



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Helen Long
helen.long@bromley.gov.uk

DIRECT LINE: 020 8313 4595

FAX: 020 8290 0608

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CARE SERVICES PORTFOLIO HOLDER BRIEFING

Meeting to be held on Tuesday 12 March 2013

QUESTIONS ON THE PORTFOLIO HOLDER BRIEFING

The Briefing comprises:

- 1 CARE SERVICES PORTFOLIO CONTRACT ACTIVITY UPDATE JANUARY - JUNE 2013_V1 (Pages 3 - 10)**
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London Borough of Bromley

PART 1 - PUBLIC

Briefing for Care Services Policy Development and Scrutiny Committee March 2013

EDUCATION AND CARE SERVICES CONTRACT ACTIVITY REPORT - MARCH 2013 TO OCTOBER 2013

Contact Wendy Norman, Strategic Manager: Procurement & Contracts
Officer: Tel: 020 8313 4212 E-mail: Tel: 020 8313 4212

Chief Officer: Terry Parkin, Director of Education and Care Services

1. Summary

- 1.1 Policy Development and Scrutiny (PDS) Committees are reviewing the contract registers and contractual activity of all portfolios. This report outlines current contractual activity in Education and Care Services (ECS) and sets out plans for activities to be undertaken between March and October 2013. This report covers all contracts for Children's and Adults' Social Care contracts. Education contracts are reported separately to the Education PDS Committee.
- 1.2 Appendix 1 provides detailed information about the history of each of 56 ECS contracts with a value of more than £200,000.
- 1.3 22 contracts are due to expire during the next six months. Commissioners have already considered the actions required as a result of the contracts which appear on the register and a programme of work is in place to ensure that pre-tender planning and procurement processes will be completed on time and reported as required. This work will result in a number of significant contract awards which will be reported to the Portfolio Holder and Executive as appropriate.

2 THE BRIEFING

- 2.1 The Executive and Resources Policy Development and Scrutiny (PDS) Committee has recommended that the PDS Committee for each Portfolio reviews the contracts register associated with that portfolio. This report covers activity to be undertaken between March and October 2013.
- 2.2 Appendix 1 shows 56 ECS contracts with a value of more than £200,000. It also gives information about the history of each contract.
- 2.3 22 contracts are due to expire during the next six months. Commissioners have already considered procurement options and reported these to Members as appropriate. Action plans have been drawn up for all contracts and a programme of work is in place to ensure that pre-tender planning and procurement processes will be completed on time. This work will result in

a number of significant contract awards and/or extension requests which will be reported to the Portfolio Holder and Executive in accordance with financial regulations.

2.4 During this period, four new contracts which have been recently awarded following formal tender exercises are commencing. These are:

- Healthwatch Bromley
- Learning Disability framework for flexible support
- Direct Payments – payroll service
- Family Group Conference Service for Looked After Children

2.5 Other tender exercises or extension requests, for contracts both above and below £200k, which will be progressed during this period are shown below.

Contract	Annual Value £000
Support services for Women fleeing Domestic Violence	300
Support services for Homeless Young People and Care Leavers	£438
Support services for Ex-offenders	£77
Public Health Contracts	To be determined
Extra Care Services	To be determined
Reablement Service	To be determined
Framework for Children’s Residential Care Placements	To be determined
Services for Children and Young People with Mental Ill Health	To be determined
Learning Disabilities Supported Living schemes – Padua Road, Masons Hill, Copers Cope Road	To be determined

2.6 During this period the Procurement and Contract Compliance Team will be completing the annual fee negotiations with providers of residential and nursing home placements. This is an extensive piece of work covering 4600 placements.

2.7 On April 1st 2013 Public Health formally joins the Council. There are some 60 Public Health contracts which have in the first instance been extended for a period of one year. During 2013/14 recommendations for future procurement arrangements for these contracts will be reported to Members. There are also contractual arrangements with a total value of £14m contained within a longer term contract with Bromley Healthcare which will expire in March 2016. Officers are currently working with colleagues in Public Health and in other London boroughs in order to establish how to minimise the duplication of work across boroughs and maximise value in these contracts.

