

Corporate Policy and Strategy Committee

10.00am, Tuesday 30 September 2014

Strategic Response to Welfare Reform in Edinburgh

Item number	7.2
Report number	
Executive/routine	
Wards	All

Executive summary

The Welfare Reform Act 2012 was enacted by the Parliament of the United Kingdom on 8 March 2012 and was introduced as part of the programme of austerity with the aim of reducing the amount of welfare spending in the UK.

The impact of the Act has potential implications for the Council and the citizens of Edinburgh in terms of poverty and inequality. The strategic objectives to mitigate these risks are:

- Prevention of hardship and worsening inequality;
- Effective response to crisis needs for housing, heat and food;
- Effective support for vulnerable individuals and families; and
- Partnership action to sustain Edinburgh's social security.

Links

Coalition pledges	P1, P6, P7, P8, P9, P10, P11, P12, P25, P29, P36 and P38
Council outcomes	CO6, CO8, CO9, CO10, CO14, CO15, CO16 and CO23
Single Outcome Agreement	SO2

Strategic Response to Welfare Reform in Edinburgh

Recommendations

1.1 It is recommended that the Corporate Policy and Strategy Committee:

- 1.1.1 approve the Council's Strategic Response to Welfare Reform in Edinburgh and related action plan.

Background

2.1 The Council and its community planning partners have recognised that the substantial changes in welfare benefits controlled by UK Government have potential implications for the city in terms of increased poverty and inequality. The document attached at Appendix 1 outlines Edinburgh's response to this important area.

Main report

Strategic Response to Welfare Reform in Edinburgh

- 3.1 The Council's Welfare Reform Core Group has developed a strategic response to welfare reform in Edinburgh, and this is attached at Appendix 1.
- 3.2 The document outlines that any reductions in the levels of welfare benefits has serious implications for the Council and the citizens of Edinburgh through increased poverty and inequality.
- 3.3 In practical terms these changes are likely to lead to increased need for benefits advice and advocacy services, money management/debt advice and access to food banks and furniture initiatives. There is also the risk of increased and shifting demands for health, social work, housing, employability and homeless services which may challenge existing provision.
- 3.4 In response to these changes an action plan has been developed which details the Council's strategic approach to mitigate any negative impacts. The strategic objectives are:
- prevention of hardship and worsening inequality;
 - effective response to crisis needs for housing, heat and food;
 - effective support for vulnerable individuals and families; and
 - partnership action to sustain Edinburgh's social security.

- 3.5 The action plan will be reviewed and monitored quarterly. Outcomes will be presented to the Welfare Reform Working Group and reported as part of the Welfare Reform updates to the Corporate Policy and Strategy Committee.

Measures of success

- 4.1 Outcomes will be evaluated through both quantitative and qualitative measures that indicate the impact of actions, strategies and services.

Financial impact

- 5.1 The increase in numbers of people experiencing hardship has led to increased demand for services across the Council and also partner advice agencies. There is a risk to Council income, particularly in relation to rent arrears, changes to subsidy levels for temporary accommodation and service charges. Known risks include:
- Loss of rental income to the Housing Revenue Account (HRA) arising from Housing Benefit Under Occupation reforms and Direct Payment under Universal Credit.
 - Scottish Welfare Fund and Discretionary Housing Payment budget will be insufficient to meet demand longer term.
 - The spend on Council Tax Reduction Scheme exceeds the available funding.
 - Reduced DWP Administration Subsidy due to the abolition of Council Tax Benefit, the phasing out of Housing Benefit and Central Government budget savings.
 - Increased demand on advice and advocacy both for the Council and Third Sector advice agencies.

Risk, policy, compliance and governance impact

- 6.1 The financial risk to the Council as well as the risk to the Council's reputation is being monitored regularly. Actions taken to assess and mitigate these risks and ensure effective governance include:
- bimonthly update to Corporate Policy and Strategy and Finance and Resources Committees;
 - annual update to Risk, Governance and Best Value Committee;
 - dedicated teams introduced to provide support and assistance;
 - quarterly meetings with Elected Members, Council Officers and External Partners; and
 - a strategic approach and action plan for delivering Social Security in Edinburgh (A strategic response to Welfare Reform in Edinburgh)

Equalities impact

- 7.1 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. Initial research has evidenced that those most likely to have their standards of living reduced by welfare reform are;
- women;
 - single parents; and
 - people with disabilities and other complex health issues.

Sustainability impact

- 8.1 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

- 9.1 Council officials continue to engage with the UK and Scottish Governments, directly and through COSLA, with the DWP, the Third Sector, the NHS and other partners. The Council is also engaging with citizens, both in and out of work, who rely on benefit income and tax credits.

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

Background reading / external references

Recent reports to committee:

[Welfare Reform – update](#) – Corporate Policy and Strategy Committee, 30 September 2014

[Welfare Reform – update](#) – Corporate Policy and Strategy Committee, 5 August 2014

[Welfare Reform – update](#) – Corporate Policy and Strategy Committee, 13 May 2014

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Links

Coalition pledges

Council outcomes

Single Outcome Agreement

SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health

Appendices

Appendix 1 – Delivering Social Security in Edinburgh, a strategic response to Welfare Reform

Delivering Social Security in Edinburgh

A strategic response to Welfare Reform

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Introduction to Welfare Reform

The Welfare Reform Act 2012 is an Act of Parliament in the UK which makes changes to the rules concerning a number of benefits offered within the British social security system. It was enacted by the Parliament of the United Kingdom on 8 March 2012. The Act was introduced as part of the programme of austerity with the aim of reducing the amount of welfare spending in the UK.

The five main changes to the Act include the introduction of:

- Housing Benefit Under Occupancy in the social rented sector;
- Council Tax Support Scheme;
- Benefit Cap;
- Personal Independence Payments; and
- Universal Credit.

Under Occupancy in the social rented sector – was introduced on 1 April 2013. This affects around 5,000 working aged social tenants in Edinburgh, whose Housing Benefit is reduced by 14% if they are considered to have one bedroom surplus to their requirements and 25% if they have two or more bedrooms.

Council Tax Reduction Scheme – was introduced on 1 April 2013 and replaced Council Tax Benefit. In Scotland the administration of the new scheme mirrors that of the previous Council Tax Benefit however funding has been reduced by 10%. In addition the DWP administration for the scheme has been reduced to reflect this is no longer part of Social Security Regulations.

