

Leicester
City Council

WARDS AFFECTED
All wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Strategic Management Board
Cabinet Briefing
Cabinet

21 December 2010
17 January 2011
21 February 2011

**Comprehensive Spending Review - Assessment of Equality Impact on
Leicester**

Report of the Chief Executive

1. Purpose of Report

- 1.1. The attached report is an equality impact assessment of the Government's Comprehensive Spending Review (CSR) and its impact on Leicester. It is not an assessment of the CSR as a whole, but rather the measures that will likely have the greatest impact on our performance as a city.
- 1.2. The aim of the report is to inform the wider budget discussions that are underway. The report presents the main CSR impacts on households and individuals in the city, the resulting implications for the corporate plan, and makes recommendations for consideration in the budget process.

2. Recommendations

- 2.1. That Cabinet considers the report findings to inform its decisions in deciding the budget for 2011/12.

3. Summary

- 3.1. Leicester has comparatively high levels of poverty and deprivation resulting in health inequalities within the city. Approximately 1/3 of its households are reliant on housing and council tax benefits and forms of income support. The welfare reforms proposed within the CSR aim to move people off benefits and into work. The impact of reducing benefits and penalising people who do not find work is likely to be severe. In addition, the abolition of the Educational Maintenance Allowance and increase in university tuition fees may affect young people's education and employment prospects.
- 3.2. The report sets out the potential scale of the impact of the CSR on Leicester. It is based on:

- 3.2.1. Local performance and customer information that constructs a baseline picture of the experience of residents at present and sets the context for potential impacts of the CSR measures on Leicester (Appendix 1).
 - 3.2.2. Supporting information helping to set out the equalities implications for various groups of people in the city (Appendix 2).
 - 3.2.3. Individual equality impact assessments of the CSR measures considered to have most impact on Leicester's residents (Appendix 3).
 - 3.2.4. A small sample of individual case studies on local people most likely to be affected by these measures (Appendix 4).
- 3.3. Summary charts have also been produced setting out the potential impacts of each of the CSR measures considered for different equality groups, and for each ward (Appendix 5).
 - 3.4. The equality impacts of the implementation of these CSR measures are anticipated to disproportionately adversely affect women with their additional pressures of family parental and caring responsibilities; White and BME groups within different areas of the city will be adversely affected by the impact of income and housing benefit changes and challenges of getting into work; and disabled people will be faced with reduced incomes and resulting increased day to day barriers to independent living, as well as existing barriers to getting into work.
 - 3.5. Some of the negative impacts anticipated from the CSR measures detailed in the report will affect all wards in the city. Others will have disproportional adverse impacts on some wards only – in keeping with existing levels of deprivation, existing barriers to service access, and the impacts these have on equality outcomes.
 - 3.6. The above anticipated impacts of the CSR measures will have implications for Corporate Plan outcomes:

Investing in our children: likely increase in children at risk, child protection actions and children needing to be looked after; decrease in educational attainment as a result of disruptions to schooling.

Creating thriving safe communities: likely increase in demand for affordable homes coinciding with no increased supply of new affordable homes; increased demand for low rental private accommodation resulting in less compliance with decent homes standard; demand for more HMOs (houses in multiple occupation) due to extension of shared room rate housing benefit to single 35 year olds.

Health and wellbeing and reducing health inequalities: an increase in overcrowding and homelessness, with families of 3 or more children hit hardest; poverty arising from reduced benefits causing stress which will impact on mental and physical health of adults – risk of increased smoking and alcohol use to alleviate stress; long term impact on mortality rates.

Investing in skills and enterprise: risk of city not retaining graduates; residents not ready to 'skill up' as a result of health difficulties generated by stress of poverty, income or housing problems; people not being skilled and job ready to take advantage of jobs available.

4. Recommendations for action

4.1. On the basis of the anticipated impacts arising from the CSR measures featured in this report, Cabinet is recommended to consider the following issues in their budget deliberations in order to anticipate and therefore mitigate the likely adverse impacts anticipated above:

- 4.1.1. The importance of households with limited incomes having access to 'free' council services such as the library service.
- 4.1.2. The importance of providing support at times of personal/family crisis (early intervention costs to stabilise the impacts on households will be lower than crisis intervention costs later on).
- 4.1.3. The importance of economic development initiatives that address the economic circumstances of those affected by the CSR welfare and housing measures.
- 4.1.4. Anticipating and managing the impact of 'movement' of households across the city in two years time when the reforms take hold.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

There are no financial implications directly arising from this report. The implications of the funding cuts announced in the CSR, and of the issues highlighted in section 5 of this report, will be considered as part of the budget setting process for 2011/12.

Catherine Taylor, Principal Accountant, Financial Strategy

5.2. Legal Implications

This report provides the basis to enable the Authority to comply with its legal obligations to carry out adequate EIAs in respect of future decision making.

Peter Nicholls, Director of Legal Services

5.3. Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities Policy	Yes	Paragraph 3.4 and Appendix 2, 3 and 5.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	Paragraphs 3.1, 3.4 – 3.6, and Appendix 1 and 4.
Corporate Parenting	Yes	Paragraphs 3.6.
Health Inequalities Impact	Yes	Paragraphs 3.6, and Appendix 1 and 3.

7. Background Papers – Local Government Act 1972

- 7.1. HM Treasury: Spending Review 2010. October 2010.
- 7.2. HM Treasury: Budget 2010. June 2010.
- 7.3. Department for Work and Pensions: Universal Credit: welfare that works. November 2010.
- 7.4. Equality and Human Rights Commission, Triennial Review 2010: How fair is Britain? Equality, Human Rights and Good Relations in 2010. October 2010.
- 7.5. Institute for Fiscal Studies: The distributional effect of tax and benefit returns to be introduced between June 2010 and April 2014: a revised assessment. August 2010.
- 7.6. Fawcett Society: A Gender Impact Assessment of the Coalition Government Budget. June 2010.
- 7.7. Institute for Public Policy Research: Reviewing the Spending Review: a Sectoral Analysis. October 2010.

8. Consultations

- 8.1. Equality and Diversity Partnership

9. Report Author

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Comprehensive Spending Review

Equality Impact Assessment of Impact on Leicester

Contents:

Key points

Our brief

Our approach

Our findings: main CSR measures

1. Welfare Reform
2. Social and Housing Benefits
3. Local economy, jobs and skills

Our Assessment

1. Likely impacts on households
2. Likely impacts across the city by ward
3. Impacts on individuals
4. Equality impacts
5. Inter-connections between the CSR measures, the local economy and household impacts

Implications for the Corporate Plan

1. Investing in our children
2. Creating thriving safe communities
3. Health and wellbeing and reducing health inequalities
4. Investing in skills and enterprise

Implications for the Council's budget decision-making

1. The importance of households with limited incomes having access to 'free' council services such as the library service
2. The importance of providing support at times of personal/family crisis
3. The importance of economic development initiatives that address the economic circumstances of those affected by the CSR welfare and housing measures
4. Anticipating and managing the impact of 'movement' of households across the city in a few years time when the reforms take hold

Performance Management Information

Conclusion

Appendices:

- Appendix 1** **Supporting Performance Management Information**
Benefits
Housing
Health
Adult Social Care
Children & Young People
Employment & Economic Development
- Appendix 2** **Equalities implications**
Equality Groups
Leicester profile
Likely equality impacts and outcomes
- Appendix 3** **Equality Impact Assessments of CSR measures**
- Appendix 4** **Individual Case Studies**
- Appendix 5** **Summary charts**
Impact of CSR measures by equality group
Impact of CSR measures by ward

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Thanks to the Equality and Diversity Partnership for their help in scrutinising and shaping our numerous report drafts.

