Welfare Reform in Oldham

5 February 2014

Welfare Reform Programme Board

Business Intelligence Service and Customer Services

Oldham Council
Executive Summary

This report updates and builds on the Impact of Welfare Reform in Oldham reports presented to Council in February and July 2013. It provides the latest position on the actual and potential impact of Welfare Reform in Oldham and actions being taken by the Council and its partners to mitigate the impact of Welfare Reform. It estimates the economic losses and social impacts of the reforms, including the impacts on vulnerable groups and localities.

The intelligence contained has been used to and will continue to inform proposals and action plans to mitigate and minimise the impact of welfare reform on Oldham residents.

Changes introduced

The last report to Council focussed on the key Welfare Reform changes introduced from April 2013. This section provides an update on those changes and also includes the changes that have been introduced since.

Size Criteria (under occupation or bedroom tax)

The size criteria was introduced to Housing Benefit for working age claimants in the social rented sector from 1st April 2013. In Oldham:

- 2,048 households are currently under occupying their properties, 1,723 by one bedroom and 325 by two or more bedrooms.
- This has resulted in average reductions in Housing Benefit of £10.97 per week for one bedroom and £20.70 per week for two bedrooms or more.

The government announced on the 8th January 2014 that some tenants who have been living at the same address and have been entitled to claim Housing Benefit continuously since 1 January 1996 will be exempt from the size criteria. The Benefits Service has begun to review benefit records to identify the tenants who may be affected. We will then review and revise the level of benefit awarded from April 2013.

Though it should be noted that the government will be taking steps in March 2014 to close this ‘loop hole’ by amending legislation and thus those tenants will only receive a temporary increase in Housing Benefit.

Changes to Council Tax Benefit

The Council Tax Reduction (CTR) scheme was introduced from April 2013 to replace the national Council Tax Benefit scheme. This change led to 16,685 CTR claimants having to pay an increased amount of Council Tax or having to pay for the first time. Despite the changes to the scheme the amount of Council Tax collected from those taxpayers receiving CTR is higher than anticipated. This has allowed the Council to increase the maximum award of CTR which can be awarded from April 2014.
Local Welfare Provision

Community Care Grants and Crisis Loans for living expenses paid by DWP ended on 31st March 2013. Local authorities were given funding to develop their own Local Welfare Provision (LWP) scheme. In the first 40 weeks of the scheme (up to 5th January 2014):

- 1,725 applications were received for 7,918 items
- 5,847 items were refused and 1,557 items were awarded

A high number of LWP applications have been refused. The reasons for the high levels of refusal include out of area applications and requests for cash payments.

Personal Independence Payment

Personal Independence Payment (PIP) has been introduced to replace Disability Living Allowance (DLA) for eligible claimants aged 16 to 64. From 8th April 2013 it was introduced to new claimants in Oldham with postcodes beginning with ‘M’ and from 10th June to all new claimants in Oldham. From October 2013 reassessment of some existing DLA claimants started in selected areas of the country, this does not include Oldham. The DWP will take further decisions on extending reassessment to the rest of the country; the intention is to reassess all existing DLA claimants by October 2017.

The Benefit Cap

The Benefit Cap limits household income from benefits to £350 per week for single claimants and £500 per week for couples and lone parents. In Oldham implementation commenced from the 15th July 2013. There are currently:-

- 129 families affected
- All are households with children
- The highest cap in Housing Benefit is £149.50 per week

Universal Credit

Universal Credit replaces a range of existing benefits with a single monthly payment. It aims to simplify the benefit system, make work pay and smooth the transition into work by combining in work and out of work benefits.

Early rollout of Universal Credit, known as Pathfinder, began in Tameside from the 29th April 2013 and was introduced in Oldham, Warrington and Wigan in July 2013 prior to the wider roll out from October 2013. The start date for Oldham was the 29th July. During Pathfinder the eligible claimant group is limited to single claimants who meet specific criteria.

Between July 2013 and September 2013 a total of 510 people have claimed Universal Credit in Oldham, the majority being unemployed people aged under 25.

Impacts of Welfare Reform

The latest, most comprehensive national evidence available shows that Oldham is ranked 26th worst affected out of the 379 local authorities in Great Britain with the overall
annual impact of welfare reform changes being estimated at £90.1m, once the changes are fully implemented. This equates to a loss of £637 a year per working-age adult. This is a key finding for Oldham from the previously reported Centre for Regional Economic and Social Research (CRESR, Sheffield Hallam University) report: “Hitting the poorest places hardest – The local and regional impact of welfare reform”. That report shows that in Oldham the biggest impact on the local economy from Welfare Reform comes from changes to disability benefits (an estimated loss of £29m) from changes to Incapacity Benefit (£22.3m by 2015/16) and from the change from Disability Living Allowance (DLA) to Personal Independence Payment (£6.7m by 2017/18).

Further findings are presented in the report, along with local estimates of the impacts that have been identified to date.

What our residents say
Responses to the most recent consultation on Oldham Council’s Council Tax Reduction Scheme provide a useful insight into the impact of welfare reform on those in receipt of this support. The findings highlight respondents concerns about their financial situation:

- Three quarters of respondents (74%) find it difficult to keep up-to-date with Council Tax payments, with nearly half (46%) finding it ‘very difficult’;
- Around seven in ten (69%) find it difficult to keep up-to-date with utility payments (e.g. gas, electricity and water), with a large minority (43%) finding it ‘very difficult’;
- Just under half of respondents (47%) find it either ‘fairly difficult’ (13%) or ‘very difficult’ (34%) to keep up-to-date with repayments on unsecured loans such as credit cards, personal loans or overdrafts;
- Over half (57%) find it difficult to keep up-to-date with housing payments e.g. rent or mortgage payments. Around one in five (20%) said they did not have housing payments or that the question did not apply to them (some respondents owned their house without a mortgage for example);
- However, overall Council Tax collection rates remain steady with 64% of Council Tax collected against a target of 63% (October 2013).

Mitigating the impact
The Council developed a comprehensive Welfare Reform action plan with our partners to help mitigate the impact of Welfare Reform.

The communications and marketing campaign from January to March 2013 involved:

1. Multi-channel promotion across the borough utilising all external and internal communications and marketing opportunities. This included working with partners.
2. Delivery by district teams of targeted activity in areas significantly impacted by Welfare Reform.
3. Direct communications targeted to those affected by specific changes, for example changes to Disability Living Allowance, Council Tax Benefit, and the Benefit Cap.
The two key messages of this successful campaign were:

- Benefits are changing as part of the government’s Welfare Reform;
- Make the Most of Your Money – this was linked to other campaigns to help offering money saving opportunities and access to fairer credit through the Credit Union where required.