2.8 The contracts team has developed and adopted a work plan based on work arising from all contracts due to expire during the next three years. It also outlines the strategy to be adopted for commissioning, the responsible commissioner and key milestones. A traffic light mechanism is used to assess the current status of each project and any projects with red status are reported to fortnightly divisional management team meetings and quarterly to the

ECS Departmental Management Team. A red status to a project might be allocated for example when there is slippage in a project timeline resulting from an unexpected lack of interest from the market for a tender. Commissioners and Procurement and Contract Compliance staff implement recovery plans for projects with red status alerts in order to ensure that the department operates within financial regulations.

- 2.9 The Contract Compliance team is responsible for ensuring that all contracts are monitored. The level of monitoring undertaken is decided on the basis of a risk assessment which takes into account the vulnerability of users, previous performance, complaints, safeguarding issues raised and contract value. Monitoring is proportionate to the size of the contract and risk, therefore ensuring that resources are allocated appropriately. The team is also responsible for ensuring that regular performance information is received, analysed and reported to relevant commissioners and making regular visits to services to ensure that they are delivering high quality services at best value. The team also facilitates regular provider forums in order to engage with the supplier market.
- 2.10 The ECS Procurement and Contract Compliance Team leads for the Council on the roll out of e-procurement. E-tendering significantly reduces the officer time and resources spent on procurement exercises and the process has enabled the team to complete a high volume of procurement activity during the last two years. ECS has further developed the use of the e-tendering system for the process of getting quotations for lower value goods and services. This process is being embedded within all departments of the Council following a training roll out during September 2012 managed and delivered by ECS.
- 2.11 The ECS Procurement and Contract Compliance Team is working in cooperation with Corporate Procurement to look at the opportunities around joint contracting. Currently officers are working on a new framework for Supporting People services with Lewisham and Southwark. We are also working closely with the members of the South East London Procurement Group on ensuring the best value for residential placements, both for adults and children.

3 FINANCIAL AND LEGAL IMPLICATIONS

- 3.1 There are measures in place to ensure that savings that can be made through procurement processes are identified. All new contract awards where the value exceeds current value less 25% are considered by a Council wide Officer Procurement Board and an officer / Member steering group.
- 3.2 Procurement and Contract Compliance work is carried out in accordance with the Council's Financial Regulations and Procurement Rules. Where appropriate procurement exercises are undertaken in accordance with European Union regulations.