Key points

- The introduction of Comprehensive Spending Review (CSR) welfare reforms on reducing benefit costs and getting people into work will fundamentally alter the way that income support is provided to local people: moving away from a locally located benefits service to a national online self-service model.
- This report is a starting point for identifying the issues arising from the proposed CSR measures and the response from the Council in mitigating their adverse impact on local people. The report has brought together available performance information as a baseline that enables us to begin to understand and measure the scale and scope of potential impacts. The need to monitor significant indicators which track the progress of the impacts is crucial.
- CSR social housing reforms will create new pressures on the city's low cost housing market, generating significant movement in currently stable Council tenancies with the introduction of caps on local housing allowances and total household benefits. For some households these caps will result in rental arrears, leading to eviction and homelessness. Other households will voluntarily move to cheaper housing, if available, to avoid eviction.
- The scale of potential impact is substantial: 42,213 households are in receipt of income and housing benefits (November 2010); there are 22,297 Council dwellings; 10,600 Housing Association dwellings in the city have rents geared to 30% of local housing market rates. The Government will allow them to charge up to 80% of local market rates in order to generate income for new build. There are 7,310 private rented dwellings that will be disproportionately and significantly affected by the proposed changes to housing benefits. Over 16,000 people receiving Incapacity Benefits will be moved from income support to job seekers allowances and all but those with severe disabilities which prevent them from working will lose this disability related income payment.
- Leicester's labour market is characterised by low employability (low skills) of a significant proportion of city's working age population and a limited supply of jobs within the local economy which is dominated by the public sector and Small and Medium sized Enterprises. Pressures on the local job market will be greatly increased by the expected loss of 6,000 public sector jobs arising from Government expenditure reductions. It is not known whether the new proposed Regional Growth Fund will create more local jobs.
- The increased competition for available jobs, loss of benefits income, and potential loss of housing will generate additional household pressures and disruptions. For households with children in school, the disruption of changing schools will reduce their long term educational attainment. Financial and family pressures contribute to poor mental health among adults, which in turn affects their physical health, and over the long term, life expectancy.
- Disruptions in housing tenancies will affect access and take up of local services, as well as potentially create homelessness. Limited income reinforces dependencies on local welfare advice services to maximise benefits,

tenancy support to maintain tenancies where possible, and free community services to maintain social contacts and, in the case of libraries, access to online facilities for those without computers. Those in personal crisis and in need of safeguarding (both children and adults) will be reliant on direct Council intervention and crisis support. Opportunities for mitigating these adverse impacts should be considered as part of the strategy for prioritising budget savings for the coming year. Early intervention costs to stabilise the impacts on households will be lower than crisis intervention costs later on.

- The implementation of the CSR measures will have 'layers' of impacts on residents: they will disproportionately adversely affect women with the anticipated additional pressures of family parental and caring responsibilities; White and BME groups within different areas of the city will be adversely affected by the impact of income and housing benefit changes and challenges of getting into work; disabled people will be faced with reduced incomes and resulting increased day to day barriers to independent living, as well as existing barriers to getting into work; other protected groups (for example, lesbian, gay, bisexual and transgender people, and different faith groups) face barriers to accessing services and discrimination. All of these impacts need to be addressed.
- Some of the negative impacts anticipated from the CSR measures detailed in the report will affect all wards in the city. Others will have disproportional adverse impacts on some wards only – in keeping with existing levels of deprivation, existing barriers to service access, and the impacts these have on equality outcomes.
- The Government has pitched its CSR measures and reforms to address national economic deficits and routes for economic revival. However, at the national level, the impact of these proposals on individuals is lost. It is only by considering these measures within a specific local context, such as the City of Leicester, and from residents' perspectives as afforded through equality categories, that the potential scale and scope of the adverse impacts can be identified.
- Ongoing monitoring of actual impacts over time for the various service areas highlighted in the report is required in order to keep track of and respond to the scale of adverse impact predicted in the report. It is already happening in London - media reports are confirming the start of movement of low income people in inner London to cheaper accommodation in outer London areas and beyond, with additional costs they bring to new host authorities.

Our brief

Strategic Management Board and Cabinet commissioned the Council's equality officers to carry out a strategic, city wide equality impact assessment of the local impact of the Comprehensive Spending Review (CSR). This report assesses the overall impacts of the CSR and the specific implications for Leicester, including the impact this is likely to have on our performance as a city.

This strategic equality impact assessment will inform the wider budget discussions that are underway. Strategic Management Board and Cabinet will then decide how this analysis should be taken into account in regard to decisions relating to the future budget and explaining those decisions more widely.

Our approach

Our starting point was to consider the range of measures proposed in the Comprehensive Spending Review in relation to the range of portfolios covered by the Council's equality officers (Adults, Children, Housing, Regeneration, Health and Well-being, and corporate considerations). We reviewed national accounts of the anticipated impacts of the Government's proposals, from academic, policy 'think tank' and media sources, to get a broad understanding of the proposals and their potential impacts on different groups of residents. We collected available local performance and customer information to begin to construct a picture of the potential impacts of the CSR measures on Leicester. This information is presented in the accompanying appendix.

Other supporting information helping to set out the equalities context for this report has been included in additional appendices. Equality impact assessments of individual CSR measures considered to have most impact on Leicester's residents were carried out, supported by the information contained in the attached appendices. Cards summarising our assessment of the impacts of the CSR measures by equality group and by ward have been compiled. Finally, the focus of any equality impact assessment is on people and how we affect their day to day lives as a result of the decisions we make. In order to consider this personal dimension, a small sample of individuals most likely to be affected by these measures was interviewed, and their stories are included in the report.

Our findings: main CSR measures

The CSR measures with the most impact on Leicester residents are highlighted below.

1. Welfare Reform

These are the measures that focus on **welfare reform**, and the Government's commitment to reduce benefit claimants' dependency on income support by getting them into work, and protect those unable to work.

1. 42,213 households across the city, 34.7% of Leicester's occupied households

(121,679) receive income, housing and council tax benefits. 16,320 people in Leicester receive Incapacity Benefit, and many have done so for a number of years. Approximately 73% of all Council tenants (21,732) receive full or partial Housing Benefit.

2. The most significant proposed changes are:

a) The introduction of a household benefits cap of £500 per week in 2013¹; this means no household will receive more than £500 of benefits. This will impact most severely on larger families with 4 or more children. For current Council housing stock, this will affect 78 households.

b) The transfer of people receiving Incapacity Benefit to Job Seekers' Allowance over time. Only those considered unable to work because of their disability will be exempt from these changes. This is likely to result in gaps in benefits, resulting in periods where people will have no income. This will impact on passported Housing Benefit claims, resulting in increased rent arrears across all tenure types.

c) The same approach will also apply to those in receipt of the Disability Living Allowance - more restrictive conditions are being proposed. This will have an adverse impact on their ability to maintain an independent lifestyle.

d) Under the Universal Credit proposals to be introduced in 2012, people will be expected to find work or prepare for work as a condition for receiving benefit. Those that do not live up to these new responsibilities will have their benefits reduced or stopped altogether. An accompanying Work Programme will provide personalised back-to-work support to all those looking for work.

