

# Corporate Policy and Strategy Committee

10.00am, Tuesday, 1 October 2013

## Welfare Reform – further update

Item number	7.1
Report number	
Wards	All

### Links

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Coalition pledges  
Council outcomes  
Single Outcome Agreement [SO2](#)

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# Executive summary

## Welfare Reform – further update

### Summary

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This report continues the series of bi-monthly updates on Welfare Reform and on the progress being made by the Council and partners to develop arrangements to mitigate, where possible, the negative impact of the UK Government's welfare reforms on people in low income jobs and out of work.

In August the Scottish Government published information on the overall spend on Community Care Grants and Crisis Grants for all Local Authorities for July and they will provide information over the next 2 months to confirm the overall spend for the second quarter of the new Scottish Welfare Fund.

The new regulations for people receiving Housing Support who are considered to be "under-occupying" their home were applied from 1 April 2013. Currently 18% of tenants are affected by these changes and the Council continues to engage with the tenants affected. Discretionary Housing Payments (DHP) continue to provide short term emergency funding to tenants receiving Housing Benefit and this fund is being used to support the most vulnerable citizens.

The DHP policy document was approved at the Corporate Policy and Strategy Committee on 14 May 2013.

There continues to be a risk of a significant reduction in Housing Benefit subsidy where it is deemed that there has been inappropriate re-designation of properties. A report on the re-designation of properties was presented to the Health, Wellbeing and Housing Committee on 10 September.

The Welfare Reform Working Group structure has now been established with representatives from elected members, key stakeholders and officer support, the first meeting scheduled to take place on 12 September. The joint working group will monitor the implementation and impact of various changes and contribute to consideration of further measures to support tenants.

Initial discussions with Registered Social Landlords indicate that they are unlikely to follow the Council's initiative on not evicting tenants for non-payment of rent due to the under-occupancy regulations. This will be explored further within the joint working group.

The Welfare Reform Strategic Planning Group now meets bi-monthly and continues to bring together Council and stakeholders from advice services and third sector to provide a co-ordinated response to manage and mitigate the negative effects of Welfare Reform.

## Recommendations

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It is recommended that the Corporate Policy and Strategy Committee:

1. notes the continuing progress on assessing the impact of welfare reforms and actions for developing partial mitigation strategies;
2. agrees to refer reports on continuing financial pressures and associated risks arising out of implementation of Welfare Reform to the Finance and Budget Committee;
3. agrees to the spending proposals of the £109,594 DWP additional transitional funding as described in Appendix 1;
4. notes the additional DHP funding being provided by the Scottish Government and the need to adjust the council's DHP policy in light of this additional funding; and
5. notes the next progress update report will be 3 December 2013 (with a separate briefing to committee in early November).

## Measures of success

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The success of the programme to mitigate the effects of Welfare Reform will continue to be measured through:

- reductions in forecast loss of income; and
- customer satisfaction with advice and advocacy services provided relating to benefit changes, including increased benefit take up and minimised losses by ensuring people get their full entitlement under the new arrangements

## Financial impact

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As reported previously the increasing numbers of people experiencing hardship is expected to lead to increased demand for services in many areas of the Council and partner and advice agencies. There is also a risk to Council income, particularly from rents arrears, changes to subsidy levels for temporary accommodation and service charges. Further work is being undertaken to quantify likely financial impacts and to identify funding sources or budgetary options for the investment required in mitigation measures.

Known risks include:

- Loss of rental income to Housing Revenue Account (HRA) arising from Housing Benefit under-occupation reforms and Direct Payment under Universal Credit.
- Scottish Welfare Funds will be insufficient to meet demands from customers.
- DHP budget is insufficient to meet demands due to changes in welfare reform.
- The spend on Council Tax Reduction Scheme exceeds the available funding.
- Reduced DWP Administration Subsidy due to the abolition of Council Tax Benefit.

- Reduced DWP Administration Subsidy due to the phasing out of Housing Benefit.
- An anticipated reduction of expenditure by 20% on current levels by the replacement of Disability Living Allowance by Personal Independence Payments.
- Increased demand on advice and advocacy both for the Council and Third sector advice agencies.

## Equalities impact

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The UK Government has prepared Equalities and Human Rights assessments for the welfare reform proposals. The Council will undertake an EHRIA when necessary for any of its proposals.

## Sustainability impact

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Welfare Reform is expected to have general implications for environmental and sustainability outcomes, for example in relation to fuel poverty and financial exclusion.

## Consultation and engagement

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Ongoing involvement of Council officials continues to take place with the UK and Scottish Governments, directly and through COSLA, with the DWP, the Third Sector, the NHS and other partners, to prepare for welfare reform changes.

Emphasis continues to be on engagement with citizens, both in and out of work, who rely on benefit income and tax credits. The priority is to continue to provide information, advice and support, directly by the Council and in conjunction with independent advice agencies and major partners.