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	Department	Contract Name	Suppliers	Duration Months	Duration Years	End Date (inc extension)	Original Contract Total Value £	Original Annual Contract Value £	No of Waivers	Value of Contract Waivers Approved	No of Variations / Extensions	Value of Variations / Extensions	2012/13 Budget £	2012/13 Projected £	Cost Difference £	Comments
Contract-025946	Adult and Community Services - Learning Disabilities	Shaw Trust Supported Employment	Shaw Trust Ltd	36	3.00	05-Jul-13	£1,275,000	£425,000	Original contract 1/4/04 to 31/3/09 with option to extend 2 yrs. New contract 6.7.10 at reduced annual price of £425,000		Extension 1 yr 2007/8 and further year 2008/9.		£425,000.00	£425,000.00		Exec agreed new contract with improved service spec and reduced price. Tendering started in 2010 not completed because of implications for clients employed by Shaw Trust if a new provider had to establish new business opportunities. We are currently reviewing all employment schemes in order to align with changes in strategic commissioning intentions.
Contract-031303	Adult and Community Services - Learning Disabilities	Keyring Floating Support Learning Disabilities	Keyring	36	3.00	31-Mar-13	£263,747	£84,405	On 17.11.09 ACS PDS approved award of 3 yr contract from 1.4.10			Variation 21/11/11 reducing costs and places. 2011/12 value £84,405 and 2012/13 value £80,905.	£80,905.00	£80,905.00		On 17.11.09 ACS PDS approved award of 3 yr contract from 1.4.10 with the option to extend for 2 years. Approval is currently being sought to extend for 1 year until 31 March 2014.
Contract-030579	Adult and Community Services - Learning Disabilities	Bromley Mencap Jobmatch - Learning Disabilities	Bromley Mencap	36	3.00	30-Sep-13	£258,942	£86,314	Original contract 1/4/04 to 31/3/07 with option to extend up to 2 yrs.	Waiver 1/4/09 to 30/9/10 £126,560 and further from 1/10/10 to 30/9/13 £258,942. Total value of waivers and extensions £688,842	Extension 1 yr 2007/8 £151,670, and further year 2008/9 £151,670.	£86,314.00	£86,314.00		We are currently reviewing all employment schemes in order to align with changes in strategic commissioning intentions.	
Contract-033709	Adult and Community Services - Learning Disabilities	Elizabeth Fitzroy Supported Accommodation Learning Disabilities	Elizabeth Fitzroy Support Service	24	2.00	31-Mar-13	£239,862	£119,931	4	15 months from 1.4.09 - £147,987. 9 months from 1.7.10 - £89,479. 2yrs from 1.4.11 - £239,862. Total since 1.4.09 = £477,328.		£119,930.00	£119,930.00	0	Proposed procurement route is being reported to Care Services PDS.	
Contract-017803	Adult and Community Services - Mental Health	Section 31 Agreement for the Exercise of Mental Health Function - LBB and Oxleas	Oxleas NHS Health Trust	240	20.00	30-Nov-24	£32,009,000	£1,570,450	20 year agreement. Not tendered because agreement with health provider. If CCG change providers, would look at changing S31.			£1,478,550	£1,403,550	75000	75k saving identified for 2012/3 and an additional 75k saving for 2013/4	
Contract-025418	Adult and Community Services - Mental Health	Bromley Mind Community Wellbeing Services (day centres)	Bromley MIND	60	5.00	31-Mar-15	£775,980	£155,196	Contract awarded following tender		1st extension to 2015 - taking a 75k pa efficiency saving starting 13/14	£230,196	£230,196		The contract was extended until 31 March 2015 to provide the stability needed to implement the savings which have been agreed.	