3. Clearly, this will reduce the income of all benefit claimants. The equality groups most affected by these proposals are likely to be:

a) Women (with family and/or caring responsibilities),

b) BME families, who are more likely to have larger families and are also more likely to be lone parents

c) Disabled people, who will be affected by Incapacity Benefit changes and new Disability Living Allowance requirements.

2. Social and Housing Benefits

The other set of measures that will most directly impact on Leicester's residents are those focused on **private rented and social housing benefits**.

1. There are 21,732 Council, 220 HomeCome, and 10,600 Housing Association dwellings in the city. The tenants of 7,310 private rented dwellings receive housing benefit.

¹ This is based on the Government's estimate of the expenditure of a family in work and which would mostly affect families with more than 3 children and in receipt of housing benefits

2. The most significant proposed changes are:

a) Changes to local housing allowances will restrict the amount of housing benefit available to different households² (the changes and their impacts are detailed in individual Equality Impact Assessments). This will not affect Council tenants, but will hit HomeCome tenants.

b) The introduction of intermediate tenancies for new Council tenants will change the length of tenure available, based on household income and resulting housing need. This is optional for Housing Associations. With less security of tenure, there is likely to be more turnover, and less commitment to the area by tenants, resulting in less sustainable communities. Increased turnover will also increase void property costs.

c) All recipients of housing benefit and Job Seekers' Allowance who remain out of work after a year will have their housing benefit payments reduced by 10%. This will have a significant impact on rent arrears and eviction rates, further destabilising communities. With less money in the local economy, businesses will suffer, increasing worklessness.

d) Housing associations will be able to increase their rents from 30% to 80% of market rates in order to invest in new housing stock. Most in the city are likely to consider this offer seriously.

e) Above inflation rises in non-dependent charges for Housing Benefit claimants. This will leave households with more rent to pay themselves, again increasing potential rent arrears, eviction rates and damaging the local economy.

3. The combined effect of these welfare and housing benefit reforms could see many households going into rent arrears as a result of the various changes and sanctions for not being in work, with the possibility of eviction and homelessness. Other affected households wishing to avoid eviction would need to move from their current housing into cheaper accommodation elsewhere in the city, or perhaps relocate to another cheaper area. District heated properties are likely to be most affected in the Council's housing stock. As well as the direct impact on Leicester's residents, this could give rise to a migration of households away from London. As an established multicultural city, Leicester would be an attractive destination for such displaced families.

The above social housing measures would substantially change the supply and demand for low cost housing in the city. The equality groups most affected by these proposals are likely to be:

a) BME groups who have larger families, and who are currently over-represented in terms of those becoming homeless,

b) White households from the city's outer estates in receipt of benefits,

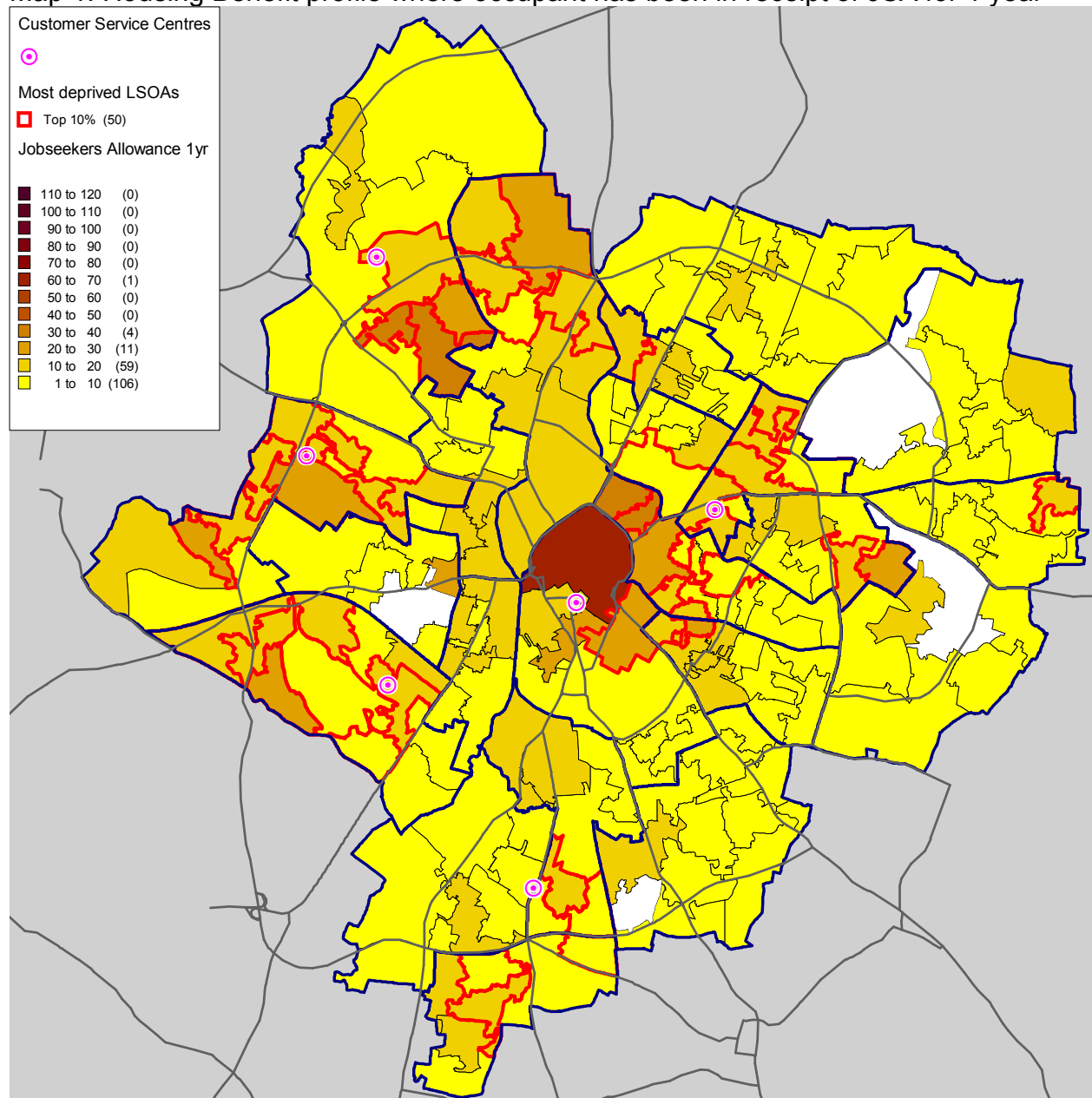
² £15 excess removed; there will no longer be a 5 bedroom Local Housing Allowance (LHA) rate; overall caps on 1 – 4 bedroom LHA rates; LHA set at 30th percentile local market rate; single room rate age restriction rises from 25 years to 35 years.

- c) Women in receipt of benefits and who tend to head lone parent families,
- d) Disabled people over-represented in lone parent households by their volume of take-up of Disability Living Allowance.

The stress these changes will cause for households affected could impact their mental health, followed by poorer physical health, causing problems for many households. The changes will also increase demand for Council services directly associated with managing issues around tenancy support, welfare advice, welfare benefits, homeless services, and employment support.