Benefit Cap – 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 a week for a couple with children or a single parent. The pilot commenced in London on 15 April 2013 and was introduced in Edinburgh on 12 August 2013.

The introduction of the Benefit Cap has not had the expected impact that was originally anticipated. However the Council continues to support all affected households.

Personal Independence Payments (PIP) – replaces Disability Living Allowance (DLA). Application for new claims began as a pilot in areas of England in April 2013 this was rolled out nationally in June 2013.

In October 2013 the DWP invited existing DLA claimants in Wales and parts of England to claim PIP and this was extended to Edinburgh on 13 January 2014. The extent of any increased demand is unknown as the DWP decision making process is taking around 6 months and there are currently few outcomes to report. In May 2013 there were 22,990 people with a disability claiming Housing Benefit in Edinburgh.

Universal Credit (UC) – replaces the main out of work benefits. The pilot commenced in the North West of England in April 2013 and a limited national roll-out commenced in October 2013.

The number of claimants being processed through UC is significantly lower than anticipated. It is unlikely that UC will roll-out in Edinburgh before 2016 however the Council and its key partners are developing an action plan to support claimants prepare for UC.

The impact of these reforms has potentially serious implications for poverty and inequality for the citizens of Edinburgh. The strategic objectives to mitigate these risks are:

- Prevention of hardship and worsening inequality;
- Effective response to crisis needs for housing, heat and food;
- Effective support for vulnerable individuals and families; and
- Partnership action to sustain Edinburgh's social security.

Practical Actions

The main areas for action are summarised below and are set out in a detailed action plan for each theme.

Prevention of hardship and worsening inequality

- Welfare rights and benefits advice
- Employability options
- Financial education
- Money Advice, including budgeting skills
- Housing Options Advice
- Mitigation of financial hardship
- Core skills of literacy and numeracy
- Online access and skills
- Affordable Childcare

Effective response to crisis needs for housing, heat and food

- Emergency action for households with no income or inadequate income for basic needs – e.g. Scottish Welfare Fund (SWF) and Discretionary Housing payments (DHP)
- Community responses e.g. foodbanks
- Inter-service referrals e.g. homelessness and health / social care
- Delivery of the City Housing Strategy
- Housing advice and homelessness prevention

Effective support for vulnerable individuals and families

- Improved awareness and uptake of advice and support services
- Employment advice and DWP services
- Reducing debt and arrears
- Family and household support – income maximisation / budgeting skills / fuel poverty
- Housing options
- Support for critical needs such as mental ill health
- Health and social care and child care support for vulnerable people or households

Partnership action to sustain Edinburgh's social security

- Strategic action plans with RSLs
- Additional partner resources to match needs
- Develop a shared information framework to capture and disseminate customer and service focused knowledge.
- Identify training needs and meet them through a joint training programme

Taking into account the benefit and tax credit changes that have been introduced since April 2013, and the different types of advice work required, additional advice posts have been funded across Third Sector agencies and the

Council's own advice services. Additional resources of £0.35million have been secured for 2013-14 and beyond. These resources were focused on preventing the loss of income and homelessness and helping people to develop greater financial awareness.

The current infrastructure with regard to key service areas and other provision directly related to mitigating the negative impacts of Welfare Reform or delivering actions that contribute to implementing change or supporting those affected by change, is detailed in Appendix 3.

City of Edinburgh Council

Welfare Reform Action Plan outline

NOTE

Some of the actions noted in this plan are already underway or are planned through other strategic developments. Their inclusion here is intended to demonstrate the inter-dependencies that exist and will need to develop between existing activities and specific Welfare Reform activities.

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
1. Prevention of hardship and worsening inequality					
1.1 Improved employability options	<ul style="list-style-type: none"> • Ensure an integrated approach to employability support • Deliver and support routes into employment through the management of direct and commissioned services • Offer living wage in all public sector and Edinburgh Partner employment via Joined up for Jobs Partnership and potentially being adopted by the EP, Economic Development Strategy Partnership • Implement Affordable Childcare 	<ul style="list-style-type: none"> • More citizens in paid employment • Employee skills developed to support progression in employment • Reduced financial hardship • Improved access to employment options • Improved DWP 	Review Position Quarterly	CEC Economic Development	Joined up for Jobs Partnership Voluntary sector advice providers

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
	Strategy <ul style="list-style-type: none"> Provision of employment rights advice 	partnership working			
1.2 Ensure Edinburgh citizens are aware of Welfare Reform impacts and are able to access support and assistance	<ul style="list-style-type: none"> Develop Communications Plan for all aspects of Welfare Reform Deliver public awareness-raising campaigns Maximise the use of website and social media to raise public awareness and engagement with services Provide councillors and decision-makers with key data to inform processes 	<ul style="list-style-type: none"> Citizens are aware of Welfare Reform changes and understand how to access support and assistance 	Review 6 monthly Annually Review 6 monthly Quarterly update reports	Corporate Governance with support from Comms Corporate Governance with support from Comms Corporate Governance	CEC – Core Group DWP NHS Voluntary Sector
1.3 Prepare for Implementation of Universal Credit	<ul style="list-style-type: none"> Redesign CEC Rent Service and Temporary Accommodation Review Engage with DWP and key stakeholders to plan for implementation Create Action Plan for Preparation of Local Support Services 	<ul style="list-style-type: none"> Rental income is secured Coordinated provision of services 	Apr 2015 July 2014 Quarterly	Housing and Temporary Accommodation Corporate Governance &	CEC – HSC, SfC, CG DWP Voluntary

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
	<ul style="list-style-type: none"> • Deliver public awareness-raising campaigns • Develop an integrated approach to identify and engage with those needing support, particularly vulnerable groups and agencies working with them 	<ul style="list-style-type: none"> • Citizens are aware of welfare Reform changes 	Reviews Sept 2014 April 2015 Oct 2014 Quarterly Reviews	Housing Corporate Governance Comms team Core Group	Sector