The Council continues to participate in a number of groups with the DWP looking at the impacts on Welfare reform, namely Local Authority Transition Working Group (LATWG), Practitioners Operational Group (POG), as well as COSLA's Welfare Reform Local Authority Representatives Group

## Background reading / external references

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Recent reports to committee:

[Welfare Reform – further update – Corporate Policy and Strategy Committee, 6 August 2013](#)

[Welfare Reform – further update – Corporate Policy and Strategy Committee, 11 June 2013](#)

[Welfare Reform – further update - Corporate Policy and Strategy Committee, 16 April 2013](#)

[Welfare Reform - Scottish Welfare Fund arrangements – Finance and Budget Committee, 21 March 2013](#)

[Welfare Reform – further update – Corporate Policy and Strategy Committee, 22 January 2013](#)

[Welfare Reform - update – Corporate Policy and Strategy Committee, 4 December 2012](#)

Estimates on the impact of Welfare Reform on claimants in Scotland, Edinburgh and other local authorities:

Scottish Government: *UK Government cuts to welfare expenditure in Scotland*, March 2013; available at: <http://www.scotland.gov.uk/Resource/0041/00417011.pdf>

Scottish Local Government Forum Against Poverty/ Rights Advice Scotland: *People, Councils and the Economy 2nd Edition: An assessment of the impact of proposed changes to the UK Benefits System on people, councils and the economy in Scotland*, March 2013; available at:

<http://www.scottishpovertyforum.org.uk/PCE2%20March%202013v2.pdf>.

Sheffield Hallam University: *The Impact of Welfare Reform on Scotland*, by Christina Beatty and Steve Fothergill, Centre for Regional Economic and Social Research, April 2013. Report commissioned by the Scottish Parliament Welfare Reform Committee; available at:

[http://www.scottish.parliament.uk/S4\\_Welfare\\_Reform\\_Committee/Reports/wrR-13-02w.pdf](http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrR-13-02w.pdf)

The Government Response to the Communities and Local Government Select Committee Report: Implementation of Welfare Reform by Local Authorities

Presented to Parliament by the Secretary of State for Communities and Local Government by Command of Her Majesty June 2013

<https://www.gov.uk/government/publications/government-response-to-the-communities-and-local-government-select-committees-report-implementation-of-welfare-reform-by-local-authorities>

## Welfare reform – update

### 1. Background

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- 1.1 The Corporate Policy and Strategy Committee agreed on 22 January 2013 to continue monitoring the Council's actions to mitigate the impact of Welfare Reform and requested further update reports every two months, the last report being made at 6 August 2013 meeting.

### 2. Main report

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- 2.1 The Council continues to actively engage with the Scottish Government and other national and local organisations to develop an effective co-ordinated approach to mitigate the negative impacts of welfare reform. Progress on issues is reviewed below.

#### **Mitigation Actions**

- 2.2 Advice Services in Edinburgh – The Scottish Legal Aid Board has been asked by the Scottish Government and the Money Advice Service (MAS) to run a new funding programme. The programme will focus on improving access to advice for people in Scotland with a view to promoting achievement of particular priority outcomes and is in addition to the current grant funding programme. The Scottish Government and MAS have agreed that the Board will focus on specific priorities for funding, and there were three main funding streams under which applications were invited:
- **Stream 1 – community-wide advice.**
  - **Stream 2 – helping tenants of social landlords.**
  - **Stream 3 – thematic stream.**
- 2.3 The Board has approved funding at an upper limit of expenditure of £7.45million by way of grants in the period to the end of March 2015 for this new programme, made up of £5.1million available from Scottish Government and £2.35million available from MAS.
- 2.4 A joint bid for stream 1 was submitted by Port of Leith Housing Association, Dunedin Canmore Housing Association (lead applicant), Hillcrest Housing Association and Citizens Advice Edinburgh. Dunedin Canmore received an offer of £105,437.
- 2.5 The level of this offer was less than the original bid however it was accepted by the group, and the programme has now commenced and expected to run until March 2015.

- 2.6 A joint stream 1 bid was submitted by CHAI, (lead applicant) Granton Information Centre and Cyrenians HPS. CHAI received an offer of £99,804 on 5 September 2013 which covers 18 months of the grant programme.
- 2.7 The original bid was for 3 full-time Welfare Rights Advisers however the funding has only been provided for 2.
- 2.8 A joint stream 1 bid was submitted by CEC Advice Shop, (lead applicant) CEC Community Learning and Development and Citizens Advice Edinburgh. The Advice Shop received an offer of £160,422.79 on 5 September 2013 their original bid was for £199,511.
- 2.9 A joint stream 2 bid was submitted by Prospect Community Housing, (lead applicant) CHAI, CEC South West Neighbourhood Office and Cyrenians Homeless Prevention Project. Prospect received an offer of £59,342 on 5 September 2013, which was less than their original bid for £76,000.
- 2.10 A joint stream 2 bid was submitted by CEC (lead applicant) and Edindex Partner Landlords (this includes 20 partner RSL's). The Access to Housing and Customer Strategy Manager was advised on 26 August 2013 that the bid was unsuccessful, but it was recognised that the bid showed merit and should additional funds become available the application may be revisited.
- 2.11 A joint stream 3 bid was submitted by Edinburgh Macmillan Welfare Rights Partnership, (lead applicant) Macmillan Cancer Support Scotland and CEC Advice Shop. Macmillan Welfare Rights Partnership was informed on 4 September that their bid was unsuccessful.