The following three maps illustrate the **anticipated future impact** of these three changes: the 10% reduction in housing benefit due to being on JSA for longer than a year; the £500 income cap for households; and the single room rate limit for single claimants increase to the age of 35.

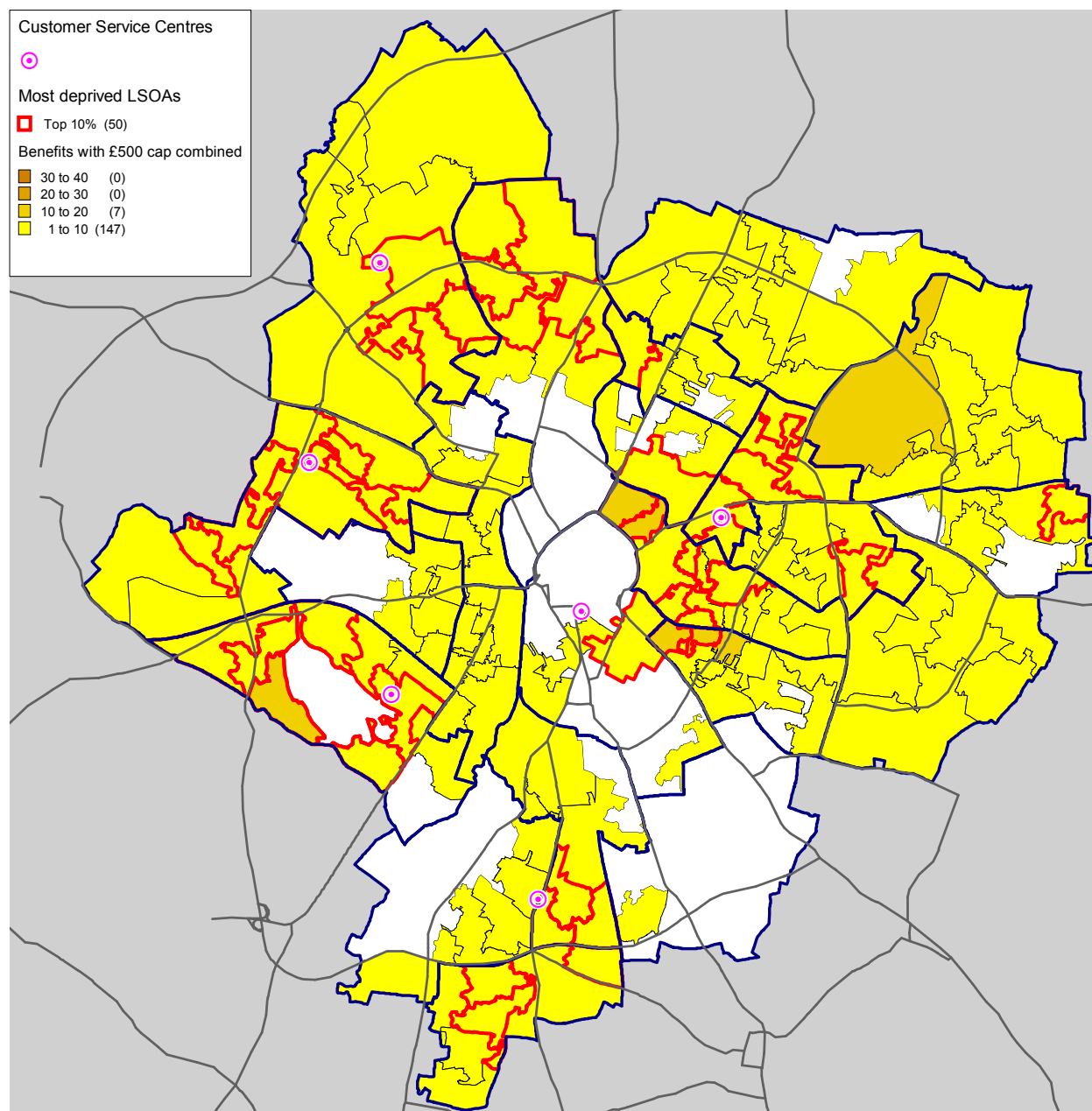
Map 1: Housing Benefit profile where occupant has been in receipt of JSA for 1 year



Source: Civica, 2010

Anticipated future impact: These households will likely see a 10% reduction in Housing Benefit award from 2013.

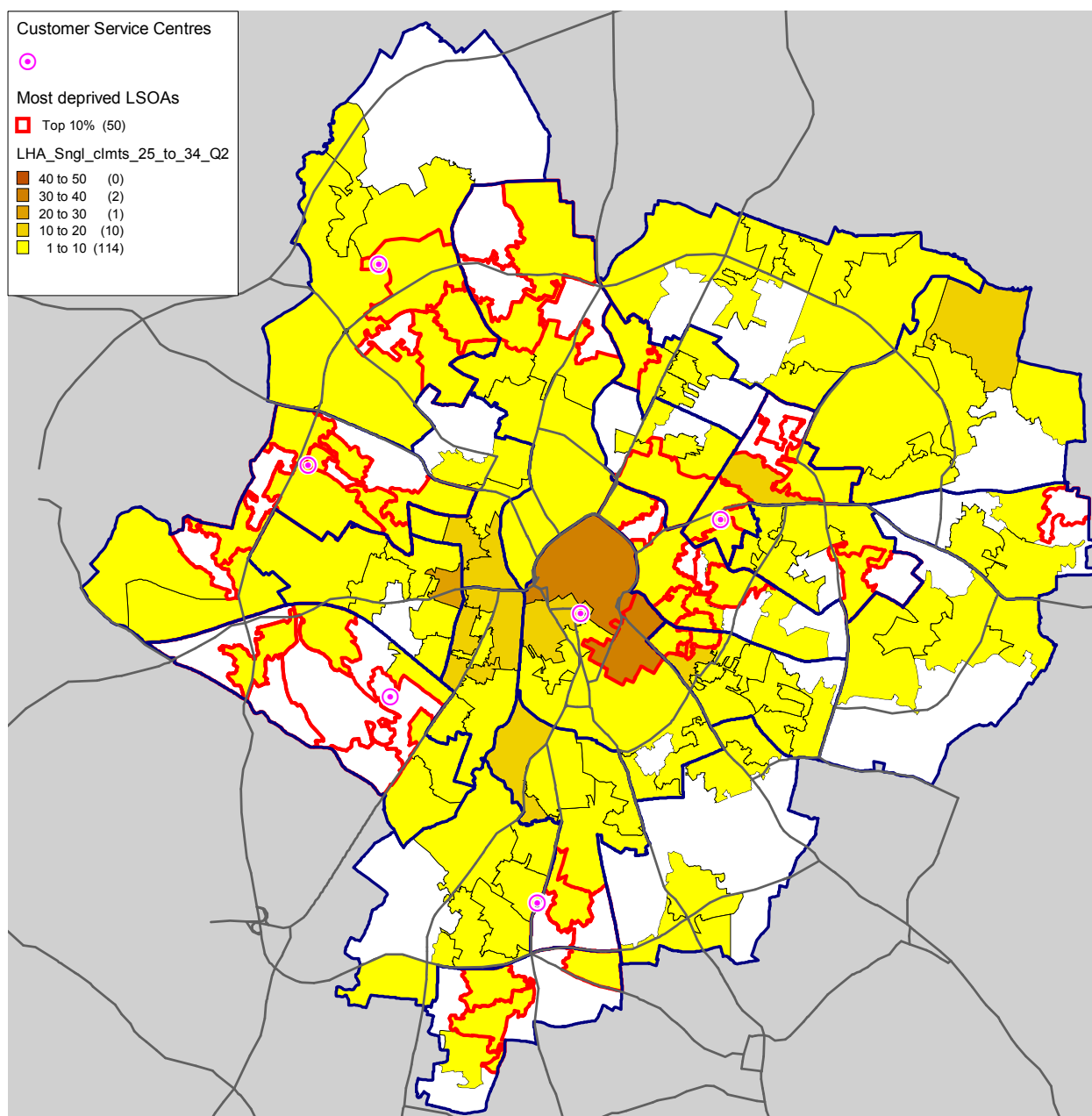
Map 2: Housing Benefit claimants affected by £500 per week benefits cap