2. Effective response to crisis needs for housing, heat and food

2.1 Improve and expand accessibility of local services and digital resources	<ul style="list-style-type: none"> • Scope existing provision with view to 're-aligning' services to best meet identified needs • Develop and implement digital and online resources • Support citizens to access and use available resources • Develop Local Support Services Framework (LSSF) for Universal Credit and Direct Payments • All services to consider whether digital access is available 	Citizens can access appropriate resources to obtain assistance	Nov 2014 Aug 2014 Aug 2014 Oct 2014 Review 6 Monthly	CLD, Corporate Governance & SfC	CEC – HSC, C&F, ED NHS Voluntary Sector
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Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
2.2 Increase awareness and capacity of partners to support people in hardship	<ul style="list-style-type: none"> Develop and implement training and awareness-raising resources 	Citizens receive effective information, advice & support	Jul 2014 Review Quarterly	Core Group	CEC – SfC, HSC, C&F, ED, Comms
2.3 Deliver effective financial support to prevent and assist households with crises	<ul style="list-style-type: none"> Develop Scottish Welfare Fund service Develop options to assist households in crisis 	Household crises prevented and mitigated	Review 6 monthly	Corporate Governance Core Group	CEC – ED NHS Voluntary Sector
2.4 Deliver effective financial support for housing-related costs	<ul style="list-style-type: none"> Develop Discretionary Housing Payment service 	Reduced rent arrears Improved levels of Homelessness prevention	Review 6 monthly	Corporate Governance	CEC – SfC, HSC, C&F, ED NHS Voluntary Sector

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
2.5 Sustainable Temporary Accommodation provision	<ul style="list-style-type: none"> Review Temporary Accommodation to ensure provision meets customer needs 	Improved and sustainable options for homeless people	Sep 2014 Review Position Quarterly	Housing	CEC – SfC, CG, HSC
2.6 Landlords to be prepared for impact of Universal Credit / Direct Payments	<ul style="list-style-type: none"> Landlords to plan for changes due to benefit cap and Universal Credit Manage the transition period of existing claimants moving to UC 	Housing needs met through sustainable solutions	Review Apr 2015	Core Group, RSLs, PRS landlords	CEC – SfC, CG, DWP
2.7 Access to free food and food co-operatives is available to households in poverty	<ul style="list-style-type: none"> Support the capacity development and operation of food banks and other community action such as food co-operatives Consider delivery of food to people in need of food 	Households in poverty have access to basic necessities	Review 6 monthly Review 6 Monthly	Core Group	Voluntary Sector NHS Working Group
2.8 Reduce fuel poverty	<ul style="list-style-type: none"> Promote energy saving and raise awareness about how to reduce energy costs 	Reduced financial hardship*	Review 6 monthly	SFC, Housing	CEC – SfC, RSLs, PRS landlords, Voluntary

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
					Sector

3. Effective support for vulnerable individuals and families

3.1 Prevent homelessness due to the impact of Welfare Reform	<ul style="list-style-type: none"> Promote DHP for tenants affected by Under Occupancy Charge, Benefits Cap and other financial pressures Provide support and advice to tenants Provide proactive housing advice and housing options assessments Provide effective support and advice services Engage with social and private rented sector landlords to promote mitigating activities 	<p>Reduced homelessness as a result of financial hardship</p> <p>Coordinated and effective services to prevent homelessness</p> <p>Housing needs met through sustainable solutions</p>	<p>Aug 2014 Review Quarterly</p> <p>Review 6 monthly</p> <p>Review 6 monthly</p>	Housing & Homelessness Prevention Services	<p>CEC – CG, HSC, C&F</p> <p>Voluntary Sector</p> <p>NHS</p>
3.2 Maximise the income of people dependent on benefits	<ul style="list-style-type: none"> Deliver and support effective advice provision to assist claimants Maximise gains produced through advice provision Ensure sufficient capacity in advice sector 	Reduced financial hardship for those in poverty and on low incomes*	<p>Review 6 monthly</p> <p>Quarterly reports</p> <p>Review 6</p>	Advice Shop Income Max Team	<p>CEC – CG, HSC, C&F</p> <p>Voluntary Sector</p>

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
	<ul style="list-style-type: none"> Measure customer satisfaction with advice services 		monthly Annual reports		NHS CAB
3.3 City of Edinburgh Council and partner agency staff to be skilled to support customers affected by Welfare Reform	<ul style="list-style-type: none"> Identify staff delivering key services and train them to deliver effective, high quality provision Train all staff to maintain an appropriate level of knowledge to assist customers Develop Welfare Reform e-learning modules and web / intranet-based information 	Citizens empowered and supported to resolve financial problems	Jul 2014 Oct 2014 Oct 2014	Core Group Housing & Corporate Governance Core Group	CEC – HSC, C&F Voluntary Sector NHS
3.4 Report and share welfare reform related information across CEC departments to support effectiveness and efficiency	<ul style="list-style-type: none"> Develop common definitions of needs and interventions to allow shared reporting Provide regular updates to Committees Produce regular performance data reports 	Better coordinated service provision and strategic planning	Quarterly reports Bi-monthly	Core Group	Voluntary Sector NHS

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
3.5 Develop Community Financial capacity	<ul style="list-style-type: none"> • Deliver and support effective advice services • Minimise rent arrears • Improve access to basic bank accounts and to nil or low cost credit • Divert low income households away from payday loans • develop Credit Union functions such as current accounts • create training and incentives for savings and budget planning • Develop capacity of individuals and communities to make sustainable financial decisions 	<ul style="list-style-type: none"> • Reduced financial hardship for those in poverty and on low incomes* • Reduced levels of personal debt across Edinburgh • More citizens have access to sustainable credit and bank account • Local access to financial literacy courses 	<p>Review 6 monthly</p> <p>Mar 2015</p> <p>Mar 2015</p> <p>Apr 2015</p>	Core Group	<p>CEC – SfC, HSC, C&F</p> <p>CLD, Comms</p> <p>Voluntary Sector</p>