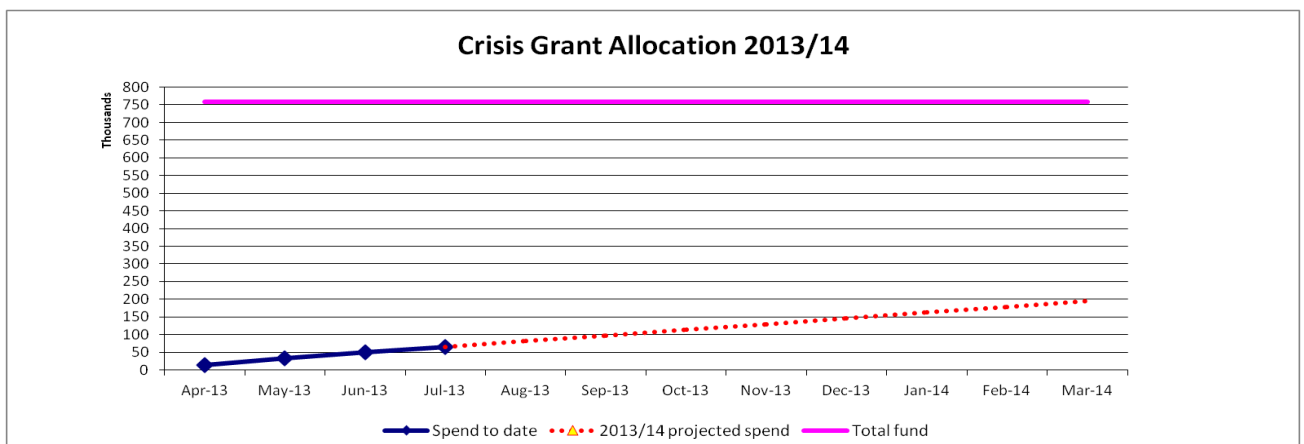
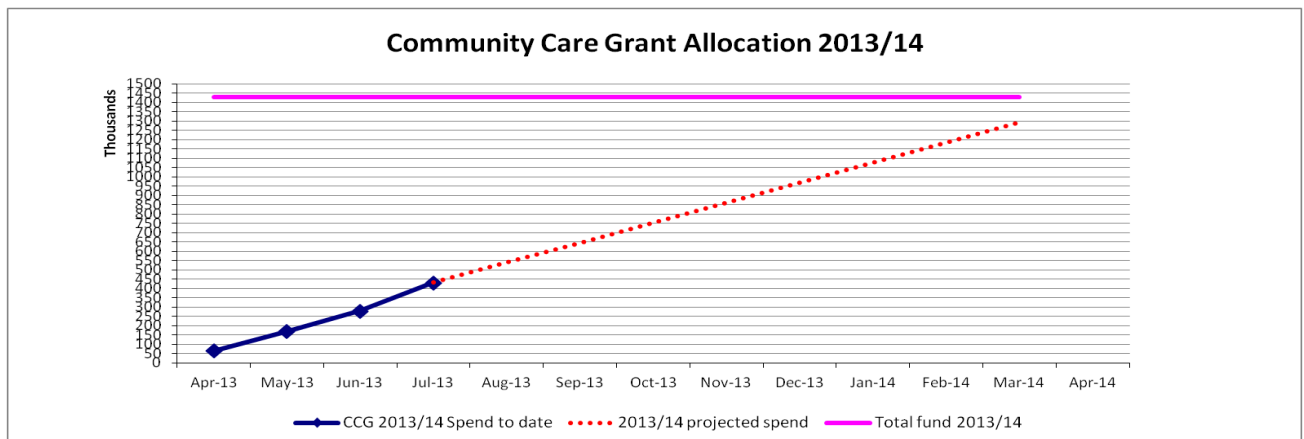
### **Benefits cap**

- 2.12 This is a measure introduced by the Government which places a maximum amount that a claimant can receive in total from State Benefits, Tax Credits and Housing Benefit. The limit is £350 per week for a single person and £500 per week for a married couple or single parent.
- 2.13 The UK Government introduced the cap on a pilot basis in four London Boroughs from 15 April 2013. As reported to Committee on 6 August 2013, the national implementation will now be managed over a 10 week period.
- 2.14 Tranche 2 of the implementation commenced in Edinburgh on 12 August 2013 and the final cases were received 30 September 2013.
- 2.15 As at 06 September 2013 there have been a total of 254 Benefit Cap processes received.
- 2.16 A dedicated team has been set up to deal with these cases during the Benefit Cap roll-out.
- 2.17 A joint working initiative with co-location working has been set up with The Advice Shop Contact Centre, The DWP and Housing Options to provide advice and support to customers affected by the Benefit Cap as follows;

- The Advice Shop Contact Centre will provide debt/budgeting advice, carryout a structured benefit check and arrange appointments with the DWP and/or Housing Options Team
- The DWP will provide details on employment options
- The Housing Options Team will provide rent advice, payment plans and housing options advice

2.18 The purpose of the joint working initiative is to engage with all customers affected by the Benefit Cap to mitigate the risk of rent arrears by early intervention.