Source: Civica, 2010

Anticipated future impact: These households with 3 or more children and claiming Housing Benefit are likely to receive a reduced amount **or no** Housing Benefit payments. Likely to affect 210 families living in social housing, including registered social landlords, and 329 families living in privately rented accommodation.

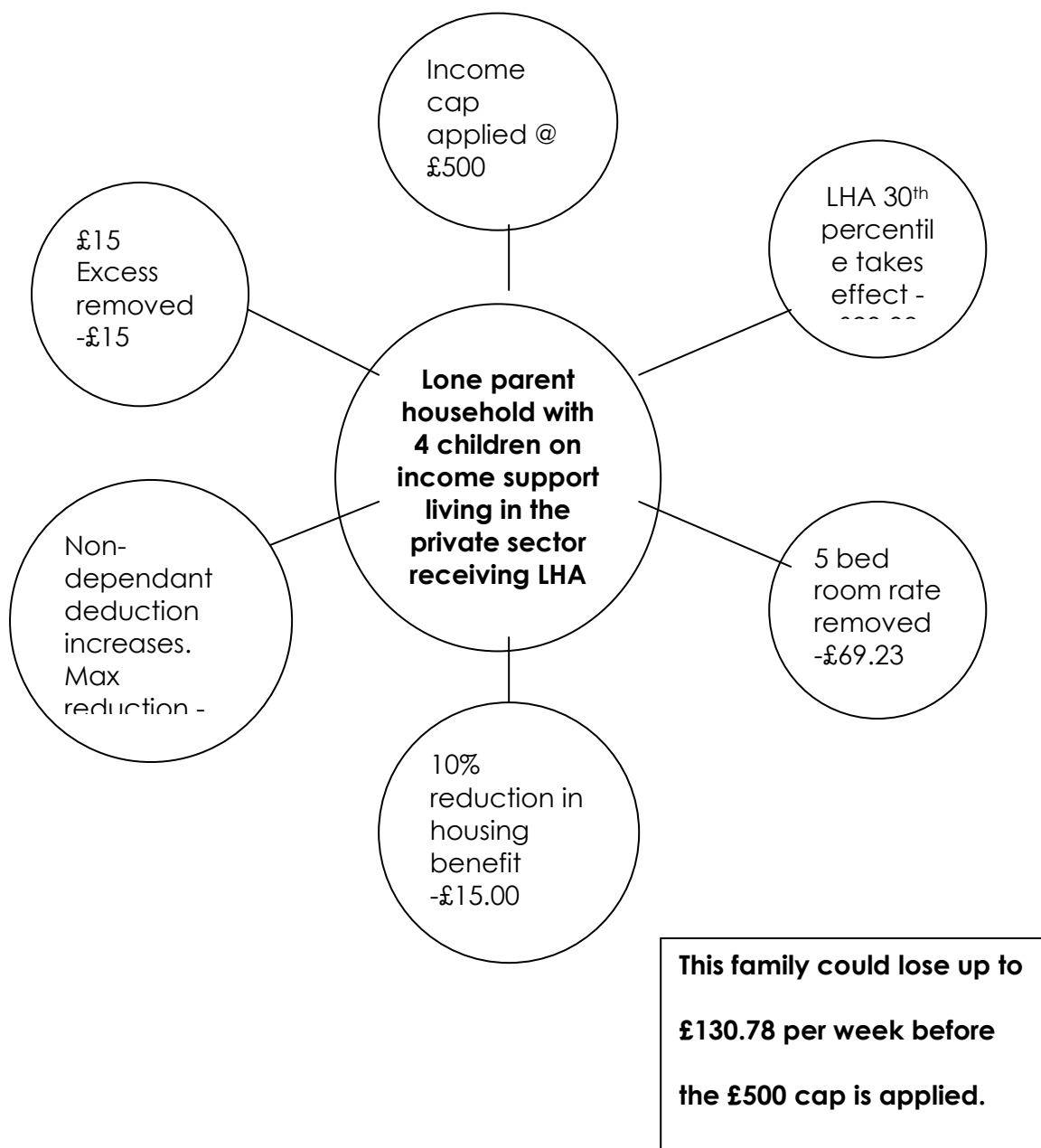
Map 3: Predicted impact of single room rate limit increase to 35 years



Source: Civica, 2010

Anticipated future impact: Single LHA claimants under the age of 35 years limited to single room rate limit in shared accommodation.

Figure 1: Cumulative impact of various housing benefit changes



3. Local economy, jobs and skills

The ending of the Education Maintenance Allowance for 16-18 year olds will have an impact on the success of students completing their studies and going on to further and higher education. The introduction of student fees in higher education and increased fees for students in further education will limit the opportunities available for residents to develop the skills they require to compete in the labour market.

1. The city's residents have a relatively low level of skills and qualifications, compared to other areas (giving the lowest ranking nationally in the recent Centre for Cities Outlook 2011 report).

2. The most significant proposed changes are:

a) Employers will be expected to contribute more to training costs for their employees.

b) Young people wishing to go on to higher education and people over 25 wishing to return to further education will be required to be self-financing, limiting opportunities and take-up by those not wanting to go into long-term personal debt who, based on national research, come from poorer, 'working class' families.

3. The city's major employers are public sector agencies (35% of the city's labour force are in public sector related employment) who will incur significant job losses as a result of the spending reductions arising from the Government's 2010 Budget and Comprehensive Spending Review, many of which are 'front loaded' to come into effect in 2011/12. In December, there were 5.2 claimants per live unfilled JSP vacancy based on 12,845 claimants (www.centreforcities.org/outlook_11). The Centre for Cities Outlook 2011 report assessed city level economic performance against the following features: annual population growth rate, business stock, % of working age population in employment, average weekly earnings, % of working age population with high, and with no formal, qualifications. The only indicator where Leicester was higher than the national average was for the annual population growth rate, and fell below, in some areas such as skill levels, significantly below the national average (refer to item 45 in Appendix 1 for details). It will be difficult for the city's local economy to produce the jobs required for the anticipated increasing numbers of unemployed people seeking work.

There will be challenges in getting people who are not in work ready for what is an increasingly competitive job market, particularly given Leicester's significant level of residents with no formal qualifications (the highest rate nationally in the Centre for Cities 2011 report). Funding available to the Council to support unemployed residents back into work has been ended. Employers will also be expected to pay a greater proportion of costs for reasonable adjustments required for disabled employees. Details of the proposed Work Programme accompanying the Universal Credit have not been provided. A significant portion of Leicester's BME women are economically inactive compared to other parts of the country.