Contract-033490	Adult and Community Services - Older People	Mission Care Nursing EMU OPMH - Older People	Mission Care	21	1.75	01-Jan-13	£3,613,995	£1,314,180	Exec report 29/9/10		Current contract provides for 1 year extension to 31/12/13	£996,900	£996,900		Tender advertised w/c 13/8/12, but following poor response Executive gave approval to negotiate a new contract on 24/10/12. Contract negotiated and commenced 2/1/13	
Contract-016165	Adult and Community Services - Older People	Mission Care Nursing PF - Older People	Mission Care	84	7.00	01-Jan-13	£3,102,450	£620,490	Tendered 2005		On 16/6/10 Exec approved contract extension for 2 yrs until Jan 2013				Tender advertised w/c 13/8/12, but following poor response Executive gave approval to negotiate a new contract on 24/10/12. Contract negotiated and commenced 2/1/13	
Contract-016094	Adult and Community Services - Older People	Age UK Strategic Partnership	Age Concern Bromley	84	7.00	31-Mar-17	£1,145,750	£114,575	On 9/12/09 Executive approved Strategic Partnership arrangement from 1.4.10 for 7 yrs with provision for 3 yr extension			£129,950.00	£114,575.00	£16,375 - Budget provides for uplift, but provider has agreed to forego inflation increase.		
Contract-025959	Adult and Community Services - Older People	Age Concern Ravensbourne Bertha James Day Opportunities	Age Concern Ravensbourne	33	2.75	31-Mar-13	£825,255	£220,068	Last tendered in 2003. Waiver for 3 year contract with provision for 2 year extension in 2005. Executive approved negotiation of new contract for 2 yrs with provision for 1 yr extension on 9/12/09.	Waiver 2005: £570,000; extension 2008: £421,696; waiver 2010: £440,136; extension 1/7/12: £165,051. Total waivers and extensions: £1,596,883.	2 yr extension in 2008 following service review and benchmarking. Extension from 1/7/12 to 31/3/13 to allow for review of commissioning arrangements.	£240,960.00	£220,068.00	£20,892 - Budget provides for uplift, but provider has agreed to forego inflation increase.	Procurement approach and commissioning strategy approved by Executive on 6/02/2013. Block contract will end on 31/3/13, with transition arrangements for legacy users.	
Contract-025957	Adult and Community Services - Older People	Age Concern Orpington Saxon Day Opportunities	Age Concern Orpington	33	2.75	31-Mar-13	£606,086	£161,623	Last tendered in 2003. Waiver for 3 year contract with provision for 2 year extension in 2005. Executive approved negotiation of new contract for 2 yrs with provision for 1 yr extension on 9/12/09.	Waiver 2005: £426,036; extension 2008: £311,340; waiver 2010: £323,626; extension 1/7/12: £121,218. Total waivers and extensions: £1,182,220.	2 yr extension in 2008 following service review and benchmarking. Extension from 1/7/12 to 31/3/13 to allow for review of commissioning arrangements.	£173,280.00	£161,623.00	£11,657 - Budget provides for uplift, but provider has agreed to forego inflation increase.	Procurement approach and commissioning strategy approved by Executive on 6/02/2013. Block contract will end on 31/3/13, with transition arrangements for legacy users.	