From April 2013 further activity has continued. This has included:

- Implementing our new Discretionary Housing Payment (DHP) Policy
- Recruiting two additional Welfare Rights Officers who have contributed to the team generating over £1million pounds in additional benefits for residents in Oldham
- Providing support through the Citizens Advice Bureau or One Stop Shop to 3,000 residents enquiring about welfare reform
- Working with Registered Social Landlords on targeted activities to support residents affected by the size criteria and the Benefit Cap

**Next steps**

We will continue to develop our activities and campaigns to mitigate the impact of Welfare Reform. This will include:

- Continuing our Get Oldham Working campaign.
- Undertaking further research to develop a fuller understanding of the ongoing social and financial impact of welfare reform on Oldham.
- Monitoring the impact measures developed with social housing providers through Oldham Housing Investment Partnership (OHIP). Findings of this analysis will be presented in the next report.
- Using research findings to identify further interventions that can help mitigate the impact of welfare reform and ensure that these are targeted accurately.
- Early assessment of the impact that future welfare reform changes may have and the development of detailed actions plans for implementation.
Welfare Reform in Oldham

Introduction

This report builds on the Impact of Welfare Reform in Oldham reports presented to Council in February and July 2013. It provides the latest position on the actual and potential impact of Welfare Reform in Oldham and actions being taken by the Council and its partners to mitigate the impact of Welfare Reform. It provides estimates of the economic losses and social impacts of the reforms, including the impacts on vulnerable groups and localities.

The intelligence contained in this report has and will continue to inform proposals and action plans to mitigate and minimise the impact of Welfare Reform on Oldham residents.

Summary of Changes introduced from April 2013

The last report to Council focussed on the key Welfare Reform changes introduced from April 2013. This section provides an update on those changes and also includes the changes that have been introduced since.
<table>
<thead>
<tr>
<th><strong>Size Criteria</strong></th>
<th><strong>Starting Position</strong></th>
<th><strong>Current Position</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
</table>
| Introduced in April 2013. | • 2,334 properties originally identified.  
• 1,961 by one bedroom.  
• 373 by more than one bedroom. | • 2,048 properties currently affected.  
• 1,723 by one bedroom  
• 325 by more than one bedroom. | There are now 286 fewer properties affected by Size Criteria in Oldham. This reduction can be attributed to people having:  
1. downsized their property;  
2. reached pensionable age, so now exempt from bedroom tax;  
3. other identified needs, such as disabled child or overnight carer required. |

<table>
<thead>
<tr>
<th><strong>Council Tax Reduction</strong></th>
<th><strong>Starting Position</strong></th>
<th><strong>Current Position</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
</table>
| Introduced in April 2013. | • 16,685 properties identified.  
• These properties pay an increased amount of Council Tax or have to pay for the first time.  
• Oldham Council anticipated a collection rate of 50%. | • Council Tax collected from those taxpayers receiving CTR is higher than anticipated.  
• As of December 2013, the collection rate is 62%. | Council Tax payers have been encouraged to pay by direct debit, set up Credit Union Jam Jar Accounts and to contact the Council to discuss payment options if they are struggling to make payments. |

<table>
<thead>
<tr>
<th><strong>Local Welfare Provision</strong></th>
<th><strong>Starting Position</strong></th>
<th><strong>Current Position</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
</table>
| Introduced in April 2013. | In weeks 1-10 (April 1st –June 9th)  
• 469 applications received for 1,973 items.  
• 225 items awarded.  
• £23,260 of £698,893 budget spent to date. | In weeks 1-40 (April 1st –Jan 5th)  
• 1,725 applications received for 7,918 items.  
• 1,557 items awarded.  
• £213,045 of £698,893 budget spent to date. | Feedback on the scheme has been very positive. 98% of applications are processed on the day of receipt. Since the LWP policy was introduced applications for scheme have increased due to:  
• greater local knowledge of scheme, with more families signposted to this support;  
• wider range of items accepted. |

<table>
<thead>
<tr>
<th><strong>Personal Independence Payment</strong></th>
<th><strong>Starting Position</strong></th>
<th><strong>Current Position</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduced in April 2013.</td>
<td>No data yet available.</td>
<td></td>
<td>From 28th October 2013, reassessment of some existing DLA claimants began. So far, Oldham has not been included in the areas to be reassessed. DWP anticipated this will be completed by October 2017.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The Benefit Cap</strong></th>
<th><strong>Starting Position</strong></th>
<th><strong>Current Position</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
</table>
| Implemented on the 15th July 2013 in Oldham | • 168 families were originally identified by the DWP.  
• All families had children.  
• Highest cap was £168 a week. | • 129 families currently affected.  
• All families have children.  
• Highest cap is £149.50 a week. | Oldham has developed a multi-agency approach to supporting those affected by the benefit cap which includes working with colleagues from Job Centre Plus and the Get Oldham Working Team. Some claimants who have been capped have since found some form of employment. |

<table>
<thead>
<tr>
<th><strong>Universal Credit</strong></th>
<th><strong>Starting Position</strong></th>
<th><strong>Current Position</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
</table>
| Oldham Pathfinder started on 29th July 2013. | During Pathfinder the eligible claimant group is limited to single claimants who meet specific criteria. | Up to September 2013:  
• 510 people have claimed Universal Credit in Oldham.  
• The gender breakdown of claimants of Universal Credit shows that the majority are males, with a male to female ratio around 2:1.  
• Most are unemployed aged under 25 | From summer 2014 the DWP will progressively start to take new claims for Universal Credit for couples and, in the autumn, for families in the 10 areas where UC will be live. This will include Oldham. |
1. Size Criteria (under occupation or bedroom tax)

- 2,048 households are currently under occupying their properties, 1,723 by one bedroom and 325 by two or more bedrooms.
- This has resulted in average reductions in Housing Benefit of £10.97 per week for one bedroom and £20.70 per week for two bedrooms or more.

A breakdown by ward of the number of properties impacted by the size criteria is provided in the table below.

Table 1: Number of properties impacted by the size criteria as at 30th November 2013

<table>
<thead>
<tr>
<th>District Partnership</th>
<th>Ward</th>
<th>Under Occupying</th>
<th>Total reduced by Percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>by 1 room</td>
<td>by 2 rooms</td>
<td>by 3 rooms</td>
<td>by 4 rooms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>Chadderton</td>
<td>Chadderton Central</td>
<td>29</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Chadderton North</td>
<td>44</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Chadderton South</td>
<td>70</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>143</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>Failsworth and Hollinwood</td>
<td>Failsworth East</td>
<td>30</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Failsworth West</td>
<td>57</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Hollinwood</td>
<td>211</td>
<td>43</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>298</td>
<td>68</td>
<td>1</td>
</tr>
<tr>
<td>Oldham District</td>
<td>Alexandra</td>
<td>218</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Coldhurst</td>
<td>178</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Medlock Vale</td>
<td>158</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>St. James'</td>
<td>142</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>St. Mary's</td>
<td>154</td>
<td>38</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Waterhead</td>
<td>117</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Werneth</td>
<td>101</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1068</td>
<td>164</td>
<td>14</td>
</tr>
<tr>
<td>Royton Shaw and Crompton</td>
<td>Royton North</td>
<td>41</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Royton South</td>
<td>59</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Shaw</td>
<td>55</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Crompton</td>
<td>29</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>184</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>Saddleworth and Lees</td>
<td>Saddleworth North</td>
<td>10</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Saddleworth South</td>
<td>8</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Saddleworth West and Lees</td>
<td>12</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Oldham</td>
<td>Oldham</td>
<td>1723</td>
<td>304</td>
<td>16</td>
</tr>
</tbody>
</table>

The government announced on the 8th January 2014 that some tenants who have been living at the same address and have been entitled to claim Housing Benefit continuously since 1 January 1996 will be exempt from the size criteria.
The Benefits Service has begun to review benefit records to identify the tenants who may be affected. We will then review and revise the level of benefit awarded from April 2013.