The equality groups most likely to be affected by the state of the local economy and job market are:

a) White and BME residents with low skills,

b) Women who are relatively under-represented in the local labour market compared to other areas, particularly for some BME groups,

c) Young people who have been most affected by increased unemployment caused by the recession,

d) Disabled people who face considerable barriers in getting into work compared to non-disabled people.

Our Assessment

1. Likely impacts on households

Although the CSR introduces measures that will affect 'middle class households' through various tax increases and the ending of child benefit to households with higher income earners, the most significant impacts are on those households dependent on income support and housing benefits. Within Leicester, the profile of benefit claimants by household type are: pensioners (37% of claimants), single adults with no children (25% of claimants), lone parent families (20% of claimants), couples with children (14% of claimants), and couples with no children (7% of claimants).

Although little detailed information is available on the profile of single adult households, we know that these will include migrant workers, people from broken marriages/relationships, people with mental health issues, younger people forced to leave their families, younger people transitioning from being looked-after children, ex-offenders, people experiencing alcohol or substance misuse, or working people on their own, not earning enough to live on. From our local knowledge, we know that many lesbian, gay, bisexual and transgender (LGBT) people fit into some of these groups. Younger single adults (under 25) receive lower benefits to live on. The age threshold for shared room rate has been extended to those 35 years of age, meaning that they too are only eligible to receive housing benefits for a room in shared accommodation. The proposed use of HomeCome leases in Goscote House would be affected by the LHA 'single room' rate. Combined with District Heating charges, this could make such properties unaffordable to single people below 35 years of age.

Shared accommodation requires people to live in close proximity with a group of unknown people. This could exacerbate personal problems for some individuals and create new ones for more vulnerable people. This may particularly affect young LGBT people facing homophobia. Many single LGBT adults live in the central area of the city, in Castle ward. Further research is required to understand and assess potential impacts of these changes for those under 35³.

A substantial number of lone parent families on benefits receive Disability Living Allowance – 32% of these households. New proposals to increase the threshold for those receiving Disability Living Allowance may have a profound impact on these families, should the parent be under the new threshold and be required to prepare for and search for work. If they have not been in work for a length of time, they may be significantly disadvantaged by employment barriers in place affecting the employment prospects of disabled applicants. In addition, they will be exposed to the potential sanction of withdrawal of 10% of housing benefit if they have not been successful in finding work after a year. As mentioned above, this could cause rent arrears, that could lead to eviction on the one hand, or moving to another more affordable tenure on the other. This potential disruption could have adverse effects

³ This change will affect couples who are jointly renting a property with another as they only require ONE bedroom.

on children in the household, damaging their long term employment prospects. Households with a disability premium will not be affected by the £500 benefits cap.

Under Universal Credit, a lone parent with children under 5 would not have to search for work actively, but just 'keep in touch with the market'. For those with children over the age of 5, they will be required to look for work. Housing and benefit caps may affect the affordability of their current accommodation. Some families may need to move to cheaper housing in another area, change schools, change childcare provision and change local service and health care provision. Children's educational attainment is reduced by such churn. For a parent in work, the move could have an impact on their being able to hold on to a job, dependent on transport costs and childcare arrangements. This is likely to have less impact for those living in Council housing stock, as there are unlikely to be many cheaper rented properties for them to move to. However, new tenants would be more likely to be financially vulnerable as a result of such economic displacement.

Couple households with children would be affected by the same external impacts described above. Stress caused within a family as a result of not being successful in getting work could generate a variety of issues that would disrupt family life. At times of unemployment and stress, unplanned pregnancies are more likely to happen. Larger families will be most affected by the changes, thus deepening the problem.

Disruptive parental behaviour would adversely affect their children. Families already in crisis could be open to Council intervention if safeguarding issues arose from additional stress caused by lack of work or having to move. Although the Government has singled out the importance of early years work and better parenting in 'lifting children out of poverty' (as evidenced by the Frank Field report on poverty and life chances recently published), the cumulative impacts of the proposed benefit and housing reforms as described above would undermine the likelihood of this being achieved.

Little is known about the profile of couples with no children receiving benefits. Those in receipt of Housing or Council Tax Benefit who have a non dependent resident in the household (such as an 'adult' child), will be affected by the increases in non dependent deductions – 58% of couple only households have non dependents. Again, greater financial stresses would result in more rent arrears and evictions. Non-dependents, predominantly younger single people, would be more likely to be asked to leave, becoming homeless.

Pensioners in receipt of housing benefit and pension credits (37% of claimants) are less likely to be affected by the CSR measures featured in the equality impact assessments. Because they do not have to be in work, the sanctions around loss of housing benefit and DWP related benefits do not apply. They will, however, be affected by housing benefit caps, percentile reduction based on their rental costs or by the fact that their property is too large for their needs, and may have to move on this basis. Non dependent deduction increases will affect 17% of pensioner households in receipt of housing benefit.

Under-occupied households, where couples are left in family accommodation after adult children have left, but who are not yet pensioners, would be affected by this most. With the pension age increasing between 2013 and 2018, the number of such households can only increase. This may result in more badly needed family

accommodation becoming available, but it could also generate increased demand for smaller flats and bungalows.

2. Likely impacts across the city

The summary chart in Appendix 5 sets out our initial assessment of the likely impacts of the CSR measures for wards across the city, based on our interpretation of the supporting information provided in Appendix 1. A more robust methodology for measuring impact is required, but in the meantime, our assessment gives an indication of the likely impacts that will be faced across the different areas of the city. This indicative approach is in keeping with the measurement of Leicester's vulnerability as a city in light of the Government's proposed welfare cuts and public sector job losses presented in the Centre for Cities 2011 Outlook report. The indicators they used to measure vulnerability included claimant count rate, the employment rate, potential public sector job losses, residents with high level qualifications and business stock. For all indicators Leicester fell below the national average, although performed better than those cities deemed to be most vulnerable (for detailed figures refer to item 11 in Appendix 1).

Further deconstruction of available information by household and equality categories used in this report, as well as their geographical location across wards, will enable us to gain further customer insight into who is likely to be most adversely affected by the anticipated CSR measures described in this report. Wider circulation and discussion of the implications of the report and its findings among professional staff responsible for delivering services in the areas highlighted will also contribute their more accurate predictions of the likely scale of impacts arising from these CSR measures to our understanding and development of solutions for these forecasted 'problems'.

3. Impacts on individuals

We interviewed 6 adults (4 who were single and 2 who were parents), to find out their experience of living on limited income (all but 2 were on income support), and their views of the impact of the Government's cutbacks on them. A summary of these interviews can be found in Appendix 4. All spoke of the rising cost of food and how expensive bus fares were. Many cut back on electricity and heating to save money, and several spoke of being without heat for brief periods of time last winter. Those who were unemployed were actively looking for work, although they found barriers in their way: an ex-offender of the need for CRB checks which he thinks block his chances of employment; a former hostel resident who did not have 'proper' interview clothes with employers thinking she was not serious about getting a job; and people not having the right accent for prospective employers to be interested in hiring them.