4. Partnership action to sustain Edinburgh's social security

4.1 Seek to develop and secure resources to mitigate impact of Welfare Reform	<ul style="list-style-type: none"> • Annually review the need and effectiveness of dedicated resources 	<ul style="list-style-type: none"> • Reduced hardship amongst the population* • More effective service provision** 	<p>Feb 2015</p> <p>Jan 2015</p> <p>Aug 2014</p>	<p>Core Group</p> <p>Core Group</p>	<p>CEC – SfC, CG, C&F</p> <p>HSC, C&F</p> <p>Voluntary Sector, NHS</p>
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Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
4.2 Fully understand the impact of Welfare Reform on Edinburgh's people and economy	<ul style="list-style-type: none"> Develop and maintain robust intelligence on Welfare Reform e.g. assess predicted impact; report on actual annual impacts Involve people affected by Welfare Reform in locally based research and support groups 	<ul style="list-style-type: none"> Evidence-based developments that meet needs of citizens Citizens are able to engage with and influence development of services 	<p>Aug 2014</p> <p>Oct 2014</p>	Core Group with support from Business Intelligence Team	<p>CEC – SfC, CG, HSC, CLD ED</p> <p>Voluntary Sector</p> <p>DWP</p> <p>NHS</p>
4.3 Secure and align resources to help mitigate impact of Welfare Reform	<ul style="list-style-type: none"> Develop resources to mitigate impact of Welfare Reform Business Intelligence Team to provide resources to support strategic planning Annually review the need and effectiveness of dedicated resources Seek external funding and maximize partnership opportunities to support CEC to develop Welfare Reform provision Work in partnership with voluntary sector, NHS and other partners to deliver mitigating activities 	<ul style="list-style-type: none"> Reduced hardship amongst the population* More effective service provision** 	<p>Review Dec 2014</p> <p>Dec 2014</p> <p>Oct 2014</p> <p>Review Quarterly</p>	<p>Core Group</p> <p>Core Group</p> <p>Core Group/SMT's</p> <p>Core Group, SMT, CMT</p>	<p>CEC – SfC, HSC, ED, C&F</p> <p>Voluntary Sector</p> <p>NHS</p>

Objective	Key actions	Outcome(s)	Timescale	Lead Responsibility	Key Stakeholders
			Review Quarterly		
4.4 Report and share information about Welfare Reform across CEC departments to support effectiveness and efficiency	<ul style="list-style-type: none"> • Provide regular updates to Committees • Produce regular performance data reports to quantify impact of Welfare Reform by area and sector • Monitor and evaluate actions • Report and share information across services and partners 	Greater coordination between departments and teams to deliver effective services	Bi-monthly Bi-monthly	Core Group	CEC – SfC, HSC, ED, C&F
4.5 Ensure that citizens have access to appropriate information and advice on welfare benefits and debt matters	<ul style="list-style-type: none"> • Develop and implement an Advice Strategy • Promote advice services to maximise accessibility • Develop advice services to ensure effective outcomes are delivered 	Citizens income is maximised and financial problems resolved	Mar 2015 Jul 2014 Review Oct 2014	Advice Shop	CEC – CG, HSC, C&F, ED Voluntary Sector NHS

*Reduced hardship amongst the population means fewer people experience:

- being in rent arrears
- problem debts
- homelessness as a result of financial problems

**More Effective Service provision means services:

- Are accessed by more people
- Produce better outcomes for service users than at present
- Can evidence greater co-ordination with other relevant services

Implications for Edinburgh

The City of Edinburgh Council (CEC) and its community planning partners have recognised that the substantial changes in eligibility for - and levels of - welfare benefits controlled by the UK Government have substantial and serious implications for the city of Edinburgh. Simpler benefit systems that support people into work are generally welcomed as positive aspects of Welfare Reform within standards of fairness and the ability to meet real need in our communities.

The scale of hardship from the reduction in access to benefits and in the level of financial support available for individuals and families has obvious negative implications through increased poverty and inequality. This contradicts and works against the CEC and Partnership vision for the city and creates tangible risks for the quality of life on which the city's prosperity and social security depend.

Inequality and hardship are tangibly increased when individuals and households do not have social security in the sense of resources to meet their basic needs for shelter, warmth, food and social contact. This strategy is aimed to ensure that people in Edinburgh are not denied this level of social security.

In immediate, practical terms the Welfare Reform changes, as well as supporting some people into employment, are leading to increased need for benefits advice and advocacy services, money management and debt advice, access to credit, food banks, furniture initiatives, and increased demand on health, social work, housing, employability and homelessness services, as well as reductions in council income. Arrangements are being made to provide effective responses to these immediate needs and to take strategic action which can prevent long term damage for individuals, communities and for the city.

The growing numbers of people experiencing hardship is increasing demand for services in many areas of the Council and partner agencies¹. There is also a risk to Council income, particularly through loss of direct payments of housing benefit, changes to subsidy levels for temporary accommodation and service charges. An indicator of the needs in this area is the over 700% increase in Discretionary Housing Payments made in 2013-14 compared with 2012-13. There is a further risk to Council income with the reduction in DWP administration subsidy levels as Housing Benefit is replaced by direct payment of housing costs through Universal Credit.

Work has been undertaken by the Business Intelligence Team to quantify likely financial impacts and to identify funding sources or budgetary options for the investment required in prevention and mitigation measure, including a Business Continuity Impact Assessment using a model agreed with the Convention of Scottish Local Authorities (COSLA).