2.19 **Scottish Welfare Fund (SWF)** Information on the Scottish Welfare Fund was provided to Committee on 6 August 2013. At the end of August 2013 a total £580,598 has been awarded for Community Care Grants and a total of £79,837.40 has been awarded on Crisis Grants.



2.20 From the 3 June 2013 Crisis Grants are being considered at all 3 priority levels and from 15 July 2013 Community Care Grants are being considered at all 3 priority levels.

2.21 As both Crisis Grants and Community Care Grants remain within budget they will continue to be considered at all 3 priority levels.

2.22 There is to date a considerable under spend in the Crisis Grant funding. Action will be taken to raise awareness of Crisis Grants in collaboration with key



partners in Advice services, additionally consideration will be given to flexing some of this funding into Community Care Grants where demand is considerably stronger. Finally, funding will be used to supply provisions to local food banks to support their efforts to provide relief for those in crisis in the city.

- 2.23 Monitoring procedures are in place to mitigate the risk of overspending.
- 2.24 The target for assessing applications for Community Care Grants is 15 working days. Applications are currently being assessed within 5 and 7 working days.
- 2.25 The target for assessing applications for Crisis Grants is 2 working days. Applications are currently being assessed within this time scale.
- 2.26 As at 6 September there have been 7 Community Care Grant 2<sup>nd</sup> tier review panel meetings. The Panel made the decision to uphold 2 customer appeals and rejected the remaining five.
- 2.27 As at 6 September 2013 there has been 1 Crisis Grant 2<sup>nd</sup> tier review panel meeting. The decision was made to reject the claimant's appeal.
- 2.28 The Scottish Government provided details of the awards of Community Care Grants and Crisis Grants for all Scottish Local Authorities up to 31 July 2013. The table below show's City of Edinburgh's performance against the Scottish average:

**OVERALL SPEND – Community Care Grant and Crisis Grant from July 2013**

Local Authority	CCG & CG total Annual £	CCG & CG total 12 Month Profile £	CCG & CG total July 2013 actual £	CCG & CG YTD SPEND	CCG & CG total Jul-13 Monthly %	CCG & CG total ytd annual spend %
City of Edinburgh	2,187,628	182,303	165,604	<b>495,592</b>	<b>91</b>	<b>26</b>
<b>Scotland Total</b>	<b>32,995,240</b>	<b>2,749,600</b>	<b>1,751,893</b>	<b>5,325,492</b>	<b>64</b>	<b>16</b>

**Welfare Reform Issues affecting Council Tenants and Housing Services**

- 2.29 **Council Tenants and Housing Services** – Monitoring the impact of Welfare Reform on tenants shows that at the end of June there were 3,500 (18%) Council tenants were affected by the Social Sector Size Criteria or Under Occupation regulations.
- 2.30 This equates to 3,103 tenants (89%) having a 14% reduction and 397 tenants (11%) having a 25% reduction in Housing Benefit.
- 2.31 Prior to the April 2013 changes which was the implementation date for Under Occupation, 969 (27%) of affected tenants were in arrears. By the end of August 2013 the number of affected tenants in rent arrears increased to 2,602 (76%). The remaining 829 (24%) are managing to pay their rent in full, including the under occupancy element.
- 2.32 Neighbourhood staff are working hard to manage the increasing rent arrears and work with the increasing number of tenants who are following into arrears. Staff