Most were actively involved in some form of voluntary or community work related to their specific areas of interest. Many felt this 'kept them going'. All used their local libraries and welcomed the opportunity to borrow books and use the internet. They also used other available Council facilities that either provided them with pitches for their football team, parks for their children to play in or rooms for their voluntary group meetings. But for some, even limited access charges prevented them from using leisure facilities.

When asked about the impact of the Government's budget cuts, all felt they could handle these personally by making do with less. One person did express his concern

that the Government's proposed Work Programme could make him give up what he cared passionately about – voluntary work in providing tenancy support. Most expressed concern for Council staff losing their jobs and the impact that would have on the quality of services provided. None spoke of concerns about the potential impact of housing benefit changes on them, indicating that they were not aware of them.

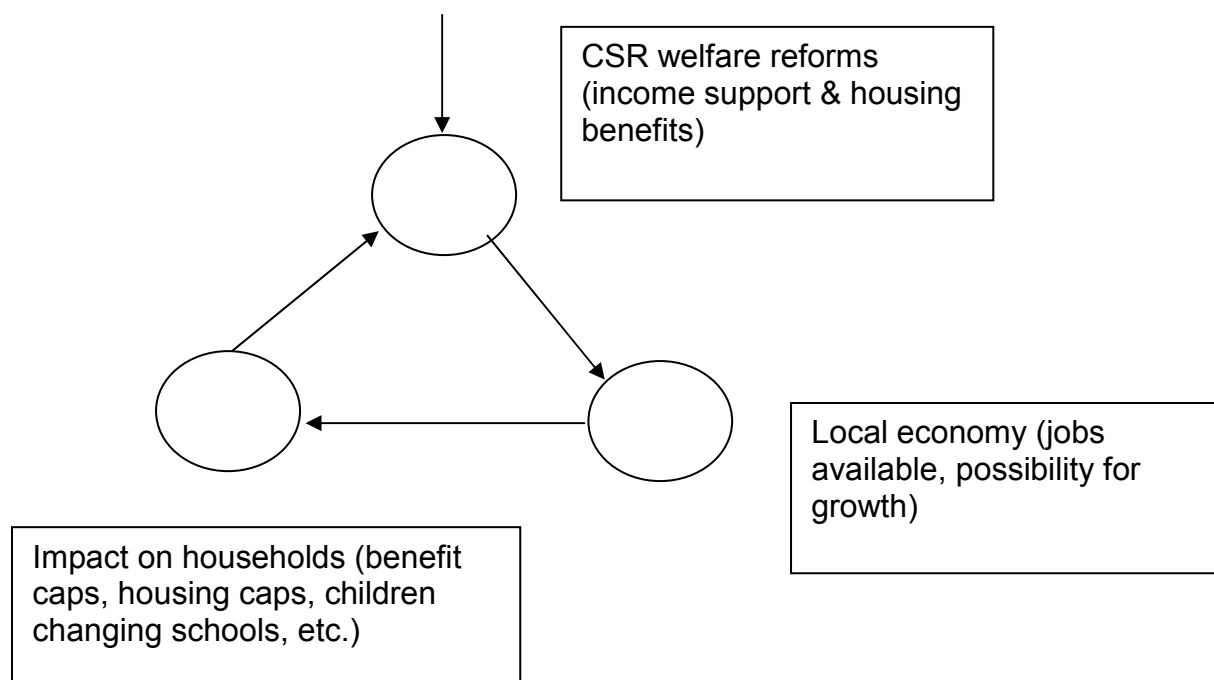
4. Equality impacts

A second summary chart in Appendix 5 sets out the impact of the CSR measures by equality group as detailed in the individual equality impact assessments of the CSR measures featured in this report contained in Appendix 3. It is our view that the implementation of these CSR measures will have 'layers' of impacts on residents. They will disproportionately adversely affect women with the anticipated additional pressures of family parental and caring responsibilities; White and BME groups within different areas of the city will be adversely affected by the impact of income and housing benefit changes and challenges of getting into work; disabled people will be faced with reduced incomes and resulting increased day to day barriers to independent living, as well as existing barriers to getting into work; and other protected groups (for example, lesbian, gay, bisexual and transgender people, and different faith groups) will be adversely affected by barriers to accessing services and experience of discrimination. All of these adverse impacts need to be addressed.

5. Inter-connections between the CSR measures, the local economy and household impacts

We see the impact of the CSR measures as a cyclical process starting with the welfare reforms: for those not in work, they will be required to prepare for and look for work (apart from the few designated not to be able to go into work); their ability to get into work is dependent upon the local economy/job market and whether there will be jobs for them to go into; whether they get into work will impact on their households and whether they will be able to stay in their current housing. If they are not successful they may be required to move to cheaper accommodation in line with their benefit cap, which in turn will create churn for them and their families, that will likely adversely affect their children's futures in terms of educational attainment, and their own health and well-being, as well as family and social life as members of a community. More detailed research on identifying more precisely the households that are likely to be affected is needed to get a better sense of scale of impact on local residents.

Figure 2: Inter-connection between welfare reforms, the local economy and household impacts



This cycle is also applicable to those already in work, but dependent on benefits to supplement their income. The changes to housing benefits may affect the affordability of their social housing. If they have to move to cheaper accommodation, the above knock-on effects to their families could take place. In turn, an increased movement of households could begin to change local areas and the nature of their communities, breaking community ties and feelings of belonging. Increased crime and anti-social behaviour would impact on the most vulnerable groups disproportionately. Households economically displaced would face more debt as a result of the cost involved in moving house, increasing the likelihood they will turn to doorstep lenders.

For the Council, there is a cost to this potential churn. As a housing provider, increased changes to tenancies and less stable tenancies are more likely to generate other problems that will need to be addressed, such as rent and tax arrears, homelessness and emergency rehousing of vulnerable families. The potential for increased incidents of personal and family crisis, requiring intervention by the Council in the delivery of its safeguarding duty, could also place extra demands on the Council's services. The extra service demands arising from CSR measures fall into a number of different areas.

- **Housing:** Housing Options, Homelessness Service, tenancy and housing advice services, and welfare advice. For those in Council housing stock, more work would be generated for both Income Management and Area Management staff, dealing with financial exclusion and destabilised communities.
- **Children's services:** impact of homelessness – child protection plans; local Sure Start take-up; changing take-up of other services for children across different neighbourhoods.

- **Education:** schools experiencing churn – pupils leaving and those coming in. Health: changing GPs and Dentists; support services such as counselling and ‘talking therapies’ to address anticipated rise in mental ill-health; prevention work in areas such as smoking cessation, alcohol abuse, as well as health awareness work.
- **Employment:** supporting people into work, including tailored services supporting disabled people into work; basic skills development through Adult Education.

Implications for the Corporate Plan

This section sets out the implications of the anticipated impacts of the CSR measures for Corporate Plan outcomes.

1. Investing in our children

There will be an increase in children at risk, child protection actions, and children needing to be looked after.

There will be a decrease in educational attainment as a result of disruption to schooling caused by a number of different factors: having to move home, decreases in family income, mental health of parent(s) resulting from reductions in income and/or benefits.

This will widen inequality education attainment gaps within the city, and between Leicester and other areas.

2. Creating thriving safe communities

There will be an increase in demand for affordable homes as a result of potential migration from the county and possibly from London as housing costs and the cost of living in other places become more unmanageable. This increase in demand will coincide with the lack of provision of additional affordable homes.