¹ See Appendix 1 for data on advice provision

Vision for Edinburgh



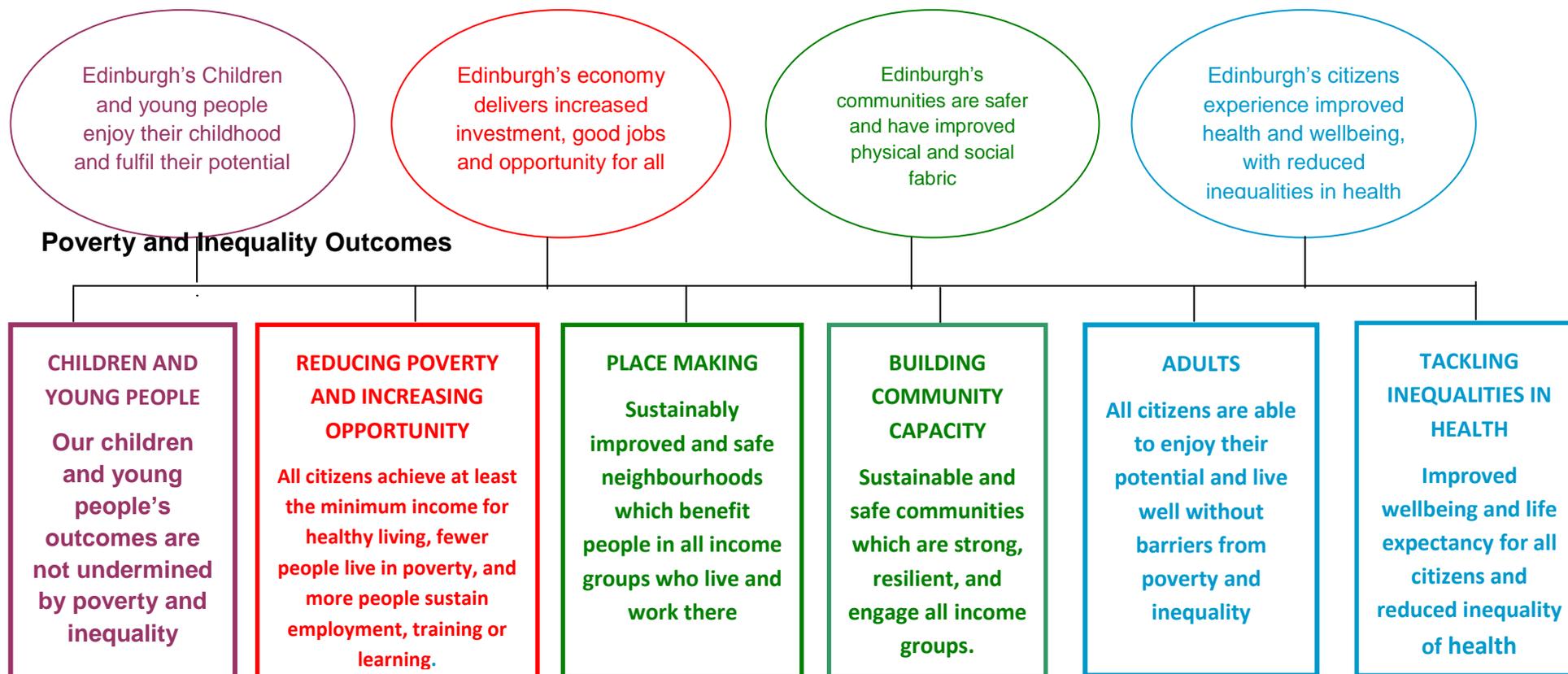
Strategic Outcomes and Objectives

The Single Outcome Agreement shows that the Partnership wants to see a thriving, successful and sustainable capital city. It is central to this vision that all forms of deprivation and poverty are reduced. Edinburgh cannot be that kind of city if it is effectively two cities because of inequality and poverty.

Many things which influence poverty and inequality are decided outside the city, and effective social security is a huge factor in this. The Partnership has commissioned detailed work to make it clear what can be done in the city to tackle poverty and inequality by working together across all partners and sectors, and it will be vital to have a response to reductions in social security. An Edinburgh Partnership working group set out a framework as a practical tool for City partnerships and partners to apply through engagement with people and communities who experience inequality. The outcomes for reducing poverty and inequality and the principles to be applied are set out in the diagram below, and work is continuing to develop practical actions in each priority area which can work towards these outcomes using these principles.

It is crucial that practical actions to counter those elements of Welfare Reform which are creating a reduction in social security for the poorest citizens are part of this framework. This strategy is intended to help develop appropriate responses.

SOA Priorities



Six Principles for all outcomes:

- i) Building trust share power with people in poverty; ii) Reduce the stigma surrounding poverty and tackle discrimination; iii) Better joined up services from all sectors; iv) Greater community and service user participation in planning, delivering and evaluating service; v) Making sure something happens, resourced actions; vi) Increase universal services not charged at point of delivery

Capital Coalition Pledges

The Council agreed 53 Pledges from the Capital Coalition in August 2012. These set out the commitment to build a cooperative, more prosperous Edinburgh in which every resident and community benefits in a “contract with the capital” based on the six key priorities below:

- Ensuring every child has the best start in life
- Reducing poverty, inequality and deprivation
- Providing for Edinburgh’s economic growth and prosperity
- Strengthening and supporting our communities and keeping them safe
- Ensuring Edinburgh, and its residents, are well cared for
- Maintaining and enhancing the quality of life in Edinburgh

The reductions and changes in social security are seen as a significant risk in relation to each of these priorities and a number of the specific pledges. For example, a number of pledges in relation to *Reducing poverty, inequality and deprivation* are in relation to housing stability and quality, which are undermined by the reduction in housing benefit entitlement and restrictions on total benefit and number of bedrooms allowed. These provisions have already led to increasing arrears which cause financial difficulty for housing providers including the Council and endanger the housing of many vulnerable tenants.

Coalition Pledges that are directly linked to impact of Welfare Reform

- | | |
|------------|--|
| P1 | Increase support for vulnerable children, including help for families so that fewer go into care |
| P6 | Establish city-wide childcare co-operatives for affordable childcare for working parents |
| P7 | Further develop the Edinburgh Guarantee to improve work prospects for school leavers |
| P8 | Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites |
| P9 | Work in partnership with Scottish Government to release more funds for Council homes for rent |
| P10 | Set up a task force to investigate ways to bring empty homes into use |
| P11 | Encourage the development of co-operative housing arrangements |

- P12** Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes
- P25** Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development
- P29** Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work
- P36** Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model
- P38** Promote direct payments in health and social care.

Strategic Outcomes

The risks from reduced social security are likely to restrict or reverse progress in a number of key Council Strategic Outcomes:

No	Strategic Outcomes
CO6	Our children’s and young people’s outcomes are not undermined by poverty and inequality
CO8	Edinburgh’s economy creates and sustains job opportunities
CO9	Edinburgh residents are able to access job opportunities
CO10	Improved health and reduced inequalities
CO14	Communities have the capacity to help support people
CO15	The public is protected
CO16	Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood
CO23	Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community

Strategic Objectives

The Council and Edinburgh Partnership regard social security as an essential element of their vision of a thriving, successful, sustainable capital city. The substantial changes and reduction in income to the most vulnerable citizens is identified as a significant risk which can potentially increase all forms of deprivation and inequality.