However, the government have confirmed that they will be taking steps to close this 'loop hole' by amending legislation in March 2014.

2. Changes to Council Tax Benefit

The Council Tax Reduction (CTR) scheme was introduced from April 2013 to replace the national Council Tax Benefit scheme. This change led to 16,685 CTR claimants having to pay an increased amount of Council Tax or having to pay for the first time. Council Tax payers have been encouraged to pay by direct debit, set up Credit Union Accounts and to contact the Council to discuss payment options if they are struggling to make payments. Reminders and summonses have been issued to those taxpayers who have failed to make payments and further proactive contact activities are continuing to encourage residents to discuss payment arrangements.

Despite the changes to the scheme the amount of Council Tax collected from those taxpayers receiving CTR is higher than anticipated. This has allowed the Council to increase the maximum award of CTR which can be awarded from April 2014 from 75% to 80% of a Band A rate of Council Tax.

3. Introduction of Local Welfare Provision

Community Care Grants and Crisis Loans for living expenses paid by DWP ended on 31st March 2013. Local authorities were given funding to develop their own Local Welfare Provision (LWP) scheme which is intended to:

- Meet short term emergency/immediate support needs of vulnerable people
- Assist vulnerable people to establish or maintain a home in the community

To be eligible for an award under the Oldham scheme applicants must be:

1. Aged 16 or over and be a resident of the borough or be able to demonstrate they are about to become a resident of the borough
2. In receipt of benefits, though residents may be able to get an award in exceptional circumstances if they do not receive benefits
3. Have no access to other sources of support or funding

In weeks 1 – 40 (1st April 2013 to the 5th January 2014)

- 1,725 applications have been received for 7,918 items
- 1,557 have been awarded
- The budget spent to date on awards is £213,045
A relatively high number of LWP applications have been refused. The reasons for the high levels of refusal include:

- Requests for cash payments. In developing our scheme we made a decision to provide goods directly to the resident in all situations other than providing money for utilities. This was to address concerns raised about the DWP scheme, as evidence suggested that in many situations the money was spent on items other than those for which the money was intended;
- Non-essential items being requested e.g. televisions;
- The need for the award is within the applicants control i.e. we do not provide grants to meet short term needs where the claimant has spent their benefit money. This was often the case with the previous DWP scheme where applicants saw it as a way of getting a short tem loan;
- Applicants are waiting for DWP benefits to be awarded. In this situation they should apply to DWP for a Short Term Benefit Advance;
- The applicant being subject to benefit sanction or disallowance.

4. **Personal Independence Payment**

Personal Independence Payment (PIP) has been introduced to replace Disability Living Allowance (DLA) for eligible claimants aged 16 to 64. From 8th April 2013 it was introduced to new claimants in Oldham with postcodes beginning ‘M’.

From 10th June 2013, in addition to the area covered by the controlled start, new PIP claims were taken in all remaining areas of Great Britain. This means that the DWP no longer accepts new claims for DLA from anyone aged 16 to 64, unless they are making a renewal claim from a fixed term DLA award that is due to expire before 17 March 2014.

So far, Oldham has not been included but DWP will make further decisions on extending reassessment to the rest of the country in due course. This will be informed by the experience of introducing reassessment in a gradual way first.

The DWP have confirmed that between October 2015 and October 2017 all the remaining claimants in receipt of a DLA award will be invited to make a claim for PIP.

The Council’s Welfare Rights Team has begun to assist residents with the completion of new application forms and if necessary will support appeals where awards are refused.

Once further information is known about the potential date for reassessment of claimants in Oldham a communication campaign will be developed to ensure residents are aware of the changes and the support available. Work will also be undertaken with colleagues in Adult Social Care to identify service users who require support with their application.
The map below shows the latest data available on Disability Living Allowance (DLA) claimants in Oldham.

**Percentage Disability Living Allowance claimants in Oldham**

- As the map above shows, the areas (Lower Super Output Areas – LSOAs) with the highest proportions of Disability Living Allowance Claimants (DLA) are located widely across the wards of Oldham.
- There are particularly high concentrations in parts of Coldhurst (Barker Street Estate), Chadderton North (Bare Trees Estate), Alexandra (Hathershaw, and Holts Estate) and Medlock Vale (Fitton Hill).
- Whilst there are also significant concentrations of DLA claimants found in Hollinwood (Hollins Estate, Collier Hill Estate and Limehurst Village), Failsworth West (Oldham Road/Popular Street area), Chadderton Central (Crossley Estate), Royton North (Holly Estate) and Waterhead (Littlemoor).

Please note that in Saddleworth West and Lees, the bottom proportion of this ward appears to be an area impacted by the changes to DLA. This is not the case in reality and is a result of the shape of the geographic boundary the data is provided in.
5. **The Benefit Cap**

The Benefit Cap limits household income from benefits to £350 per week for single claimants and £500 per week for couples and lone parents. It was introduced into four London boroughs from April 2013 and was rolled out nationally in two tranches between the 15th July 2013 and 30th September 2013.

Oldham was in the first tranche where implementation commenced from the 15th July 2013. Data received from the DWP in December 2013 shows that in Oldham there are currently:

- 129 families affected
- All are households with children
- The highest cap in Housing Benefit is £149.50 per week.

6. **Universal Credit**

Universal Credit replaces a range of existing benefits with a single monthly payment. It aims to simplify the benefit system, make work pay and smooth the transition into work by combining in work and out of work benefits.

Early rollout of Universal Credit, known as Pathfinder, began in Tameside from the 29th April 2013 and was introduced in Oldham, Warrington and Wigan in July 2013. During Pathfinder the eligible claimant group is limited to single claimants who meet specific criteria.

Between July 2013 and September 2013 a total of 510 people have claimed Universal Credit in Oldham. The gender breakdown of claimants of Universal Credit shows that the majority are males, with a male to female ratio around 2:1. The majority of new claims are for unemployed people aged under 25.

Further details about the plans for UC and the part that local authorities will play in supporting claimants are included in the recently updated Local Support Services Update and Test Plan.

**Impacts of Welfare Reform**

As noted in the previous reports to Council, the potential impact of Welfare Reform is wide ranging, directly affecting a significant proportion of Oldham’s residents. There are implications for Oldham Council and its partner organisations, as service providers responding to the changes and trying to mitigate any adverse impact as necessary.

There are also significant implications for the local economy, both in terms of reduction in local spending power as a result of benefit reductions and in terms of increasing efforts to ensure that particular groups of Oldham residents affected by the changes are able to secure employment.
Impact on the local economy

As noted above, the previously reported Centre for Regional Economic and Social Research (CRESR, Sheffield Hallam University) report: “Hitting the poorest places hardest – The local and regional impact of welfare reform” is still the latest, most comprehensive national evidence available.

The report provides estimates for Great Britain and calculates the impacts on local authorities (and Great Britain) of welfare reform, both in terms of the total financial loss and of the number of households or individuals affected.

The key findings for Oldham are presented below. The full report and associated dataset can be found at http://bit.ly/10USMO1.