In terms of decent private homes, with the anticipated increased demand for low rental private accommodation, there is the possibility that landlords will be less likely to comply with the decent homes standard as their properties will be rented. The extension of the shared room rate housing benefit to 35 year olds will also generate demand for more HMOs (houses in multiple occupation).

With more turnover in properties and less security of tenure, coupled with increasing financial deprivation, there is likely to be an increase in criminality and anti-social behaviour. This will come at a time when resources to combat such activity will be reduced both from the Council and the Police. This will further destabilise and stigmatise communities.

3. Health and wellbeing and reducing health inequalities

There will be an increase in overcrowding and homelessness. The anticipated CSR benefits cap will hit families of 3 or more children (of which there are a high number in the city) the hardest, making them more at risk of becoming homeless.

In the short term, poverty caused by reducing benefits (such as moving people from income support to Job Seekers Allowance) will cause stress which will impact on the mental health of adults. Adults are less likely to maintain physical health (both exercise and good diet) in these circumstances. There is the risk of increased smoking and alcohol use to alleviate stress, leading to long term health problems. This will feed into a cycle of worklessness and deprivation.

As a result of this, long term, mortality rates will deteriorate.

This will increase health inequalities across the city and between the city and other areas of the country.

4. Investing in skills and enterprise

Our ability to retain graduates in the city would be at risk as the result of young people not going into higher education due to higher tuition fees. Young people who do gain qualifications may not be attracted to stay in the city.

Many people in the city are not job ready and therefore not skilled and able to take advantage of new jobs. People with health difficulties arising from the stress of poverty, income or housing problems will not be ready to 'skill up'. There is a need to maintain good health in order to secure a job and to remain in work.

Implications for the Council's budget decision-making

The findings of the report suggest that four areas should be considered from the perspective of local residents who will be most affected from the CSR measures described in this report, when finalising the Council's budget decisions:

1. The importance of households with limited incomes having access to 'free' council services such as the library service.

Users interviewed said that this service supports their ability to keep on learning by providing access to useful reading material, that it supports family life by providing children an opportunity to read and learn, and that it provides access to the internet and online services for those who do not have their own computer. Other important services cited include play, parks and low-cost recreational facilities that enable people to come together socially and interact with each other, and maintain their community ties. These low/no cost family activities also help maintain family life and provide an opportunity for children to be take part in exercise. Therefore, during budget deliberations consideration should be given as to what level of library and play, parks and recreational services can be maintained to provide free/low cost access for residents with low incomes. Ensuring the continued availability of such activities will mitigate against an increase in criminality and anti-social behaviour mentioned above.

2. The importance of providing support at times of personal/family crisis.

This report describes the likelihood that as a result of the implementation of CSR welfare reforms, there will be significant adverse impacts on a substantial number of

our residents. More work is required to estimate the likely numbers that will be affected but we can anticipate that the welfare changes will result in the need for individual households to receive support in managing their access to income, housing and health services to mitigate adverse impacts of these changes – the worst case being eviction and homelessness. Council services that currently assist people in knowing how to respond to their personal crisis situations include tenancy advice, welfare advice, benefits, and will soon include access to health services. Our case studies showed that voluntary groups, many of which are funded by the Council, also provide this assistance. Therefore, during budget deliberations consideration should be given as to keeping in place a sustainable level of support services so that when increased demand occurs, as anticipated in a few years time, they can be expanded incrementally as needed to respond to demand.

3. The importance of economic development initiatives that address the economic circumstances of those affected by the CSR welfare and housing measures.

The Council's strategic approach to economic development should include priorities for addressing the anticipated economic impacts of the CSR measures on the households likely to be affected. Consideration needs to be given on what response is required to address the anticipated push to get workless households into work, with the likely adverse impacts on those who will not be successful in being able to do so. Therefore, during budget deliberations consideration should be given to what initial steps can be taken for the Council to be able to plan adequately for and respond to the economic impact of the CSR measures described in this report.

4. Anticipating and managing the impact of 'movement' of households across the city in a few years time when the reforms take hold.

As a result of the implementation of the CSR housing reforms in a few years time, residents will be leaving established tenancies and looking for new ones; will be moving from familiar to new neighbourhoods; for those households with children, will be re-establishing social and childcare networks. The question to consider is what role should the Council play in assisting or supporting residents during these anticipated changes? The current approach of the Housing Service is to establish stable tenancies through initial tenancy support. What type of service is required to address the new requirement to end tenancies? How will this need to be linked to addressing the anticipated social impacts highlighted in the following Equality Impact Assessments? Therefore, during budget deliberations consideration should be given as to what resource will be required in a few years time to track and manage household movements and potential negative impacts arising as the result of CSR welfare and housing reforms being implemented.

This would require an overhaul of the Allocations Policy to facilitate more movement as a result of financial stresses, giving applicants a chance to move before they become homeless through non payment of rent. The possibility of a significant increase in homelessness could 'swamp' the waiting lists, limiting housing choices for many people and increasing the cost to the Council of turning round an increasing number of void properties.

Performance Management Information

This report has brought together available performance management information related to the main CSR measures in order to understand the scale and scope of the potential impacts facing local residents. The information presented in Appendix 1 presents a socio-economic profile of households across the city. It is the households targeted for the CSR measures that will be vulnerable to the adverse impacts anticipated in the detailed equality impact assessments presented in Appendix 3. This report aims to profile these impacts as a starting point for identifying the issues that the Council must respond to in mitigating the adverse range of impacts likely to be experienced by local people.

Our local data is weak in many areas and because of these gaps, it does not provide us with an accurate insight of all our communities and all protected (equality) groups in the city. However, based on national data on different protected groups, we should be able to get an indication of what local issues affecting protected groups where our information is weak, and over time provide us with a focus for improving our information base. The report establishes a baseline on the data we need to collect to assess of the CSR measures over time.

The information provided is good enough as a starting point for action. It is there to be developed further in more depth and breadth to provide more detailed customer insight into different groups of residents and their experience in the city. What is needed is to begin to monitor the impacts of the implementation of CSR measures on residents. The following monitoring information would assist us in keeping track of the impacts of CSR measures, and whether they contribute adversely to greater inequality for those affected.

1. Information on our benefit recipients, by household, tracking those who change from income support to job seekers' allowance.
2. Information on our tenancies, by household, tracking those whose housing benefit provision has changed or whose tenancies are due to expire.
3. Information on our households with children, tracking those who are moving as a result of benefits/housing tenancies changes.
4. The number of local adults who have been supported in job preparedness, and the number who are 'job ready' (if this is feasible).
5. The number of local adults from (4) who have been successful in getting a job.

Much of this information is already collected and could be readily applied to informing how this cycle of events is playing out locally.

Conclusion

The Government has pitched its CSR measures and reforms to address national economic deficits and routes for economic revival. However, at the national level, the impact of these proposals on individuals is lost. It is only by considering these measures within a specific local context, such as the City of Leicester, and from residents' perspectives as afforded through equality categories, that an indication of the potential scale and scope of the adverse impacts can be appreciated and then

acted upon. Ongoing monitoring of actual impacts over time for the various service areas highlighted in the report is required in order to keep track of and respond to the scale of adverse impact predicted in the report. It will happen - media reports are already confirming the start of movement of low income people in inner London to cheaper accommodation in outer London areas and the additional costs they bring to new host authorities.