- are ensuring that those tenants affected receive advice and information to help them make an informed choice on what is the best option for their household.
- 2.33 The Benefit Cap which was introduced in Edinburgh on 12 August 2013 will also have an impact in a number of council tenancies. Based on current data from the DWP this is estimated to be around 54 council tenants, the exact figure will be confirmed once the stock cases have been received from the DWP. Work is ongoing to check the reported cases and agree a process for new notifications so that advice and assistance can be provided to tenants on rent payments, potential assistance for a period of time through DHP and to encourage them to engage with the DWP for employment and income maximisation advice.
- 2.34 The next step is to focus on preparing for the introduction of Universal Credit and the impact that direct payment of benefit will have for tenants and the Council. Planning for the implementation of Universal Credit will include changes to the rent services and operational systems to manage monthly direct payments that minimise the impact on income collection. Work will also look to achieve a shift in payment culture to move more tenants on to secure payment methods and work to ensure that tenants can access suitable financial products and services.
- 2.35 **Temporary and Supported Accommodation** – Under occupation regulations affects 360 properties within the temporary accommodation estate, 47 homeless households (13%) have had their Housing benefit reduced as a result. All have submitted DHP applications to cover the short fall.
- 2.36 Advance notifications from the DWP of households in temporary accommodation likely to be affected by the Benefit Cap has been inaccurate and out of date as it was taken from March 2013 Single Housing Benefit Extract data.
- 2.37 Based on current rent levels and capping thresholds it is likely the over 200 households in temporary accommodation may be affected, true numbers will not be known until the stock cases have been received from the DWP these will be received during the roll-out period 12 August to 30 September 2013.
- 2.38 The households will be notified on a case by case basis and an action plan is in place to ensure homeless claimants receive information and advice including checking for individual capping exemptions, benefit checking and income maximisation.
- 2.39 Exemption for supported temporary accommodation is inconsistently applied nationally. No Scottish local authorities are exempt from capping however a number of rural and county local authorities in England are exempt as are all non local authority providers. A COSLA appeal for all supported temporary accommodation to be exempt is outstanding.
- 2.40 Work is underway to remodel rent charging across temporary accommodation for 1014/15 to reduce the impact of the Benefit Cap.
- 2.41 **Under-Occupation Regulations** - The Welfare Reform Working Group which includes elected members, representatives from Corporate and Transactional

- Services, Services for Communities, RSL's and tenants representatives has been established. The role of the working group is to monitor the implementation and impact of various benefits changes and to contribute to consideration of further measures to support tenants.
- 2.42 The remit for the group has been approved by the members of the coalition and the first meeting took place on 12 September 2013.
- 2.43 RSL's continue to indicate that they are unlikely to adopt policies that would mean they would not evict tenants who have accrued rent arrears purely as a result of under-occupancy regulations. Due to the length of time it will take for arrears to build up as a direct result of the reduced amount of Housing Benefit payable it will be some time before it will be known if this is having any impact on the Council's homeless service.
- 2.44 As previously reported to Committee the letter from Lord Freud dated 20 June 2013, highlights the DWP's concerns about inappropriate redesignation of properties in relation to the under occupancy regulations. The letter makes it clear that Local Authorities could see a significant reduction in the amount of Housing Benefit subsidy paid where it is deemed that there has been inappropriate redesignation of properties. The Corporate Policy and Strategy Committee on 16 April 2013 requested a report on the redesignation of bedrooms. This was presented at the Health, Wellbeing and Housing Committee on 10 September 2013.
- 2.45 RSL's have been approached to seek their agreement to provide current information on their rent arrears for publication in future Committee Reports on Welfare Reform. A positive reaction has been made by 11 RSLs who are willing to share this information. This information will be included in future updates.
- 2.46 As a result of the 18 July 2013 Tripartite Ministerial between SG/COSLA and the UK Government, The President of COSLA wrote a number of letters to Lord Freud and Ian Duncan Smith detailing the level of concern in Scotland about under occupancy and the wider housing policy changes. Supporting evidence for calls for exemptions and other policy changes were provided along with strong political representation
- 2.47 COSLA's President and Vice President met with Lord Freud on 30 July 2013 to discuss his initial findings from the review on under occupancy and to present COSLA's further findings from the Housing Impacts Survey. The President and Vice President described how the measures are impacting across Scotland, emphasising the impact on arrears, demand for DHP and the impact on temporary accommodation and homelessness prevention.
- 2.48 Lord Freud reported that the DWP proposed to allocate a further £35m to local authorities to support claimants with under occupancy. It was also reported that the UK Government are not prepared to make changes to the current under occupancy policy, including the rules surrounding Local Authority temporary accommodation in Scotland.

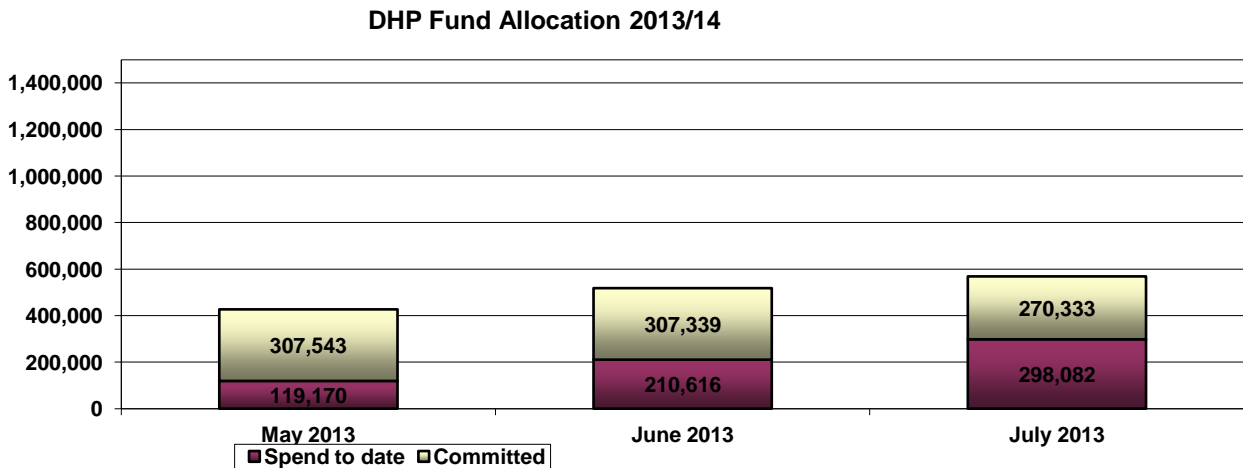
2.49 Lord Freud reported the ability to remove direct payments to claimants who reach rent arrear triggers, and pay directly to landlords will mitigate the risks to rental income.