Key findings for Oldham

Oldham is ranked 26th worst affected out of the 379 local authorities in Great Britain with the overall annual impact of welfare reform changes being estimated at £90.1m.

This equates to a loss of £637 a year per working-age adult.

The £90.1m annual impact breaks down as:

- Council Tax Benefit, £4.2m (4th worst affected - impact per working age adult, GB)
- Incapacity Benefit, £22.3m (51st worst affected)
- Tax Credits, £19.1m (11th worst affected)
- 1% Welfare benefits uprating (i.e. less than inflation), £16.6m (30th worst affected)
- Child Benefit, £10.6m (116th worst affected)
- DLA changes, £6.7m (65th worst affected)
- Housing Benefit
  - LHA, £5.5m (113th worst affected)
  - Under-occupancy (“bedroom tax”), £2.8m (28th worst affected)
- Non-dependency deductions, £1.5m (30th worst affected)
- Household Benefit Cap, £0.8m (65th worst affected)

Overall, Oldham is the 3rd worst affected authority in Greater Manchester (after Rochdale and Salford), in terms of impact per working age adult.
# Impact of welfare reforms in Oldham by 2014/15

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>No. of households/individuals affected</th>
<th>Estimated loss £m per year</th>
<th>Financial loss per affected household/individual</th>
<th>No. of households affected per 10,000</th>
<th>Financial loss per working age adult £ per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incapacity benefits(^{(1)(3)})</td>
<td>6,500</td>
<td>22.3</td>
<td>£3,438</td>
<td>460</td>
<td>158</td>
</tr>
<tr>
<td>Tax Credits</td>
<td>23,500</td>
<td>19.1</td>
<td>£812</td>
<td>2,620</td>
<td>135</td>
</tr>
<tr>
<td>1 per cent uprating(^{(3)})</td>
<td></td>
<td>16.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Benefit</td>
<td>31,300</td>
<td>10.6</td>
<td>£339</td>
<td>3,490</td>
<td>75</td>
</tr>
<tr>
<td>Disability Living Allowance(^{(1)(2)})</td>
<td>2,200</td>
<td>6.7</td>
<td>£3,064</td>
<td>160</td>
<td>48</td>
</tr>
<tr>
<td>Housing Benefit: Local Housing Allowance</td>
<td>5,300</td>
<td>5.5</td>
<td>£1,029</td>
<td>590</td>
<td>39</td>
</tr>
<tr>
<td>Council Tax Benefit</td>
<td>17,200</td>
<td>4.2</td>
<td>£244</td>
<td>1,920</td>
<td>30</td>
</tr>
<tr>
<td>Housing Benefit: Under-occupation(^{('bedroom tax')})</td>
<td>3,800</td>
<td>2.8</td>
<td>£733</td>
<td>430</td>
<td>20</td>
</tr>
<tr>
<td>Non-dependent deductions</td>
<td>1,300</td>
<td>1.5</td>
<td>£1,159</td>
<td>150</td>
<td>11</td>
</tr>
<tr>
<td>Household benefit cap</td>
<td>160</td>
<td>0.8</td>
<td>£4,966</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total Impact</strong></td>
<td></td>
<td>90.1</td>
<td></td>
<td></td>
<td>637</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Individuals affected; all other data refers to households
\(^{(2)}\) By 2017/18
\(^{(3)}\) By 2015/16

Source: Sheffield Hallam estimates based on official data
Impact on Disabled people

In Oldham the biggest impact on the local economy from Welfare Reform comes from changes to disability benefits.

There will be an estimated annual loss of:

- £22.3m (by 2015/16) resulting from changes to Incapacity Benefit;
- £6.7m (by 2017/18) resulting from the change from Disability Living Allowance (DLA) to Personal Independence Payment.

Therefore Welfare Reform changes to disability benefits are likely to lead to an estimated loss of £29m to the local economy.

The financial loss per individual affected is estimated to be £3,438 a year as a result of changes to Incapacity Benefit and £3,064 a year resulting from changes to Disability Living Allowance.

Impact on Families with children

Some of the other areas where Welfare Reform will have a significant impact in Oldham are those which particularly or disproportionately affect families with children. These include:

- changes to Child Benefit (£10.6m);
- changes to Tax Credits (£19.1m);
- the Household Benefit cap (£0.8m).

Our own estimates suggest that the impact of Child Benefit changes produced by CRESR might be underestimates. CRESR used the number of families rather than the number of children in a local authority area to produce the estimates. The fact that Oldham has a higher proportion of larger families could explain this difference.

Impact of the 1% uprating

CRESR estimate that the impact on Oldham of the 1% Welfare Benefits up-rating will be £16.6m, with Oldham being the 30th worst affected local authority in Great Britain. This estimate relates to all those affected by the change, not just to families with children.

Uprating certain Welfare Benefits by 1% rather than in line with inflation will impact disproportionately on families with children.

Data issues to consider

It is important to note that the £90.1m total impact figure does not include the impact of Universal Credit. The reasons given for omitting Universal Credit are that:
Universal Credit is best understood as a repackaging of existing benefits, the rules governing eligibility are essentially carried over from the existing benefits it replaces; Unlike other welfare reforms covered in the report, Universal Credit is not expected to result in a net reduction in benefit entitlement; Most of the impact of Universal Credit will be felt well beyond 2015. The full impact is unlikely before 2018.

Work Capability Assessment (WCA) and Disability Reassessment

Incapacity Benefit was a benefit paid to those below pension age who could not work because of illness or disability. This benefit was replaced by Employment Support Allowance (ESA) in 2008 for new claimants, and as a part of the present Government’s changes to welfare benefits, it is being reformed further. This is likely to have a significant impact on claimants, particularly in Oldham.

The key reforms to incapacity benefits are:

- A tougher medical test
- The re-testing of existing claimants
- New requirements to engage in work-related activity
- Time-limiting the entitlement to non-means tested benefit.

Claimants who have been in receipt of Incapacity Benefit for many years have been the first cohort to be reassessed by the new requirements to judge if they are entitled to ESA. DWP have recently released their latest statistics on the outcome of the Work Capability Assessments, which provides more clarity on the likely impact Incapacity Benefit Reform will have.

Table 2: Incapacity Benefit Reassessments – October 2010 to November 2012
This data shows that nearly three out of ten (29%) of all Incapacity Benefit claimants who have been reassessed in Oldham have been found fit to work and are now not entitled to ESA, similar to the national average (28%). Oldham has a slightly larger proportion of claimants reassessed and placed in the work-related activity group (44% compared with 41% in England). This group is for claimants who the DWP consider will be capable of work at some time in the near future (usually within 12 months) and who are capable of taking steps towards moving into work (work-related activities) immediately. Oldham has a smaller proportion of claimants placed in the support group. These are the claimants who will not be expected to work due to a severe disability or health condition.

The report suggests that by 2015/16, when the reforms will have been fully implemented, the number of Incapacity Benefit claimants will have fallen by 5,300 in Oldham (the total in February 2011 was 12,180 claimants), a 44% reduction, many of whom will be existing claimants. Around 2,900 Incapacity Benefit claimants will be moved out of the benefits system entirely, either as a result of the changes to the time-limit on non-means tested entitlement or because they fail to qualify for other means tested benefits.