The main risks identified include:

Corporate

- Reductions in housing benefit due to under occupancy and loss of direct payments to landlords through Universal Credit (UC)
- Reductions in the amount of subsidy payable to support the costs of the temporary accommodation service
- Impacts on the ability to continue to financially support the key aims of the City Housing Strategy
- Increased demands on homelessness services
- Reduced disposable income in the city's economy due to benefit cuts²
- Greater demands on social care and other relevant front line services
- Greater demand on welfare budgets e.g. Scottish Welfare Fund, Section 12 payments
- Reduced ability to deliver on Corporate objectives e.g. targets on Child Poverty, social housing supply, tackling social exclusion
- Loss of investment in housing from Housing Revenue Account (HRA)
- Increased overall financial pressures for the Council

Individual

- Loss of income for vulnerable people such as those with ill-health or a disability, lone parents, care leavers
- Higher housing costs for people living in social housing
- Increased child poverty with attendant negative impact on educational attainment
- Loss of independence and greater need for care and support services
- Increased financial pressures and potential homelessness

² Estimated at £135m p.a. or £400 p.a. per working age adult – source http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrR-13-02w.pdf

The Scottish Government has recently published its Strategy on Child Poverty³ whose approach and actions are in line with those of CEC and the Edinburgh Partnership and which is a useful additional reference point for this strategic plan.

Also, in December 2013 the NHS in Scotland produced an Outcome Focused Plan⁴ for mitigating the impact of Welfare Reform and is developing actions both within regional NHS provision and with partners across local authorities.

Need levels

The Institute for Fiscal Studies has modelled the impact on household income of all tax and benefit reforms from January 2010 to April 2015. This study shows that by 2015, the richest 10% of households will have lost almost 8% of their net income, but for the remaining 90% of households the impacts are regressive with households losing a higher percentage of income the poorer they are. For example, the next richest 30% of households lose around 2%, but the poorest 10% of households lose nearly 5% of income on average.

In addition to lower inflation uplift, the main benefit changes for 2013-14 were:

- Housing Benefit Under Occupancy in the social rented sector;
- Benefit Cap
- Scottish Welfare Fund replacing Social Fund crisis loans and community care grants;
- Commencement of phased replacement of Disability Living Allowance by Personal Independence Payments; and

A poverty profile for Edinburgh was produced by the Council's Business Intelligence Unit as part of the work of the Poverty and Inequality Theme Group to define a strategic approach to poverty and inequality through community planning. In common with most other analyses of poverty in the UK and other western economies, the main focus is on poverty as a *relative* rather than an *absolute* concept. However, it is clear that there are a substantial number of households and individuals in the city who experience absolute poverty. The profile uses the definition of relative poverty set out in the European Commission's Joint Report on Social Inclusion in 2004: ***"People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live."***

The threshold for relative income poverty is where total household income is below 60% of the median household income across the UK. Using 2010/11 as a baseline, this means that, after housing costs:

- a single person is in poverty if they are living on less than **£125 per week**;
- a lone parent family with two children are living in poverty if they are living on less than **£258 per week**; and

³ <http://www.scotland.gov.uk/Resource/0044/00445863.pdf>

⁴ <http://www.scotland.gov.uk/Resource/0044/00448578.pdf>

- a couple with two children are living in poverty if they are living on less than **£349 a week**.

On direct measures of poverty, key findings show that Edinburgh is an affluent city on average figures, but that these conceal sharp inequality. The city has one of the highest concentrations of wealthy citizens in Scotland, alongside some of the highest levels of poverty and deprivation. The data for the Edinburgh distribution on income levels is “bi-modal”, showing two clear peaks and concentrations at either end of the spectrum. This contrasts with the pattern in Glasgow, for instance, which is dominated by large numbers of areas at the lower end of the income range. Key findings from Edinburgh’s analysis are set out below.

- Edinburgh is an affluent city, with average household incomes estimated at 9% above the Scottish average.
- Despite this, some 22% of all households in the city live on incomes below the poverty threshold. On this measure, poverty in Edinburgh is slightly higher than the Scottish average. Only four other Scottish local authorities record levels of poverty higher than Edinburgh.
- 18% of all households in the city are considered to live in material deprivation, or are unable to afford several items regarded by a majority of the population as essentials of life in Britain today.
- Overall, the city ranks in the top Scottish quartile for incomes, but in the poorest Scottish quartile for indicators of poverty.
- 24% of all Edinburgh households lived in fuel poverty in 2012. This equates to some 53,600 households in the city.
- People cite the key barriers to escaping poverty through work as the lack of work experience and qualifications, lack of confidence, literacy and numeracy skills, poor interview skills, and caring responsibilities.

Although regeneration programmes have substantially improved the physical surroundings in the poorest areas of the city and reduced concentrations of tenure types there remains a strong geographical differentiation in some areas of multiple deprivation. These locations broadly reflect the former and remaining social housing areas in the city. There is, however, a significant incidence of poverty in all the administrative areas of the city for which statistics are available, including the most affluent.

- In the most deprived areas of Edinburgh, the proportion of households living below the poverty threshold rises to 33%, compared to a city average of only 22%. This level is comparable to the rate recorded in the most deprived parts of Glasgow and almost double the rate recorded across Edinburgh’s least deprived areas.
- 30% of households in deprived areas cannot afford basic items required for an adequate standard of living. This is three times the rate recorded in the least deprived areas.

- 25% of children in deprived areas in Edinburgh live in low income families, compared against only 13% in the least deprived. 18% of Edinburgh's children live below the poverty threshold
- Evidence gathered on the characteristics of individuals in poverty shows that poverty affects individuals across all age groups, and that a significant number of the city's residents have been receiving benefits for 5 years or more.
- The high levels of poverty found in areas such as Muirhouse, Clovenstone and Drumbryden, reflect that over 30% of households are on low incomes, and are similar to the lowest income areas of Glasgow and Dundee. Even in the most affluent areas such as Dean Village and Comely Bank an estimated 12% of households are on low incomes.