2.50 The additional £35m will be used as follows;

- £10m is general funding to support claimant transition, of which around £1m will come to Scotland
- Edinburgh’s transition funding allocation is £109,594. This will be paid during August 2013 with an intended use to Target support to meet needs of those affected by HB Reform, for example by preventing homelessness, supporting people who need to move to alternative accommodation and advice services. Appendix 1 details fully how Edinburgh proposes to use this additional funding. Committee is asked to approve this proposal
- £5m is earmarked for remote rural areas of which £3.5m will come to Scotland
- £20m will be open for bidding by local authorities with no restrictions on those who have already received additional monies. Details of bidding criteria due to be announced in late September

2.51 **Discretionary Housing Payments (DHP)** - As at 31 August 2013 there have been a total of 2307 DHP claims considered, 1446 ongoing awards, 45 one off payments and 816 refusals (65% claims approved). Over 90% of awards are related to under occupancy and 95% of refusals are due to the applicant having sufficient income to meet the shortfall in their rent.

2.52 The DHP budget for 2013/14 is £1,430,709. As at 6 September 2013 there has been a total DHP spend of £427,653.31 with a committed spend of £257,207.42 to 31 March 2014. A total DHP of £741,007.01 remains unallocated, therefore the actual spend is 30% and the committed spend is 18% of the budget.



- 2.53 In the draft Budget announcement the Scottish Government has stated it is making £20m additional funding available to Local Authorities to supplement DHP budgets for the financial year 2013/14. As stated in earlier reports, the maximum additional funding to DHP fund by Local Authorities is 1.5 times the funding provided by DWP. COSLA's Settlement & Distribution Group have proposed a distribution of these funds that is likely to take all Local Authorities to their maximum permissible limit for DHP funds.
- 2.54 In light of this significant injection of DHP funding, an urgent review of the current DHP policy will be instigated to ensure fair and appropriate use of this additional funding.
- 2.55 As at 6 September 2013 there were 427 review forms issued where awards are due to end around 30 September 2013. It is anticipated that the majority of the reviews will show no change in the applicants' circumstances and a new award will be made.
- 2.56 To date 110 applicants have requested a reconsideration (appeal)

### **Welfare Reforms affecting Disabled People**

- 2.57 As previously reported there have been two main reforms:
- the ongoing replacement of **Incapacity Benefit** and related benefits by **Employment and Support Allowance (ESA)**, with more stringent medical tests, greater conditionality and time-limiting of non-means tested entitlement for all but the most severely ill or disabled: the DWP intends to complete this process by 2014; and
  - the phased replacement of **Disability Living Allowance (DLA)** by **Personal Independence Payments (PIP)**, including more stringent and frequent medical tests, as the basis for financial support to help offset the additional costs faced by individuals with disabilities.
- 2.58 Since June 2013, the DWP through the Advice Shop has been providing Introduction to PIP presentations and answering related questions.
- 2.59 From 10 June 2013, DWP will no longer accept new claims for DLA from anyone aged 16-64, unless they are making a renewal claim from a fixed term DLA award which is due to expire before the end of February 2014. New claims will be for PIP.
- 2.60 From 7 October 2013, existing recipients of DLA will begin to be transferred to PIP and from October 2015 all the remaining claimants in receipt of a DLA award will be invited to make a claim for PIP. DWP will randomly select those recipients of DLA in receipt of an indefinite award or a fixed term award, and notify them about what they need to do to claim PIP. They will invite claims as early as possible from recipients who have turned 65 after 8 April 2013, when PIP was first introduced. The intention is that this process will be completed by October 2017.
- 2.61 From 7 October 2013, existing recipients of DLA will begin to be transferred to PIP and from October 2015 all the remaining claimants in receipt of a DLA

award will be invited to make a claim for PIP. DWP will randomly select those recipients of DLA in receipt of an indefinite award or a fixed term award, and notify them about what they need to do to claim PIP. They will invite claims as early as possible from recipients who have turned 65 after 8 April 2013, when PIP was first introduced. The intention is that this process will be completed by October 2017.

