

# Governance, Risk and Best Value Committee

10.00am, Tuesday, 4 June 2019

## Welfare Reform Annual Report

Executive/routine Wards Council Commitments	All
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### 1. Recommendations

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- 1.1 It is recommended that the Governance, Risk and Best Value Committee note:
- 1.1.1 the ongoing work to support Universal Credit (UC) and Welfare Reform, in Edinburgh; and
  - 1.1.2 the current spend projections for Discretionary Housing Payments, Council Tax Reduction Scheme and the Scottish Welfare Fund.

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## Welfare Reform Annual Report

### 2. Executive Summary

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- 2.1 This report provides Committee with an update in respect of the Council's ongoing welfare reform activities, including the implementation of Universal Credit.
- 2.2 This report has been considered at Corporate Policy and Strategy Committee on 14 May 2019 and is now being submitted to Governance Risk and Best Value Committee to provide an overview and current progress update.

### 3. Background

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- 3.1 The Welfare Reform update is reported to Corporate Policy and Strategy Committee on a quarterly basis and aligns with the Welfare Working Group meeting cycle. The last report was considered by Committee on 14 May 2019.

### 4. Main report

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#### Universal Credit (UC)

- 4.1 The rollout of full service UC across Edinburgh began on 28 November 2018. The Department for Works and Pensions (DWP) confirmed that all claimants on the former live service for UC have transitioned to full service UC within Edinburgh.
- 4.2 The DWP has confirmed that the managed migration of those in receipt of legacy benefits to UC will initially be piloted in Harrogate. No date has yet been provided as to when the pilot will commence.
- 4.3 The DWP database shows the number of claims made to Jobcentre Plus offices across Edinburgh, up to 14<sup>th</sup> February 2019.

Jobcentre	No of claims	Gender Ratio	Element of employment
Leith	1638	<ul style="list-style-type: none"><li>Female 674 (41%)</li><li>Male 964 (59%)</li></ul>	<ul style="list-style-type: none"><li>583 with an element of employment</li><li>1055 looking for work</li></ul>
Wester Hailes	738	<ul style="list-style-type: none"><li>Female 345 (47%)</li><li>Male 393 (53%)</li></ul>	<ul style="list-style-type: none"><li>334 with an element of employment</li><li>404 looking for work</li></ul>
High Riggs	1745	<ul style="list-style-type: none"><li>Female 654 (37%)</li></ul>	<ul style="list-style-type: none"><li>739 with an element of employment</li></ul>

		• Male 1091 (63%)	• 1006 looking for work
<b>Total</b>	<b>4121</b>	• <b>Female 1673 (40%)</b> • <b>Male 2448 (60%)</b>	• <b>1659 with element of employment</b> • <b>2462 looking for work</b>

#### **Scottish Welfare Fund (SWF) Claims and UC**

- 4.4 Since April 2018 there have been 787 applications to the SWF for crisis awards from UC claimants. A total of 504 applications were paid, totalling £48,663.24. Additional resource has been established within the team to ensure adequate support is available to citizens as they transition through UC.

#### **Personal Budgeting Support Referrals and Assisted Digital Support and UC**

- 4.5 The table below shows the number of referrals made for Personal Budgeting Support (PBS) and Assisted Digital Support (ADS) from 28 November 2018.

Month	PBS referrals received	PBS Appointments made	ADS sessions provided
November 2018	9	2	0
December 2018	18	8	4
January 2019	13	7	6
February 2019	10	4	3
March 2019	25	13	12
<b>Total</b>	<b>75</b>	<b>34</b>	<b>25</b>

- 4.6 A total of 75 PBS referrals have been received, with 34 citizens then engaging with the service. The service has attempted to make contact with the remaining 41 citizens on 5 separate occasions but, to date, there has been a failure to respond.
- 4.7 From 1 April 2019 Citizens Advice Scotland (CAS) are delivering 'Help to Claim' support to claimants making a new UC claim or moving from a legacy benefit to UC, because of a change of circumstances. The service will be available via online, web-chat, Freephone number (0800 0232581) and face to face through Local Citizen Advice services. Local Authorities will support this important service by signposting claimants to the various 'Help to Claim' channels.

#### **Council Housing Services and UC**

- 4.8 At the end of February 2019 there were around 980 council tenants known to have made a claim for UC. This includes tenants who have transitioned from live service and recent new claims. On average the housing service is receiving 25-30 requests per week from the DWP for verification of housing costs for new UC claims.
- 4.9 When rent verification requests are received, contact is made with tenants to discuss rent payment responsibilities and to encourage tenants to set up monthly direct debits on the date their UC is paid. Referrals are also made for those who need more help to manage their UC claims, either to DWP or CAS. Those who are in a crisis are referred to the SWF and if tenants need assistance to resolve their housing costs payments or require benefit advice then further support is available from specialist income maximisation staff.