Contract-025856	Adult and Community Services - Older People	Age Concern Penge/Anerley Opportunities (White Melvin Hall Day Opportunities)	Age Concern Penge/Anerley	33	2.75	31-Mar-13	£418,281	£152,102	Last tendered in 2003. Waiver for 3 year contract with provision for 2 year extension in 2005. Executive approved negotiation of new contract for 2 yrs with provision for 1 year extension on 9/12/09.	Waiver 2005: £505,890; extension 2008: £369,600; waiver 2010: £380,254; extension 1/7/12: £114,077. Total waivers and extensions: £1,369,821.	Variation from 1/7/11 reducing places from 75 to 60 and contract price from £190,127 to £152,101.60	2 yr extension in 2008 following service review and benchmarking. Extension from 1/7/12 to 31/3/13 to allow for review of commissioning arrangements.	£175,940.00	£152,102.00	£23,838 - Budget provides for uplift, but provider has agreed to forego inflation increase.	Procurement approach and commissioning strategy approved by Executive on 6/02/2013. Block contract will end on 31/3/13, with transition arrangements for legacy users.
Contract-025855	Adult and Community Services - Older People	Age Concern Bromley Day Opportunities St Edwards	Age Concern Bromley	33	2.75	31-Mar-13	£413,396	£110,239	Last tendered in 2003. Waiver for 3 year contract with provision for 2 year extension in 2005. Executive approved negotiation of new contract for 2 yrs with provision for 1 year extension on 9/12/09.	Waiver 2005: £295,719; extension 2008: £218,778; waiver 2010: £220,478; extension 1/7/12: £82,679. Total waivers and extensions: £817,654.		2 yr extension in 2008 following service review and benchmarking. Extension from 1/7/12 to 31/3/13 to allow for review of commissioning arrangements.	£122,230.00	£110,239.00	£11,991 - Budget provides for uplift, but provider has agreed to forego inflation increase.	Procurement approach and commissioning strategy approved by Executive on 6/02/2013. Block contract will end on 31/3/13, with transition arrangements for legacy users.
Contract-027421	Adult and Community Services - Older People	Alzheimer's Society Day Opportunities (White Gables) - Older People	Alzheimer's Society	36	3.00	31-Mar-13	£261,694	£87,231					£87,231.00	£87,231.00		Procurement approach and commissioning strategy approved by Executive on 6/02/2013. Block contract will end on 31/3/13, with transition arrangements for legacy users.
Contract-031828	Adult and Community Services Domestic Violence	Bromley Women's Aid Women's Refuge Domestic Violence	Bromley Women's Aid	48	4.00	31-Dec-14	£954,000	£316,000	Went to exec				318000	318000		Contract will be reviewed in spring 13
Contract1563	Adult and Community Services Single Homeless	Riverside ECHG Supported Accommodation Homeless	Riverside ECHG (formerly English Churches Housing Group)	60	5.00	30-Jun-14	£1,503,083	£272,209	Contract awarded following tender			PDS report Jan 2012 for extension	£272,209	272209		
Contract-025848	Adult and Community Services Tenancy Sustainment	Affinity Sutton Tenancy Support	Broomleigh Housing Association Ltd	42	3.50	30-Sep-13	£1,041,900	£334,600	Contract awarded following tender				£334,600.00	334600		Procurement exercise in progress. Contract award will be requested in June 2013
Contract-916166	Adults & Community Services - Contracts	Mission Care Intermediate Care - Older People	Mission Care	96	8.00	29-Nov-13	£6,881,032	£900,458	Tendered 2005			Extension/variation approved by Exec on 1/2/12 from 29/11/11 to 30/11/13	£927,180.00	£927,180.00		A Gateway report was considered by the Executive on 6/2/13. The procurement process will be led by the CCG.
Contract-922393	Adults & Community Services - Contracts	Avenues Trust support at Swingfield Court	Avenues Trust	48	4.00	21-Jun-13	£4,160,000	£1,040,000	Original contract approved on 17th June 2009 by the Executive			1 yr extension approved by PDS 14/6/11 and further year on 7/3/12 with delegated authority to extend for final year until 20/6/14/14	1,040,000	1,040,000		
Contract-925663	Adults & Community Services - Contracts	Carers Bromley Strategic Partnership	Carers Bromley	84	7.00	31-Mar-17	£4,023,931	£402,393	On 9/12/09 Executive approved Strategic Partnership arrangement from 1.4.10 for 7 yrs with provision for 3 yr extension	Contribution from PCT of £97,812 and from CYP of £50,512 (figs from contract)			£285,820 (adults care services)	£254,070 (adults care services)	£31,750 (adults care services) - Budget provides for uplift, but provider has agreed to forego inflation increase.	
Contract-933683	Adults & Community Services - Contracts	Mears Care services in Crown Meadow Court	Mears care Ltd	60	5.00	24-Mar-16	£3,112,571	£444,653	Contract awarded in 2011 following tender				11/12 actual was £413,559.21. This depends on volume of usage.	This depends on volume of usage.		
Contract-922394	Adults & Community Services - Contracts	Avenues Trust support at 213 Widmore Road	Avenues Trust	48	4.00	19-Jun-13	£2,080,000	£416,000	Original contract approved on 17th June 2009 by the Executive			1 yr extension approved by PDS 14/6/11 and further year on 7/3/12 with delegated authority to extend for final year until 18/7/14	416,000	416,000		
Contract-922392	Adults & Community Services - Contracts	MCCH Support at Lancaster House	MCCH Society Ltd	60	5.00	10-Jan-15	£1,780,194	£356,039	Contract awarded following tender	None	None	None to date. Contract provides for 2 yr extension	£357,000.00	£357,000.00		
Contract-922395	Adults & Community Services - Contracts	Avenues Trust support at The Elms and Brosse Way	Avenues Trust	60	5.00	30-Sep-13	£1,664,000	£416,000	Contracting framework approved by Portfolio Holder on 22 April 2008		1 on 24/8/10 to change location from Kings Hall Road to Brosse Way	2 year extension until 30/9/13 approved by Executive on 7/9/11	416,000	416,000		For the Elms approval will be sought for an extension to maintain consistency of care provision during the move to 44 Bromley Road. For Brosse Way the scheme will be put to the Framework for future service provision.