The map below shows the latest data available on Incapacity Benefit (IB)/ Employment Support Allowance (ESA) claimants in Oldham.

**Percentage of Incapacity Benefit and Employment Support Allowance Claimants in Oldham**
• There are currently (May 2013) 11,540 claimants of Incapacity Benefit or Employment Support Allowance in Oldham. In February 2012 there were 12,140 claimants of Incapacity Benefit or Employment Support Allowance in Oldham.

• The areas (Lower Super Output Areas – LSOAs) with the highest proportions of Incapacity Benefit or Employment Support Allowance claimants are in Coldhurst, St. Mary’s and Alexandra with particular concentrations in parts of Coldhurst (Barker Street Estate) and St. Mary’s (St. Mary’s Estate and Higgenshaw Village). There are also relatively high proportions of Incapacity Benefit or Employment Support Allowance claimants in parts of Alexandra (Alt and Holts) and Waterhead (Littlemoor).

Please note that in Saddleworth West and Lees, the bottom proportion of this ward appears to be an area impacted by the changes to ESA. This is not the case in reality and is a result of the shape of the geographic boundary the data is provided in.

Table 3: Out of work benefit claimants in Oldham

![Graph showing out of work benefit claimants in Oldham]

Incapacity Benefit claimants often face multiple obstacles to working again and their concentration in the weakest local economies and most disadvantaged communities means they usually have little chance of finding work.

In total CRESR estimate that by 2015/16 Incapacity Benefit reforms will equate to a loss to Oldham’s economy of over £20m. It is worth noting that this is an estimate and that all estimates are subject to a margin of error.
Indebted Lives

In November 2013 the Money Advice Survey published a piece of research by Public Knowledge on Debt - Indebted Lives: “the complexities of life in debt”. This was commissioned to provide a deeper understanding of the growing problems associated with debt, especially with people who are over indebted living across the UK.


The research showed that of the 8.8 million people who are over-indebted, just over four million have been struggling to pay their bills for more than a year. Nearly half (48%) of them feel that being in debt is preventing them from buying the basics. This figure rises for those with families.

Looking at the over-indebted population as a whole, the research reveals that the majority is of working age with 58% in work and 48% living in privately-owned homes. Half have a household income of less than £20,000 per annum, and women are over-represented, accounting for 64% of the total. The age profile of people struggling with their debt peaks between the ages of 35–44, with people in this age band making up 32% of the overall group; however, it drops significantly as people reach the age of 55 and above.

The over-indebted population is spread disproportionately across the UK and there is a general skew towards the cities of the north of England and to Northern Ireland. The table below shows the percentage of people in each Greater Manchester local authority that are over-indebted and where the authority ranks out of the 406 the Local Authorities in the UK (1st being the most indebted, and 406th the least).

As the table shows, 27.7% of Oldham’s population according to this research are over indebted, and Oldham ranks the 63rd most in-debted Local Authority in the UK.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>% of population over indebted</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manchester</td>
<td>41.1%</td>
<td>3</td>
</tr>
<tr>
<td>Salford</td>
<td>36.1%</td>
<td>15</td>
</tr>
<tr>
<td>Rochdale</td>
<td>30.5%</td>
<td>39</td>
</tr>
<tr>
<td>Tameside</td>
<td>29.6%</td>
<td>46</td>
</tr>
<tr>
<td>Bolton</td>
<td>28.8%</td>
<td>53</td>
</tr>
<tr>
<td>Wigan</td>
<td>28.7%</td>
<td>54</td>
</tr>
<tr>
<td>Oldham</td>
<td>27.7%</td>
<td>63</td>
</tr>
<tr>
<td>Bury</td>
<td>21.0%</td>
<td>133</td>
</tr>
<tr>
<td>Trafford</td>
<td>14.6%</td>
<td>200</td>
</tr>
<tr>
<td>Stockport</td>
<td>14.5%</td>
<td>204</td>
</tr>
</tbody>
</table>

Although the majority of the over-indebted population report that their debt is having a negative impact on their lives, only 17% of people are currently receiving advice to get help dealing with their debts.
Use of Foodbanks

Foodbank Vouchers

Information has been provided on the use of foodbanks in Oldham. Between January 2013 and December 2013 the number of foodbank vouchers used in Oldham (by Oldham residents) increased from at least 168 to 231. Wards that had the highest number of vouchers include:

- Coldhurst 34
- St. Mary’s 26
- Alexandra 24
- Waterhead 22

There are also people from neighbouring areas outside Oldham, in particular from Ashton St. Michel’s and Stalybridge North in Tameside, who access Oldham foodbanks.

Foodbanks

Between January 2013 and December 2013, the number of people from Oldham accessing foodbanks in Oldham increased from 270 to a 389. The number of adults accessing foodbanks increased from 192 to 280 a month, whilst the number of children increased from 71 to 109. The increase in the number of children accessing foodbanks has been most notable in the following wards:

- Hollinwood (from 3 to 32)
- Medlock Vale (from 2 to 14)

In some wards, in particular Alexandra, Medlock Vale, St. Mary’s, the numbers of children accessing foodbanks has tended to fluctuate.
Table 5: number of adults and children accessing foodbanks by ward

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>Children</td>
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<td></td>
<td></td>
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</tbody>
</table>
| Adults             | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults 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| Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults | Children | Adults |Children
The wider impacts of Welfare Reform

This section of the report provides context about Oldham residents’ financial situation based on the findings from the ‘You and Your Community’ survey undertaken in 2013 (Ipsos MORI, 2013). It examines financial situations and current and future financial concerns, particularly in relation to financial stress and mental health amongst residents. Potential negative impacts of welfare reform could exacerbate financial concerns for many Oldham residents. These questions were also asked in the 2010 residents’ survey, and where appropriate, comparisons are made between the 2010 and 2013 figures.

Current financial stress factors

The financial stress experienced by respondents was measured through a question about whether or not they were able to afford various household goods and activities. For example, household contents insurance, being able to have friends or family over for a meal at least once a month, being able to save at least £10 a month. Respondents could choose from the following responses “I/we have this at the moment”, “I/we would like this but cannot afford it at the moment”, “I/we do not need/want this at the moment” and “does not apply”.

In order to provide a single measure of the overall levels of financial stress experienced by respondents, a simple analysis was conducted among those answering at least half of the statements (i.e. 5 statements). The analysis counts the number of statements for which respondents say they “would like to have this but cannot afford it at the moment”.

This analysis shows that under half of respondents feel no financial stress (44%). This means they either have all of the things mentioned in the question or they do not need or want them. This is in line with the proportion in 2010 (42%). Two in five respondents (40%) have some or many sources of current financial stress (i.e. they would like to have or do at least three of the eight things mentioned, but are not able to afford it). One in seven respondents (15%) has...
**many** sources of current financial stress (i.e. they would like to have or do at least six of the eight things but cannot afford it). These proportions have not changed significantly since 2010.