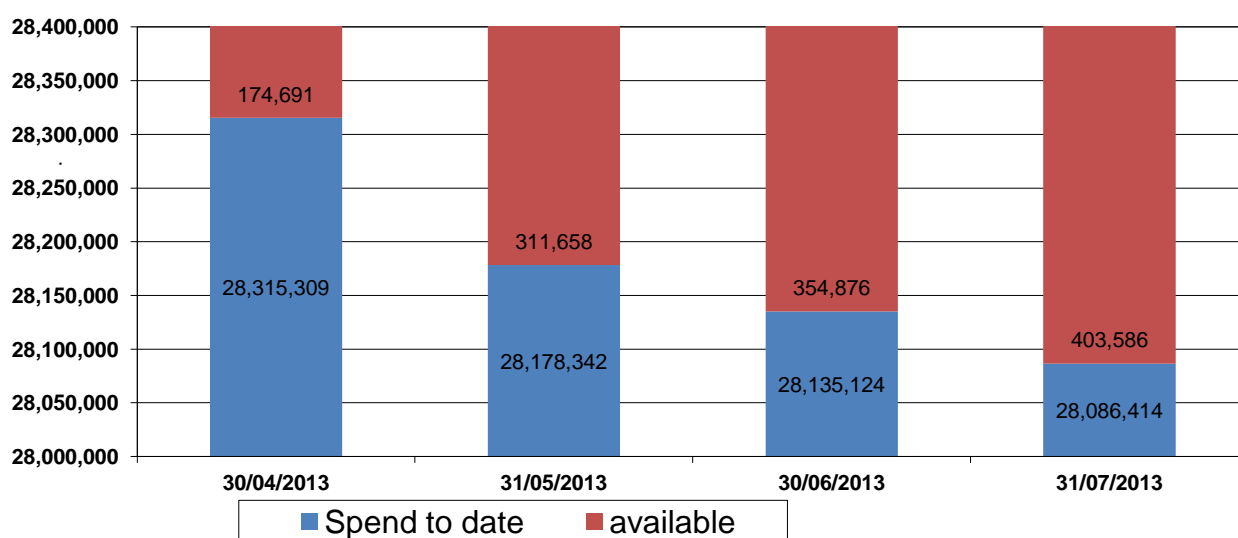
- 2.62 The new benefit is expected to bring an anticipated reduction of expenditure by 20% on current levels.
- 2.63 An anticipated 55% of current DLA recipients will receive reduced benefit or will be refused PIP when the reassessment takes place.
- 2.64 The new benefit has a three stage claim process and a two stage appeal process, compared with the current one stage for each.
- 2.65 There will be no automatic re-assessment for PIP. If people in receipt of DLA are invited to claim PIP and do not do so, their DLA award will be stopped, new claims will have to be lodged and most people will have to go through the new medical assessment before a decision is made.
- 2.66 By May 2018 the reduction in income for disabled people in Edinburgh is estimated at over £19million per annum (based in current 2013/2014 benefit rates).
- 2.67 The replacement of DLA by PIP will place significant additional demands on Advice Services for assistance with
- the initial and subsequent claim processes;
  - advice and support in attending medical assessments;
  - the new mandatory reconsideration process;
  - assistance with lodging appeals, representation at appeals and appeals to the Upper Tribunal; and
  - increased levels of debt.
- 2.68 Social care and housing staff are also likely to face increased demand, and it is likely that General Practitioners and other health Professionals will be asked for additional supporting evidence.
- 2.69 With reduced incomes many people with disabilities will find it increasingly difficult to sustain themselves in the community and may present further demands on services.
- 2.70 There is significant increasing demand for benefits maximisation, advice and advocacy, both for Third Sector agencies and for the Council's advice services and this will likely escalate as Welfare Reform progresses. It is likely that the Council's contact centre will also experience increasing demand from people with benefits queries or without funds, in addition to pressure on social work, housing and homelessness.
- 2.71 There has been considerable funding invested in advice services in Edinburgh.

- 2.72 The Council's Budget meeting agreed on 7 February 2013 to additional funding of £250,000 for welfare benefits advice and advocacy services and £100,000 for income maximisation, to help meet the increasing demand on Third Sector agencies and the Council's own Advice Services due to Welfare Reform.
- 2.73 The Council has re-focussed Social Justice Fund allocations to voluntary organisations in 2013/14 to give greater priority to access to employment and income maximisation within the total funding of £324,635.
- 2.74 The Corporate Policy and Strategy Committee on 26 February 2013 agreed to additional grant funding of £67,000 shared equally between the following three Welfare Rights advice projects
- Citizens Advice Edinburgh
  - CHAI
  - Granton Information Centre
- 2.75 This additional funding has helped Citizens Advice Edinburgh to increase service provisions through extended opening hours and CHAI and Granton Information Centre through additional staff.
- 2.76 The Advice Shop is in the process of recruiting new posts and have planned training for agencies across the city, they also have created links with Community Learning and Development to assist customers complete applications in community locations.

### Council Tax Reduction Scheme (CTRS)

- 2.77 Information on the CTRS was provided in the previous report to Committee on 6 August 2013. The total fund for 2013/14 is £29,121,000, with the projected year end spend at £28,081,295.