47799	Education and Care Services_Children's Social Care	CAMHS	Oxleas NHS Health Trust	11	0.92	31-Mar-13 (now extended to 31-Mar-14)	£364,833.00	£364,833.00	Three. All exemptions approved by the Portfolio Holder with PDS Scrutiny. A one year contract was awarded via exemption for 2011/12. This replaced the previous arrangement of funding Oxleas via PCT as part of a pooled funding arrangement. A one month spot purchase was awarded for April 2012 - this was put in place pending approval of the substantive contract for 2012/13. An eleven month (May 2012 to Mar 2013) contract was awarded via exemption for 2012/13. The service is under review with Commissioning Intentions for the future of the service reviewed at the December Care Services PDS.	£796k (£938k in both 2011/12 and 2012/13)			398000 1/(2013/14)	398000	398000		The full amount for 2012/13 is made up of £364,833 as per the contract value quoted plus the value of the spot purchase for April 2012 of £33,167. A one year extension to the contract was approved by Care Services PDS in December 2012.
34909	Education and Care Services_Children's Social Care	CAMHS Support	Bromley Y	36	3.00	31-Mar-14	£294,216.00	£98,072.00	One. A three year contract was awarded via exemption commencing April 2011, approved by the Portfolio Holder following PDS scrutiny. The future service requirements formed part of the overall review of CAMHS provision with Commissioning Intentions reported to Care Services PDS in December 2012.	£294,216 (whole life value)			0	0	98072	98072	N/A
48067	Education and Care Services_Children's Social Care	Step Up To Social Work Project	Goldsmith's College	24	2.00	31-Aug-13	£280,000.00	£140,000.00	One. Contract awarded via exemption as no other providers delivering course in London region.	280000	None	None.	£140,000.00	£140,000.00			N/A
24980	Education and Care Services_Children's Social Care	Counselling and Advice for Children	Bromley Y	36	3.00	31-Mar-13 (now extended to 31-Mar-14)	£264,831.00	£88,277.00	At least one. This contract originally commenced in 2005/06 for a three year contract. It is not clear whether this was awarded via tender or via exemption at that time. The contract was extended for a further two years. A new three year contract was awarded via exemption commencing April 2010, following approval from the Portfolio Holder and PDS scrutiny. The future service requirements formed part of the overall review of CAMHS provision with Commissioning Intentions reported to Care Services PDS in December 2012.	2005/06 to 2009/10: £441,385. 2010/11 to 2012/12: £264,831. Total = £706,216			88277 1/(2013/14)	88277	88277		Approval has been given at December 2012 Care Services PDS to extend the contract for a further year to align with CCG commissioning timescales for CAMHS.
48679	Education and Care Services_Children's Social Care	Post 16 Leamer Tracker and Transition Support	Royal Borough of Kingston	9	0.75	31/03/2013 (plus one year extension option - 31/03/2014)	£246,000.00	£140,000.00	This contract has been awarded via exemption for the periods 2008 to 2011, 2011/2 to 2012 and the current contract. Approval for exemption has been sought from Executive and Education PDS as part of an agreement between six South London Boroughs to pool funds for RBK to deliver this service on their behalf.	1669000	None.	None.	£140,000.00	£140,000.00		An extension currently under negotiation. This is likely to be a significantly reduced service with an annual contract value below £100k.	
48654	Education and Care Services_Children's Social Care	Young Offenders Intensive Surveillance & Supervision	NACRO	24	2.00	31-Mar-13 (now extended to 31-Mar-14)	£213,000.00	£71,000.00	One. Contract awarded via exemption due to specialist nature of provision.	213000		1/71000 (2013/14)	£71,000.00	£ 71,000.00		Extension option of one year approved at Education PDS January 2013.	
48680	Education and Care Services_Children's Social Care	Family Support Service	Bromley Welcare	12	1.00	30-Sep-13	£200,000	£200,000	1 - approved by Education Portfolio Holder October 2012	£200,000	0	£0	£200,000	£200,000	£0	N/A	
TBC	Education and Care Services_Children's Social Care	Family Group Conference Service	Galton Associates	36	3.00	31-Mar-16 (with option to extend for a further two years-31-Mar-18)	£280,000	£56,000	0	£0	0	£0	N/A	N/A	£0	Contract commences in 2013/14	