The demographic groups most likely to have **some or many** sources of current stress are:

- Those aged **25-44** (52% compared with 31% of those aged 45+);
- Of a **Pakistani** (64%) or **Bangladeshi** (70%) background rather than White (34%);
- **Lone parents** (80%) and **two-parent** families (48%);
- **Tenants in private housing** (69%) or **social housing** (61%) rather than owner-occupiers (31%);
- Respondents in **Alexandra** (64%), **Coldhurst** (59%), **Medlock Vale** (58%) and **St. Mary’s** (54%), especially compared with people in Saddleworth South (14%) and Saddleworth North (20%);
- **Unemployed people** (43%) compared with nine per cent of full-time workers;
- Households with net **incomes below £8,740** a year (35%) compared with households where income is at least £38,581 a year (1%);
- **Benefit recipients**1 (31%) compared with non-recipients (9%).

**Future financial stress factors**

Residents were asked nine questions about their future financial concerns. For example, having to leave their home due to not being able to keep up with rent/mortgage payments and having their income reduced by benefit cuts (e.g. ‘bedroom’ tax). Respondents were able to respond to each question on a four-point scale from “very concerned” (scored 3) to “not at all concerned” (scored 0). Each respondent’s scores for all questions were aggregated into an overall ‘score’ in order to provide an indication of future financial stress. A lower score indicates a lower level of financial stress and is therefore preferable.

The following chart shows that, on this scale, more than four in ten (44%) have some or many causes of future stress and one in seven (14%) has many such causes.

---

1 “In receipt of benefits” is defined as receiving Housing Benefit and/or Council Tax Reduction.
Q46. How concerned, if at all, would you say you are about each of the following?

Score of:

<table>
<thead>
<tr>
<th>% stating</th>
<th>Score of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>14%</td>
<td>Many concerns</td>
</tr>
<tr>
<td>30%</td>
<td>Some concerns</td>
</tr>
<tr>
<td>42%</td>
<td>Few concerns</td>
</tr>
<tr>
<td>13%</td>
<td>No concerns</td>
</tr>
</tbody>
</table>

There is much similarity between the groups with some or many causes of future stress and those with some or many causes of current stress. Respondents are more likely to have some or many sources of future stress if they are:

- **Women** (48% compared with 42% of men);
- **Aged 16-44** (58% compared with 15% of those aged 65+);
- **Of Pakistani** (74%) or **Bangladeshi** (74%) rather than White (38%) background;
- **Lone parents** (80%), **extended families** (69%) and, to a lesser extent, **two-parent families** (58%);
- **Private tenants** (72%) or **social tenants** (63%) rather than owner-occupiers (36%);
- Respondents in **Alexandra** (65%), **Coldhurst** (64%), **St. Mary’s** (64%), **Werneth** (63%), **Medlock Vale** (57%) or **Waterhead** (53%), compared with Saddleworth North (23%), Saddleworth South (23%) and Royton South (28%);
- **Unemployed people** (43%) compared with 11% of full-time workers;
- **Household net annual income is below £13,051** (26%) compared with two per cent if it is at least £26,571 a year; and
- **Benefit recipients** (28%) compared with non-recipients (9%).
**Mental health and financial stress**

**Self-reported mental health**

To assess their mental health, respondents were asked whether they had suffered from nervous trouble or depression in the previous 12 months. Three in ten respondents (31%) say they have suffered from nervous trouble or depression with almost half of these respondents (48%) having seen a doctor about it, but just over half (52%) have not done so. These figures are higher than in 2010 when 29% of respondents indicated that they were suffering from nervous trouble or depression.

The proportion of people reporting having suffered nervous trouble or depression in the last year was significantly higher among certain groups:

- **Women** are more likely than men to have experienced nervous trouble or depression in the last 12 months (35% compared with 27%);
- **Working age people** (34%) rather than those over retirement age (18%);
- **Private tenants** (50%) and **social tenants** (45%) are more likely than owner-occupiers (24%) to experience these problems;
- Incidence is also very high among **lone parents** (60%) and is also above average among those who **live alone** (35% compared with 31% overall); and
- **Living in Alexandra** (43%) and **St. Mary's** (41%) and rarest in Royton South (21%) and Saddleworth North (20%).

There is also a marked socio-economic trend, with nervous trouble and depression most commonplace among those with economic disadvantages. These include:

- Those of working age but **economically inactive** (63% compared with 31% overall);
- The **unemployed** (53% compared with 27% of working respondents);
- Respondents whose only telephone is a **pay-as-you-go mobile** (53%);
- **Recipients of benefits** (48% compared with 25% of non-recipients);
- Respondents with net annual **household income below £13,051** (43% compared with only 16% if household income is at least £38,581 a year); and
- Respondents in areas defined by ACORN as ‘**Families with Difficult Finances**’ (61%) and ‘**No kids**’ (46%), especially compared with neighbourhoods that are ‘**Wealthy Achievers**’ (14%) and ‘**Comfortable Older People**’ (19%).

**Mitigating the impacts of Welfare Reform**

The Council has developed a comprehensive Welfare Reform action plan with our partners to help mitigate the impact of Welfare Reform.

The recent consultation on Oldham Council’s Council Tax Reduction Scheme examined a number of initiatives delivered by Oldham Council and/or its partners, including ‘Making the
Most of Your Money’, ‘Fares Fair’, ‘Warm Homes’, ‘Energy Switch’ and ‘Oldham Credit Union’. A self-completion survey was sent to all residents in the borough who were in receipt of Council Tax Reduction. The findings highlighted some interesting points:

- Most respondents appeared to be aware of the support available from Oldham Council and its partners²: people appeared most aware of the advice on managing debts (76%), while they were least aware of information to get them into employment (59%);
- The support that most helped respondents: ‘support to access child-care services’, ‘information and support to become self-employed’ and ‘help with tackling problem landlords’ (35% of respondents for all three initiatives);
- The support which respondents felt did not help them was ‘advice on managing debts’ (27% feeling it had not helped them), although at the same time over a third (33%) did feel it had helped;
- The support offered in getting a bank account had helped a third of respondents (34%), although 20% had not found the support had helped them;
- A quarter of respondents (26%) had found help in reducing energy costs by moving from a pre-payment meter or standard tariff to direct debit tariff;
- The area that most respondents wanted information about was on helping to make their house more energy efficient (16%), with the next most popular being help with energy costs by moving from a pre-pay meter or standard credit tariff to a cheaper direct debit tariff (14%).

From April 2013 when the changes began to be implemented activity has continued but this has been more targeted campaigns and activities which have focussed on the residents affected by the various changes. This has included:

1. Implementing our new Discretionary Housing Payment (DHP) Policy

We have worked closely with RSLs to look at their tenant’s eligibility for DHPs and this has included:

- Regular meetings
- Sharing weekly information about applications and awards of DHP
- Providing a named officer contact to review specific cases
- Reviewing tenants affected by size criteria who have fallen into arrears to assess eligibility for a DHP
- Reviewing cases where DHPs have been refused where the tenant may be facing eviction.

As at December 2013 we have received 2,185 DHP applications, compared to 786 applications received in the year 2012/13.