In 2014-17 the following changes are forecast:

- Introduction of Universal Credit to Edinburgh (in 2015-16 perhaps)
- Further restrictions on entitlements for under 25s

As the table below indicates, the number of DWP administered benefit claimants in Edinburgh is changing significantly:

Benefit	Feb 2012	Aug 2013	Shift
Job Seeker	11980	9,280	-22%
ESA and incapacity benefits	20890	19,750	-5%
Lone Parent	3500	2870	-18%
Carer	4450	2730	-38%
Bereaved	560	520	-7%

(Source NOMIS) Figures broken down by ward can be obtained from the NOMIS website:

<https://www.nomisweb.co.uk/reports/lmp/ward/contents.aspx>

However, this does not reflect the financial hardship that a significant number of Edinburgh citizens are experiencing as they struggle with reduced incomes, higher fuel and housing costs.

Counter to the DWP benefit decline, the number of Discretionary Housing Payment recipients is showing a very significant increase:

	Feb 2012	Feb 2014	Shift
Housing Benefit	39,702	39,200	-1%
Discretionary Housing Payment	285	3464	+1200%

Outcomes and measures

Outcomes will require to be evaluated through a blend of quantitative and qualitative measures that indicate the impact of actions, strategies and services on population, with particular focus on those whom research has evidenced are most at risk or likely to have their standards of living reduced by welfare reform e.g. women, single parents, people with disabilities and other complex health issues and other barriers. Outcomes are likely to involve measuring the mitigation or prevention of a forecast negative impact which is a complex analytical exercise as many factors are impacting on the city. It is therefore crucial that multiple indicators are assessed rather than a narrowly set group of measures.

It is proposed that all partners identify appropriate monitoring and evaluation frameworks for each element of their work that contributes to the mitigation of the negative impacts of Welfare Reform, particularly those detailed in the Action Plan.

Appendix 1 Shifts in Demand Levels in Advice Services

This table provides indicators of the increase in demands upon the major sources of advice provision in Edinburgh.

This data is backed up by feedback from a number of other advice providers who report increases in demand on their services.

Service		Difference 2012-13 to 2013-14
CHAI	Debt advice	+6%
	Welfare rights	+15%
GIC	Debt advice	+10%
	Welfare rights	-3%
CAE	Debt advice	+10%
	Welfare rights	+9%
	Fuel arrears	+48%
	Employment advice	+11%
Advice Line	Debt advice	+56% ⁵
	Welfare rights	-5%
Advice Shop	Debt advice	+56%
	Welfare rights	-18% ⁶

NOTE: Advice services recording systems and definitions differ between agencies so the above figures should not be directly compared between agencies

⁵ Primarily due to increase in foodbank referrals

⁶ Reduction due to staff issues in 2013-14 Q2-3

Appendix 2 SLAB Funded Projects in Edinburgh

The Scottish Legal Aid Board (SLAB) has established a new funding programme supported by the Scottish Government and the Money Advice Service (MAS). The Making Advice work programme focuses on improving access to advice with a view to promoting achievement of particular priority outcomes and is in addition to the current grant funding programme.

South West Outreach Project SWOP

Partnership between Prospect Housing Association, CEC and CHAI providing welfare rights and housing related advice across South West Edinburgh with outreach sessions in 5 locations.

Cyrenians & EHAP

Partnership between Edinburgh Cyrenians, CHAI and Granton Information Centre to provide welfare rights and housing related advice.

RSLs partnership

Partnership led by Dunedin Canmore with Port of Leith and Hillcrest housing associations. Two Welfare Rights Officer posts providing a welfare rights service to tenants of the three HAs.

Link HA

One Welfare Rights Officer and one trainee who provide a money advice and welfare rights service to Link, Barony and Horizon Housing Association tenants.

Advice Shop

Partnership with Citizens Advice Edinburgh and Community Learning and Development team, 2.5 Welfare Rights Officers posts providing outreach through five CAB. Also appointments and drop-in available at 5 locations for CLD staff to assist claimants with completion of benefit application forms.

Shelter Scotland

Provide money and benefits advice to the travelling community delivered by two advisers.

Scottish Welfare Fund

The SWF is a new scheme that was introduced in April 2013. In Scotland it is a national single scheme that is being administered by Local Authorities and replaces elements of the Social Fund that was administered by the Department for Work and Pensions (DWP).

It has fast become a recognised source of emergency assistance and support for resettlement. Providing both Community Care Grants for household items such as cookers, beds, fridges for people moving into or seeking to sustain accommodation, and Crisis Grants for emergency essential items such as food and fuel, the SWF in Edinburgh has supported 6599 people in its first 12 months.

Changes to Scottish Government guidance have enabled a more flexible approach to assessing claims and managing expenditure so that the fund can spend to budget for the year. Crisis Grants remain under spent though the number of applications has steadily risen as Scottish Government recently relax the restrictions that were previously in place therefore monthly expenditure is increasing. Every effort continues to be made to utilise the fund so that customer needs can be met. The SWF plays a crucial role in facilitating the links between vulnerable customers and those with repeat crises and the array of services available to support people with financial, health and other problematic issues.

Discretionary Housing Payments (DHP)

DHP provides temporary financial assistance with housing costs to tenants who are receiving Housing Benefit and/or Council Tax Reduction. The DHP Policy confirms when DHP will, may and will not be paid.

The 2013/14 DHP budget was increased significantly by Scottish Government. It can now operate in a flexible and comprehensive manner, providing support to a wider range of customers and for longer periods than before.

The DHP total spend from 1 April 2013 to 31 March 2014 was £3.2m. This compares to a total spend of £411k in 2012/13. As at 31 March 2014 4,930 private and social rented sector tenants were assisted, the majority of those have been affected by Under Occupation.

2012/13

DHP Budget 01 April 2012 to 31 March 2013	£570,286
DHP Spend 01 April 2012 to 31 March 2013	£411,735
Percentage of Budget Spent	72%

2013/14

DHP Budget 01 April 2013 to 31 March 2014	£3,555,182 (over 500% increase from 2012/13)
DHP Spend 01 April 2013 to 31 March 2014	£3,255,073 (over 700% increase from 2012/13)
Percentage of Budget Spent	92%

2014/15

DHP Budget 01 April 2014 to 31 March 2015	£3,833,120 (8% increase from 2013/14)
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Rent Service Redesign Programme

The HRA Business Plan identified a potential shortfall in income due to the estimated impacts of welfare reform. Around £58 million (65%) of the rental income to the HRA is collected through Housing Benefit and the planned changes put that income at significant risk

A programme is underway to redesign the rent service to ensure that HRA income is protected from 2013/14 onwards in the face of changes brought about by Under Occupancy and Direct Payments/Universal Credit

Advice Services

There is substantial provision of welfare benefits and debt advice services in the city which provide essential support to thousands of Edinburgh citizens every year. There is a need for an overarching strategic plan to help coordinate these services and ensure that needs are met through targeted, outcome-focused provision.