LONDON BOROUGH OF BROMLEY

PART 1 – PUBLIC

Briefing for Care Services Policy Development and Scrutiny Committee 12th March 2013

UPDATE ON THE IMPACT OF THE WELFARE REFORM CHANGES

Contact Officer: Sara Bowrey, Assistant Director Housing Needs
Tel: 020 8313 4013 E-Mail: sara.bowrey@bromley.gov.uk

Chief Officer: Terry Parkin, Director Education and Care Services
Tel: 020 8313 4060 E-mail: terry.parkin@bromley.gov.uk

1. Summary

- 1.1 The report provides an update on the work currently being undertaken in Bromley to prepare for the welfare reform changes that come into force in April 2013.

2. Briefing

- 2.1 The two key changes taking place in April 2013 are:

Benefit Cap

From 15th April 2013 a limit will be placed on the amount a working age household can receive in total benefits. The benefits cap will be set at £350/week per week for singles & £500 per week for a couple/family. Households who are in receipt of working tax credit or disability living allowance are exempt.

The personal allowance is protected, meaning that any shortfall is taken from the housing element of their benefits.

In December 2012, the Government announced its intention to delay implementation of the benefit cap until summer/autumn 2013, with only 4 'pathfinder' boroughs to now launch in April 2013: Bromley, Croydon, Enfield and Haringey.

The four boroughs are working together with London Councils, the DWP and JCP to project manage the implementation of the benefit cap in those 4 boroughs from April 2013.

Social Housing Size Criteria

Social housing tenants of working age will see reductions in the amount of their rent that is eligible for housing benefit:

- 14% for underoccupancy by one bedroom
- 25% for underoccupancy by two or more bedrooms

Households who are in receipt of working tax credit are exempt.

2.2 Potential Impact/Numbers Affected:

Work has been undertaken across the DWP, Council and housing associations to identify those households affected by the benefit cap and social size criteria:

2.2.1 Benefit Cap: Data cleansing of the latest DWP claimant scan has identified 302 households affected by the benefit cap. A further 26 households placed in temporary accommodation have been identified as affected by the cap but not included on the original scan.

Of the above households:

- The amount of benefit reduction ranges from £0.13 to £400.23 per week
- 57 households are placed in temporary accommodation, facing a combined total weekly shortfall of £11,222 (this reduction will be a rental loss for temporary accommodation increasing the already growing budget pressure for this accommodation)
- 29 households are currently facing eviction from private rented sector accommodation with open or accepted homeless applications and are awaiting placements into temporary accommodation. The total combined weekly reduction is £2,831 which will again show as a rental loss for temporary accommodation.
- 29 private rented sector tenants will see their benefits reduced by more than £50 per week, and 18 by more than £100 per week. A significant proportion of these households already have a shortfall in their rent following the reduction of the local housing allowance rates from 50 to 30 percentile last year.
- 27 social housing tenants will see their benefit reduced by more than £50 per week, and 12 more than £100 per week

2.2.2 Bedroom Size Criteria: Data analysis with housing associations has to date identified in the region of 2,500 tenants (1,492 within Affinity Sutton stock) likely to be affected by the social size criteria.

2.3 Work is underway to better understand the profile of those affected including identifying foster cares (5) and those in adapted accommodation who are likely to require assistance via discretionary housing payments to enable them to remain in their home. This work will also identify any tenants who should be exempt.