**CTRS Distribution 2013/14**



- 2.78 The funding for 2014/15 continues to be part of the Local Government settlement negotiations ahead of the draft Scottish Budget announcement in the early autumn.
- 2.79 The Scottish Government have collated 2013/14 expenditure figures that have been provided by local authorities however not all local authorities were able to provide meaningful information therefore the information gained so far is inconclusive. The information gathered so far indicates there is no significant cause for concern a further analysis will be undertaken in early autumn.
- 2.80 The Scottish Government have been informed by the DWP of their intention to reduce the administration subsidy by 10% over for 2014/15 and 2015/16 to reflect expected efficiencies in administration.
- 2.81 Cost modelling work on HB migration to UC and CTRS is continuing and Scottish local authorities are involved in providing costing information to the DWP.

### **Universal Credit (UC)**

- 2.82 An update was given to committee on 6 August 2013. The pilot in the North West of England, which began on 15 April 2013 in one local authority, is continuing. The other 3 local authorities went live in July 2013.
- 2.83 The national roll-out of UC will begin in October and is limited to Hammersmith, Rugby, Inverness, Bath, North East Somerset, Harrogate and Shotton. Further announcements on the roll-out are expected to be in the autumn but will in all likelihood be of a conservative scale.
- 2.84 The DWP has indicated a continuation of HB administration subsidy for 2014/15 in recognition of the slowdown of UC roll-out
- 2.85 The DWP's new senior manager, Howard Shiplee has been in post for a number of months. He is in the process of delivering a Strategic Intent Document (SID) which takes stock of progress and considers how the DWP will manage delivery of welfare reform through to "steady state" in 2017. COLSA has responded to a draft of the document seeking more clarity and transparency than is currently provided. An update will be provided in the next progress report.
- 2.86 It is worth noting that the DWP sees local Government as a key partner to work with and that this entails being concerned with the breadth of the issues facing Local Government, as a result of welfare reform and not just as a result of UC.

### **Pension Credit**

- 2.87 There remains no update from the Pensions Service about the roll-out of Pension Credit. However, it is likely to start in October 2015.

### **Direct Payment Demonstration Project (DPDP)**

- 2.88 The proposed extension of the DPDP has now been formalised and budgets have been approved. The revised timetable will operate until November 2013 although the project will most likely not conclude until early 2014.



- 2.89 The Council have agreed to continue their involvement in DPDP extension and are open to the learning experience.
- 2.90 Dunedin Canmore and the Council continue to work closely with the DWP to assess the full impact and consequences of the DPDP.

### **Welfare Reform Strategic Planning Group**

- 2.91 The group continues to meet bi-monthly to strategically plan to mitigate the possible negative effects of Welfare Reform.

## **3. Recommendations**

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- 3.1 It is recommended that the Corporate Policy and Strategy Committee:
- 3.1.1 notes the continuing progress on assessing the impact of welfare reforms and actions for developing partial mitigation strategies;
  - 3.1.2 agrees to refer reports on continuing financial pressure and associated risks arising out of implementation of Welfare Reform to the Finance and Budget Committee;
  - 3.1.3 agrees to the spending proposals of the £109,594 DWP additional transitional funding as described in Appendix 1;
  - 3.1.4 notes the additional DHP funding being provided by the Scottish Government and the need to adjust the council's DHP policy in light of this additional funding; and
  - 3.1.5 notes the next progress update report will be 3 December 2013 (with a separate briefing to committee in early November)

### **Alastair D Maclean**

Director of Corporate Governance

## **Links**

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### **Coalition pledges**

### **Council outcomes**

### **Single Outcome Agreement**

**SO2** - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

### **Appendices**

Appendix 1 – Proposals for DWP Transitional Funding

# Proposals for DWP Transitional Funding

## Background

City of Edinburgh will receive transitional funding of £109,594 from the DWP which will be paid during August 2013 to fund activities to assist claimants affected by welfare reform over a transitional period. The funding requires to be spent during 2013/14.

The DWP intend the use to:

- Target support to meet needs of those affected by welfare reform – e.g. preventing homelessness, supporting people who need to move to alternative accommodation and advice services
- It can also be used to provide additional DHPs over and above the current allocation

## Proposal

It is proposed to establish a short life welfare reform transition group of between 6-8 staff who will provide focused advice and assistance to claimants whose benefit has been most adversely affected by welfare reform, in particular Council tenants and customers who are homeless and in temporary accommodation who are affected by either under occupation or benefit capping. Options for accelerated recruitment into this team are being explored.

The team will provide the following services:

- Housing options and advice
- Benefit checking and income maximisation
- Ensuring customers are receiving appropriate support in relation to employment opportunities
- Support to find longer term solutions for those in receipt of DHP

There are 3,500 Council tenants and approximately 50 homeless households in temporary accommodation affected by under occupation changes. It is anticipated that approximately 50 Council tenants and over 200 homeless households in temporary accommodation will be affected by benefit capping. The work of this team will focus on preventing homelessness.