² Where respondents answered responded by selecting one of the following options: ‘Yes, this support has helped me’, ‘No, this support has not helped me’ or ‘I have not accessed this support’.
2. Recruiting two additional Welfare Rights Officers

To support residents affected by welfare reform the Council took a decision to recruit to additional Welfare Rights Officers, which increased the size of the team to four. The table below shows the activity undertaken by the team in the period from the 1st April 2013 to the 31st December 2013.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of individuals referred to the service</td>
<td>833</td>
</tr>
<tr>
<td>Number of the above cases given advice only</td>
<td>76</td>
</tr>
<tr>
<td>Number of home visits</td>
<td>82</td>
</tr>
<tr>
<td>Number of appointments</td>
<td>289</td>
</tr>
<tr>
<td>Number of individuals given assistance to complete an application form</td>
<td>254</td>
</tr>
<tr>
<td>Number of Tribunals attended</td>
<td>100</td>
</tr>
<tr>
<td>Number of telephone calls handled in the Contact Centre</td>
<td>2,231</td>
</tr>
</tbody>
</table>

In the period 1st April 2013 to the 31st December 2013 the Welfare Rights Officers have increased annual benefits payable to residents of Oldham by £1,211,214 and have assisted residents to gain backdated payments of benefits amounting to £978,040.

3. Support about welfare reform issues has been provided to 3,000 residents by the Citizens Advice Bureau or One Stop Shop.

4. Meeting with key stakeholders to monitor the impact

Regular updates on the welfare reform changes and the impact have been shared with key stakeholders including:

- Voluntary Action Oldham
- Oldham Housing Investment Partnership
- Welfare Reform Programme Board

This has included the development of a welfare reform dashboard which includes key indicators which can be monitored to assess the impact of welfare reform.
5. Launching and delivering the Get Oldham Working Campaign

The Get Oldham Working Campaign is also an important element of the Council's efforts to mitigate the impact of Welfare Reform. The long term ambition of Get Oldham Working is to restructure Oldham’s labour market by encouraging enterprise and supporting business growth. The short to medium term ambition is to:

- create 2015 work related opportunities by 2015;
- Guarantee all 18 year olds leaving school in 2015 can access continued education, training or a job;
- Enterprise fund to support young people and start ups.

Since May 2013, the Get Oldham Working (GOW) team have:

- Secured 463 work related opportunities. The creation of 463 opportunities is a significant achievement, particularly as we are in the early stages and still developing new processes and relationships to create efficiencies and maximise on our potential to create and fill opportunities.

This is the most difficult and challenging project of the GOW programme, and will remain for the lifespan of the project. Work continues with the Inward Investment team to develop a targeted employer engagement plan to support the delivery of the job creation targets.

Pledges:
In relation to pledges, 2,059 opportunities have been pledged so far, with 261 jobs pledged to GOW. This is against a target of 1,100, which highlights that much effort needs to be put into this area.

Jobs:
To date, 137 job opportunities have been created (by the end of December).

Of the 137 job opportunities created, 57 have been filled (all by local residents), 48 are out to advert/selection, 21 are currently pending and unfortunately 11 have been withdrawn. The team are working with employers to secure new opportunities.

Apprenticeships:

The project has created 71 new apprenticeship positions by the end of December 2013. New apprenticeship opportunities are coming into the team from external and internal sources on a steady basis. Of the 71 created, 37 have been filled, 18 positions are being promoted (out to advert/selection), 11 are pending/on hold and unfortunately 5 have been withdrawn for various reasons.

In addition, colleagues from the National Apprenticeship Service (NAS) have been in discussions with Oldham Coliseum, discussing developing a comprehensive traineeship and Apprenticeship programme in the future using the pilot of the Teaching Theatre in 2014 as the template/starting point and with NAS support.

Traineeships:

The Traineeship project has created 79 traineeship opportunities. Of these, 62 are scheduled to begin before the 31st March 2014. The remaining 17 are due to be recruited beyond April
2014. The team is working with managers to create an additional 13 before the end of the financial year. In relation to recruited and filled opportunities, there are 40 currently on programme or waiting for HR clearance and 2 opportunities live.

Of the 41 trainees who have started or are waiting for HR clearance, 25 have had their one month review, all have enrolled onto employability training with Lifelong Learning and 16 are currently scheduled for their first monthly review before the end of January 2014.

Work Experience:

The Work Experience project incorporates internships, work experience and volunteering activity, aiming to create 540 opportunities by the end of March 2014. The project has created 176 opportunities against a target (to the end of December) of 172. There are 116 filled opportunities (against a target of 112). There was a Managers event on the 17th December 2013 to generate opportunities. Many of the work experience opportunities that have been filled so far have progressed onto traineeships and apprenticeships, and there are some which are currently on placement. An evaluation exercise to report on progression is currently taking place.

In Work Support:

The in work support programme provides support for GOW clients while they are in a placement. The support style and intensity depends on what opportunity they are on and whether it’s an internal or external placement. The Oldham Traineeship and The Oldham Apprentice placements receive the most intensive support from the team. In Work Support as part of GOW includes:

- Vocational training;
- Employability training;
- E-learning modules;
- Mandatory training;
- Support events/forums, particularly for young people;
- Review meetings with managers, candidates and training providers;
- KIT (Keep in Touch) by phone, email or 1 to 1s;
- Moving on into work programme;
- Work clubs;
- Pathways into jobs.

Over 187 people have registered onto the GOW in-work support programme. 81 have finished on their placement, of which 55 have moved into a full-time job or training which equates to a 70% progression rate. The team will continue to support the remaining 26 people and to help them move into a job or training.

Next steps

We will continue to develop our activities and campaigns to mitigate the impact of Welfare Reform. This will include:

- Continuing our Get Oldham Working campaign, recognising this as an important element of our work to mitigate the impacts of Welfare Reform, as well as work providing an important route out of poverty for many of Oldham’s residents.
• Further research to help us to develop a fuller understanding of the ongoing social and financial impact of welfare reform on Oldham. This includes:
  • continued monitoring of a range of benefits data to track changes over time and understand the changing impact of Welfare Reform through the Welfare Reform dashboard;
  • working co-operatively with partner organisations, to continue our ongoing qualitative research, to understand and highlight how welfare reform is affecting people’s everyday lives.
• Monitoring impact measures developed with social housing providers through OHIP. Findings of this analysis will be presented in the next report.
• A series of planned future briefings containing more in-depth analysis, as more information becomes available.
• Using research findings to identify further interventions that can help mitigate the impact of welfare reform and ensure that these are targeted accurately.
Further information

For further information about this ‘Welfare Reform in Oldham’ report and plans for future reports and briefings contact Susan Kirkham (susan.kirkham@oldham.gov.uk), Business Intelligence Service, Oldham Council.

This and future Impact of Welfare Reform in Oldham reports and briefings will be available on OldhamInfo, www.oldhaminfo.org

Sources of evidence


The Cumulative Impact of Welfare Reform in Manchester, Final report prepared by Centre for Local Economic Strategies, presented to Manchester City Council, June 2012

DWP May 2013 data, NOMIS

Her Majesty Revenue and Customs (HMRC), 2011 child poverty data, October 2013

Money Advice Survey research by Public Knowledge on Debt - Indebted Lives: “*the complexities of life in debt*”, November 2013
Appendix 1

Locality impact of Welfare Reform

The following maps show the areas of Oldham where a range of Welfare Reform changes are likely to impact most. Most update the maps provided in the July 2013 report. There are new maps showing for Disability Living Allowance and showing the proportion of working-age Housing Benefit and Council Tax Reduction recipients.