Edinburgh Council provides substantial services through the Advice Shop and funds organisations such as Citizens Advice Edinburgh, CHAI, Granton Information Centre and Community Ability Network through third party grants. Other organisations such as RSLs, housing support providers and social care services contribute significantly toward the advice provision.

The Scottish Government has recognised the value of advice provision through its new Making Advice Work programme which has funded 6 projects⁷ in Edinburgh since October 2013. Together with Edinburgh Council's own investment in advice services and the expansion of advice provision has been a welcome addition to mitigate the impact of welfare reform.

⁷ See Appendix 2

The main sources of welfare benefits and debt advice in the city are:

- CEC Advice Shop
- Citizens Advice Edinburgh
- Community Help and Advice Initiative (CHAI)
- Granton Information Centre (GIC)
- Community Ability Network (CAN)
- RSLs – Dunedin Canmore, Prospect, Port of Leith and Castlerock Edinvar

In addition CEC provides advice through many teams within Housing, Criminal Justice Social Work, Throughcare and Aftercare, Mental Health, Substance Misuse and Community Based Support.

A welfare benefits and debt advice strategy would provide clarity on the needs and provision in the city and support development of services across the Council and voluntary sector. The role of the third sector, CEC and NHS services, funding arrangements through third party grants and the input of the Edinburgh Partnership must all be considered here.

Employability Services

The Council, statutory and voluntary sector partners work in a strategic partnership with Joined up for Jobs, to deliver integrated employability services in local communities across the city. The defined outcomes for sustainable employment and training outcomes are detailed in the City of Edinburgh Council's Economic Strategy for 2012-2017 which focuses on sustainable economic growth through investment in jobs.⁸

The Integrated Employability Service provides four community based hubs with one in the city centre to support individuals to progress towards sustainable employment outcomes. Case workers will also help identify barriers to progression and support a client to consider positive actions including work or volunteering placements, vocational training, literacy and core skills, to increase their longer term employment prospects and economic well being. Clients are assessed on the basis of the Strategic Skills Pipeline framework⁹ which helps to outline the proportions of clients presenting to local services affected by additional barriers and challenges, including benefits issues, debt, housing, health and disabilities.

These services are promoted by the Council under the Get On branding and customers are encouraged to use the Employability Helpline, visit the Mobile Unit or send in their details online to register for services.

⁸ [A Strategy for Jobs - The City of Edinburgh Council's Economic Strategy for 2012-17 - Economic Strategy 2012 - 2017 - City of Edinburgh Council](#)

⁹ [Strategic Skills Pipeline](#)

Voluntary sector

The contribution of the voluntary sector to the achievement of Edinburgh partnership objectives is very significant. While CEC commissions dozens of voluntary sector organisations to provide a range of services in areas such as homelessness prevention, employability, housing advice and support, social care, health and advice, these and other voluntary sector organisations provide an enormous range of services funded through other sources which also contribute to Edinburgh Partnership's strategic objectives. Many of these benefit from a greater degree of flexibility to respond to shifting customer needs and provide innovative services that are tailored to the communities they serve.

NHS Lothian

An Outcome Focussed Plan has been devised by NHS Lothian to mitigate the impact of Welfare Reform across services and communities. The plan links specific actions to well-established Strategic Outcomes to reduced health inequalities and improve healthy life expectancy. There are a number of actions in the plan that NHS Lothian has already developed and is implementing, these include:

- Provision of literacy, numeracy, financial literacy and IT support classes for employees, as well as promotion of the Money Advice Service;
- Development of an intranet and internet page on Welfare reform;
- Working in partnership to develop mitigating actions locally with Neighbourhood Partnerships and across the city;
- Provision of face to face and on-line welfare reform awareness raising sessions and training;
- Providing evidenced based vocational rehabilitation services;
- Providing evidenced based employability programmes such as The Works; and
- Gathering feedback and intelligence to document impact of welfare reform on health and NHS services.

One specific area being addressed is to reduce the stigma of claiming benefits so that customers can access financial and other assistance that impacts positively on their health.

NHS Lothian staff are working closely with services connected to NHS provision to ensure that for example, patients attending GP surgeries have access to benefits and debt advice. NHS Lothian staff are also engaging with CEC in strategic planning and partnership fora.

Department for Work and Pensions (DWP)

The DWP has a major role to play in ensuring that Welfare Reform implementation is coordinated with local provision and to engage with councils and other key stakeholders to do so. In Edinburgh the DWP has committed resources to work in partnership with regard benefit changes such as the introduction of the Benefit Cap and planning for the implementation of Universal Credit.

Skills Development Scotland (SDS)

SDS is playing a crucial role in supporting and coordinating CEC actions to improve employment options and employability initiatives.

Glossary of abbreviations

C&F	Children and Families
CAB	Citizens Advice Bureau
CAE	Citizens Advice Edinburgh
CAN	Community Ability Network
CEC	City of Edinburgh Council
CG	Corporate Governance
CHAI	Community Help and Advice Initiative
CLD	Community Learning and Development
COSLA	Convention of Scottish Local Authorities
DHP	Discretionary Housing Payment
DWP	Department of Work and Pensions
ED	Economic Development
EHAP	Edinburgh Housing Advice Partnership
EP	Edinburgh Partnership
ESA	Employment and Support Allowance
GIC	Granton Information Centre
HA	Housing Association
HRA	Housing Revenue Account
HSC	Health and Social Care
MAS	Money Advice Service
NHS	National Health Service
OD	Organisational Development
PRS	Pre-Referral Screening
RSL	Registered Social Landlord
SOA	Single Outcome Agreement
SDS	Skills Development Scotland
SfC	Services for Communities
SLAB	Scottish Legal Aid Board
SMT	Senior Management Team
SWF	Scottish Welfare Fund
SWOP	South West Outreach Project
UC	Universal Credit
WRO	Welfare Rights Officer