2.4 There is obviously still much speculation about the level & extent of impact of welfare reform, but it is undisputable that the changes will have a profound and disproportionate impact on housing affordability in London, which in turn could result in implications across local government services, in particular housing, children and adult social care and education

2.5 The work being undertaken therefore aims to gain a more comprehensive understanding of the potential implications in order to enable these to be best managed to mitigate any resultant negative impacts.

2.6 **Work being undertaken:**

There have been a number of challenges to overcome in preparing for and implementing the changes:

- Understanding the volumes, resources and local needs
- Reviewing provision, levels and funding
- Data sharing between the local authority, DWP and housing associations
- Adopting multi-agency/partner approach to the delivery of services
- Developing a coherent customer journey/messaging and seamless service across agencies
- No standard model - new system – process and IT which cannot be fully tested until go live
- Handling 'fall out'
- Supporting claimants needs
- Distribution of the discretionary housing payment.

2.8 **The benefit cap pathfinder:**

Extensive work is being undertaken in preparation for being one of the 4 pathfinder authorities for the benefit cap. This has included:

- Work to try and ensure that the 4 boroughs and their residents are not financially or otherwise disadvantaged by the decision to implement in these 4 boroughs several months earlier than the rest of England, Scotland & Wales
- Developing clear process and operating models across services to implement the changes and support those affected through the change and beyond, including single points of contact and co-location of officers.
- Data cleansing to identify those affected and also to ensure accurate and timely assessment once the system goes live.
- Developing a model to monitor impacts and enable lessons to be learnt from the pathfinder period

2.9 **Preparing households and mitigating risks:**

2.9.1 A welfare reform task group has been set up across the local authority, DWP and JCP. The task group have developed a clear profile matrix of those affected by the changes to enable them to target and prioritise those cases most affected and those quickest to help.

2.9.2 A comprehensive programme is in place to contact and visit those affected by the benefit cap to make sure that they understand the changes, how they will be affected and the options they have to mitigate the impact of the changes, including:

- In the case of smaller reductions, making up the shortfall from their personal allowance element of their benefit;
- Negotiating with landlords to reduce rental obligations;
- Money management and debt advice;
- Training and advice to gain employment;
- Moving to less costly accommodation;

- 2.10 A similar model is in place for those affected by the social size criteria. In these cases the lead for the options advice is provided by the housing association landlord.
- 2.11 A wider awareness raising campaign is also in place including;
- Leaflets and website dissemination about the changes and who to contact for advice and support
 - Focus groups, drop-in sessions and presentations to a range of agencies and forums including landlords, claimants and partnership groups.
 - Training and briefing sessions

Discretionary Housing Payments (DHP)

- 2.12 DHP has been in existence since before welfare reform was implemented and typically can be used to make up a shortfall in rent or payments to assist in starting a new tenancy. The amount of DHP has been increased to reflect welfare reform from £226,883 for 2012/13 to £700,174 for 2013/13.
- 2.13 The use of DHP is being reviewed in light of welfare reform to ensure that it is fully aligned to homeless prevention, prioritises those households most affected and at risk by the changes and reduces the potential call on other Council budgets such as social care.
- 2.14 Within this a number of priority groups have been identified including foster carers, tenants in adapted properties and households in temporary accommodation.
- 2.15 Systems are in place to ensure effective processing of these DHP claims at an early stage.
- 2.16 In addition the distribution will also consider conditionality, such as time-limited payments pending a move to smaller accommodation or accessing employment.

The longer term

- 2.17 It is critical that monitoring takes place during the pathfinder phase not only to test the new systems to ensure their effective implementation, but also to develop robust processes and good practice in order to lessen potential impacts and to then enable assessment of any actual increased pressures and costs that cannot be mitigated.
- 2.18 This model will not only be used in relation to the benefit cap and social size criteria but also to consider full range of welfare reform measures both individually and cumulatively, including Local housing allowance levels, universal credit, council tax support and so on.