streets. In the last few years, the impact of these has been felt by advice agencies within Bradford, who have seen a major increase in the proportion of clients who have multiple debts that include a payday loan. For this reason, the Council is working with partners both within the district and across the West Yorkshire region to develop actions to address the issue. For example, from September 2013, access to websites offering payday loans has been blocked from all Council computer systems, including those in libraries, customer contact points and community centres.

There are 2 programmes that address fuel poverty specifically during the winter months across Bradford: Warm Homes Healthy People (WHHP) and Healthy Heat (HH). There is also the B-Warm scheme, which operates throughout the year offering a combination of fuel poverty services. WHHP operates as a larger partnership of provider agencies whose services are accessed via a single gateway provided by Carers Resource called 'First Contact'. Last year 8,600 people accessed these services and WHHP's local activities 26,400 times.

Work is being overseen by our VCS and faith group partners to map the provision and demand of food related support within the district with the aim to streamline and coordinate our approach in response to the increase in demand.

Work is also being progressed by the Council and partners to develop our approach to the Government's proposals to set up a Local Support Services Framework (LSSF) to help claimants who may require extra support to access Universal Credit. The framework recognises that there will be some people who will need extra support, including assistance while they transition from the current benefit system to Universal Credit, with making claims online and with managing their money on a monthly basis. The framework explains who may need help, what services they may need and how these services will be provided through local partnerships. It also sets out the approach to building those local partnerships and the funding model that will be used to cover the cost of the support

Further information on the LSSF can be found at the following link;  
<https://www.gov.uk/government/publications/universal-credit-local-support-services-framework>