Figure 1: Percentage Disability Living Allowance claimants in Oldham

- As Figure 1 shows, the areas (Lower Super Output Areas – LSOAs) with the highest proportions of Disability Living Allowance Claimants (DLA) are located widely across the wards of Oldham.
- There are particularly high concentrations in parts of Coldhurst (Barker Street Estate), Chadderton North (Bare Trees Estate), Alexandra (Hathershaw, and Holts Estate) and Medlock Vale (Fitton Hill).
- Whilst there are also significant concentrations of DLA claimants found in Hollinwood (Hollins Estate, Collier Hill Estate and Limehurst Village), Failsworth West (Oldham Road/Popular Street area), Chadderton Central (Crossley Estate), Royton North (Holly Estate) and Waterhead (Littlemoor).

Please note that in Saddleworth West and Lees, the bottom proportion of this ward appears to be an area impacted by the changes to DLA. This is not the case in reality and is a result of the shape of the geographic boundary the data is provided in.
The introduction of Universal Credit will affect a cross-section of Oldham residents from July/October 2013 onwards as a result of the benefits that are being collapsed into it. This section of the report updates the maps and information provided in the previous report.

There are currently (latest combined figures May 2013) 22,140 claimants of out of work benefits in Oldham (not including DLA only claimants).

**Figure 2: Percentage of out of work (all) claimants in Oldham**

- As Figure 2 shows, the areas (Lower Super Output Areas – LSOAs) with the highest proportions of out of work claimants are located largely in the inner wards of Oldham. There are particular concentrations in parts of Coldhurst (Barker Street Estate) and St. Mary’s (St. Mary’s Estate, and Higginshaw Village).
- In three areas at least four out of ten working age residents are claiming out of work benefits, this includes two areas where closer to six out of ten (63.6% and 55.7%) working-age residents are claiming out of work benefits.
- In a further 9 areas around one third of working –age residents are claiming out of work benefits.

Please note that in Saddleworth West and Lees, the bottom proportion of this ward appears to be an area impacted by the changes to out of work benefit claimants. This is not the case in reality and is a result of the shape of the geographic boundary the data is provided in.
The following sections of this appendix show how claims of out of work benefits are broken down.

**Figure 3: Percentage of Jobseekers Allowance claimants in Oldham**

- In May 2013 there were 7,900 claimants of JSA. (This figure has reduced since the onset of Universal Credit)
- As shown in Figure 3, the areas (Lower Super Output Areas – LSOAs) with the highest proportions of JSA claimants are in Coldhurst, St. Mary’s and Alexandra with particular concentrations in parts of Coldhurst (Barker Street Estate) and St. Mary’s (St. Mary’s Estate) where nearly one quarter of working –age residents are claiming JSA.
There are currently (May 2013) 11,540 claimants of Incapacity Benefit or Employment Support Allowance in Oldham. In February 2012 there were 12,140 claimants of Incapacity Benefit or Employment Support Allowance in Oldham.

As shown in Figure 4, the areas (Lower Super Output Areas – LSOAs) with the highest proportions of Incapacity Benefit or Employment Support Allowance claimants are in Coldhurst, St. Mary’s and Alexandra with particular concentrations in parts of Coldhurst (Barker Street Estate) and St. Mary’s (St. Mary’s Estate and Higginshaw Village). There are also relatively high proportions of Incapacity Benefit or Employment Support Allowance claimants in parts of Alexandra (Alt and Holts) and Waterhead (Littlemoor).

Please note that in Saddleworth West and Lees, the bottom proportion of this ward appears to be an area impacted by the changes to ESA. This is not the case in reality and is a result of the shape of the geographic boundary the data is provided in.
There are currently (May 2013) 2,560 lone parents claiming Income Support in Oldham, compared with 2,930 in February 2012.

As shown in Figure 5, the areas (Lower Super Output Areas – LSOAs) with the highest proportions of lone parents claiming Income Support are in St. Mary’s (St Mary’s Street Estate) and St. James’ (Sholver and Derker).

More detailed analysis of lone parent data from our Housing Benefit Information System (HBIS) up to August 2012 shows that:

- Due to changes introduced in May 2012, 722 Lone Parent families in Oldham have lost Income Support as their youngest child was be aged between 5 and 7 in the year to the end of April 2013;
- These 722 families are concentrated in the wards of Alexandra (90), Hollinwood (88), St. Mary’s (61), Medlock Vale (58), St. James’ (50) and Waterhead (46).

Please note that in Saddleworth West and Lees, the bottom proportion of this ward appears to be an area impacted by the changes to Lone parents. This is not the case in reality and is a result of the shape of the geographic boundary the data is provided in.
Low income families – in- and out- of work poverty in Oldham

In 2011 around 26.9% (15,640) of dependent children under the age of 20 were living in low income families in Oldham, higher than the England average (20.1%).

The percentage of children living in low income families (which replaces the previous child poverty measure) is based on the number of children living in families in receipt of Child Tax Credit (CTC) whose reported income is less than 60 per cent of the median income or in receipt of Income Support (IS) or (Income-Based) JSA, divided by the total number of children in the area (determined by Child Benefit data).

Figure 6: Percentage of children living in low income families

In Coldhurst around four out of ten (43.1%) children are living in low income families, the highest rate in the borough. In Saddleworth South one in twenty (5.1%) children are living in low income families, the lowest rate in the borough.

In four of Oldham’s 144 LSOA’s between five and six out of ten children are living in low income families.

The number of children living in workless low income families is based on the numbers of families claiming Income Support or Income based Job Seekers Allowance.

In 2011, 11,940 dependent children under 20 were living in workless low income families in Oldham.
Hollinwood has the highest percentage of children living in low income workless families (34.4%), followed by Alexandra (33.4%), Coldhurst (31.0%) and St. Mary's (29.5%).

In 2011, 6.4% of children live in working, low income families in Oldham. This is measured as the number of children in families in receipt of tax credits (including children in families claiming both working tax credit and child tax credit and families claiming child tax credit only) but whose income remains below 60 per cent of the median.

Of the 3,700 children living in in-work low income families, the highest percentages are in Coldhurst (12.1%), St. Mary’s (10.8%) and Werneth (10.1%).
Figure 8: Percentage of children living in working low income in families

Figure 9: Working-age Council Tax Reduction recipients
Figure 10: Working-age Housing Benefit recipients

Working age Housing Benefit recipients in Oldham output areas - November 2013

Produced by Oldham Council Research & Intelligence Team.
Based on Ordnance Survey Mapping using Oldham Benefits and household data extracted in November 2013.

Housing Benefit recipients percentage of households in OA:
- > 60 < 70 (6)
- > 50 <= 60 (14)
- > 40 <= 50 (47)
- > 30 <= 40 (224)
- >= 0 <= 16.2 (417)

Source: Oldham Council
Assessment and LOTI systems
Oldham average = 10.2%
## Council Tax Reduction and Housing Benefit working age claimants - November 2013

<table>
<thead>
<tr>
<th>Ward</th>
<th>Council Tax Reduction claimants</th>
<th>Housing Benefit claimants</th>
<th>Total households</th>
<th>% Council Tax Reduction claimants</th>
<th>% Housing Benefit claimants</th>
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<th>Housing Benefit claimants</th>
<th>Total households</th>
<th>% Council Tax Reduction Claimants</th>
<th>% Housing Benefit Claimants</th>
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