

Report to Council

Welfare Reform – Thematic Analysis: Young People

Portfolio Holder:

Cllr Abdul Jabbar, Cabinet Member for Finance and HR

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Reason for Decision

The purpose of the attached report: **Welfare Reform – Thematic Analysis: Young People** is to:

- Present a brief overview of the previous and current legislation pertaining to welfare reform
- Outline the impact of welfare reform on Oldham generally
- Carry out a 'deep dive' into one of the groups most affected by these reforms, namely those aged between 18-24
- Look at what the Council is currently doing to support this group and identify potential options for strengthening our approach..

The report is one of a series looking at the impact of welfare reform on the borough. Additionally, it is part of the Council's commitment to publishing data relating to equality and demonstrating how it is informing the type of services we provide.

Report attached at appendix 1. Appendix 2 is the welfare reform dashboard for December 2015.

Recommendations to Council:

Members are asked to:

- Note the content of the report and provide feedback where needed
- Discuss the recommendations and make amends as appropriate

Executive Summary

- 1.1. The Government's Welfare Reforms continue to have a significant impact on the borough, both in terms of the place (e.g. economy) and its people (e.g. financial resilience).
- 1.2 This report focuses on one group of people who are more significantly impacted than other groups – those aged 18-24 years old. The report identifies seven reforms which are adversely impacting on this group disproportionately or have the potential to do so:
 - The new 'National Living Wage' for those aged 25 and over
 - Claimant commitment and sanctioning
 - Freeze of working age benefits
 - Removal of automatic entitlement to housing benefit for those aged 18-21
 - Introduction of Youth Allowance for 18-21 year olds
 - Changes to Employment and Support Allowance
 - Replacement of University maintenance grants with maintenance loans
- 1.3 The potential impacts of these reforms on those 18-24 are identified as follows:
 - Increased risk of falling below the poverty line
 - Increased risk of relying on short term / pay day / high interest loans / unsecured debt
 - Disengagement from the labour market – increased reliance on benefits and unofficial labour, potentially poor working conditions and employment rights
 - High levels of unemployment leading to higher numbers being sanctioned
 - Worsening quality of life as income reduces
 - Increasing reliance on food banks
 - Potential rise in the:
 - The number of evictions
 - The numbers of young people homeless
 - The demand for temporary accommodation
 - Fewer numbers going on to higher education, potentially less chance of pursuing well-paid / aspirational careers
- 1.4 The report identifies a number of services that are currently available to help mitigate some of these impacts and looks at current access levels of these services in terms of those aged 18-24 (where the information is available).

Recommendations

- 1.5 The report suggests using the cross-partnership working group currently being convened to look at Oldham's strategy for tackling poverty (including the impacts of welfare reform) to explore the following potential options for this age group:
 - Getting people to engage with us as early as possible
 - Creating a central signposting hub of advice and support
 - Exploring the use of technology to better support residents in a joined-up way

In implementing these recommendations we will ensure that they link in with work taking place elsewhere in the Council and the Partnership e.g. Resident First Programme, Early Help and the Family Information Service. This will ensure that we are not duplicating work and resources are targeted effectively.

Welfare Reform – Thematic Analysis: Young People**1 Background**

- 1.1 The report (appendix 1) is one of a series looking at the impact of welfare reform on the borough. Additionally, it is part of the Council's commitment to publishing data relating to equality and demonstrating how it is informing the type of services we provide.

2 Current Position

- 2.1 The report recommends taking its findings into account when planning and delivering Council and co-operative services to support residents affected by welfare reform and for Members to take appropriate action.

3 Options/Alternatives

- 3.1 Members are asked to:

- Note the content of the report and provide feedback where needed
- Discuss the recommendations and make amendments as appropriate

No alternative options have been considered as part of this report – due to its nature as an initial briefing.

4 Preferred Option

- 4.1 See 3.1.

5 Consultation

- 5.1 No external consultation was undertaken to inform this briefing

6 Financial Implications

- 6.1 There are currently no financial implications to this report in terms of council investment either capital or revenue. Finance may be involved as the work continues and if potential changes to services or investment in new technologies are needed, then finance will provide comments as appropriate.

- 6.2 It should also be noted that the consequential impact of these changes could see an increase in Council tax or rent arrears for customers in this age group and a greater reliance on additional financial support. Potentially the Council may also face increased expenditure on homelessness services for young people

7 Legal Services Comments

- 7.1 The Council has a statutory duty to consider the impact of its decisions on a number of groups under the Equality Act 2010. It is also required to publish its service and workforce data on an annual basis and set equality objectives over a four year period. This report forms part of the Council's work towards fulfilling this legal duty.

6. **Human Resources Comments**

8.1 Not applicable.

9. **Co-operative agenda**

9.1 Welfare reform activity is directly relevant to the achievement of corporate and co-operative objectives, for example through:

- Reducing dependency on public services – ‘confident communities where everyone does their bit’.
- Tackling worklessness – ‘a productive place to invest where business and enterprise thrive’.
- Local welfare provision – ‘a co-operative council creating responsive and high quality services’.

10 **Risk Assessments**

10.1 None

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 None

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 This report focuses on the differential impact of welfare reform on one particular group – 18-24 year old residents.

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 No

18 **Key Decision Reference**

18.1 N/A

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 Appendix 1: Welfare Reform – Thematic Analysis: Young People (main report)
Appendix 2: Welfare Reform Dashboard December 2015