- 4.10 An update on the early impacts of UC on Council tenants and the housing service was considered by the Housing and Economy Committee on 21 March 2019. This report can be found at:

[http://www.edinburgh.gov.uk/meetings/meeting/4672/housing\\_and\\_economy\\_committee](http://www.edinburgh.gov.uk/meetings/meeting/4672/housing_and_economy_committee)

### **Temporary and Supported Accommodations**

- 4.11 Households in temporary accommodation affected by the benefit cap and/or under occupancy are provided with advice and assistance in applying for Discretionary Housing Payment (DHP). Currently there are 33 households out of 601 households who are under occupying temporary accommodation. Whilst every effort is made to locate citizens in size appropriate housing, this is not always possible due to the availability of properties at short notice. These households are entitled to claim DHP.
- 4.12 Citizens entering temporary accommodation who are in receipt of UC are entitled to claim Housing Benefit to cover their housing costs. They will continue to receive the personal allowance element of UC.
- 4.13 The Temporary Accommodation Service has recruited 6 officers, on fixed term contracts, to assist residents of temporary accommodation with benefit claims and to appropriately maximise income. The team will help with DHP applications, complete benefit checks, and, where appropriate, make referrals to specialists for further assistance regarding additional benefits or support when the claimant has been sanctioned and requires help with an appeal.

### **Advice Services**

- 4.14 Grant funding for advice services is now to be managed through the Integration Joint Board (IJB). Citizens Advice Edinburgh (CAE), Community Help & Advice Initiative (CHAI) and Granton Information Centre (GIC) are working with the IJB to formulate a model for service delivery across the city.
- 4.15 Advice agencies are reporting that the majority of UC claims are proceeding smoothly. Where there are entitlement disputes advice agencies are working closely with the DWP to resolve such queries.
- 4.16 The number of benefit appeals has risen slightly in recent months. These continue to mainly involve disputes with regard to health-related benefits such as Personal Independence Payment and Employment Support Allowance.
- 4.17 Performance data for the Advice Shop and funded advice agencies is detailed in Appendix 1.

### **Benefit Cap**

- 4.18 The following table below shows the number of Benefit Cap cases applied in each tenure type and the average weekly loss in Benefit for these citizens. The figures include Benefit Cap cases up to 31 March 2019. The total number of claimants affected by the Benefit Cap has been less than anticipated, with a total of 472 households affected, up to 31 March 2019.

Tenure	Number of Households Affected	Average Weekly Loss in Benefit	% of all Benefit Cap
Public	76	£51.56	16%
Private	97	£69.76	21%
Homeless	148	£191.21	31%
PSL	127	£53.73	27%
HA	24	£51.71	5%
<b>Total</b>	<b>472</b>		<b>100%</b>

### Council Tax Reduction Scheme (CTRS)

- 4.19 The National Settlement and Distribution Group allocated £26.672m CTRS funding to the Council for 2018/19 (£26.467m for 2017/18). No significant changes have been made to the scheme and Appendix 2 outlines the Council's CTRS spend to 31 March 2019. The confirmed 2019/20 allocation for CTRS funding is £26.319m.
- 4.20 The new CTRS regulations are scheduled to take effect from April 2020. The draft regulations are currently with COSLA for discussion. The regulations will be considered in Parliament over the summer period. Any changes to the scheme will be reported in future Welfare updates.

### Scottish Welfare Fund (SWF) – Crisis Grants and Community Care Grants

- 4.21 Crisis Grants and Community Care Grant applications between April 2018 and January 2019 were considered for high priority cases only. Crisis Grants continued to be considered for high priority applications only from 1 February 2019 to 19 March 2019 and then medium priority to 31 March 2019. Community Care Grants were considered for medium priority for the period 1 February 2019 to 19 March 2019 and then low priority to 31 March 2019. A summary of SWF spend is included as Appendix 3.
- 4.22 There were 51 SWF 2<sup>nd</sup> Tier Reviews heard by the SPSO between 1 April 2018 and 19 March 2019. The SPSO upheld 17 appeals in the applicant's favour and refused 34 appeals in the City of Edinburgh's favour.
- 4.23 The table below details the 2018/19 budget allocation:

Grant	Budget 2018/19	Carry Over to 2018/19	Total Budget	2018/19 Spend (to 31 March 2019)
Crisis Grants	£578,986.75	£0.00	£578,986.75	£575,035.08
Community Care Grants	£1,716,960.25	£0.00	£1,716,960.25	£1,854,730.89
<b>Total</b>	<b>£2,295,947.00</b>	<b>£0.00</b>	<b>£2,295,947.00</b>	<b>£2,429,765.97*</b>

*\*Whilst current spend is more than the annual budget, money is regularly paid back into the fund from cancelled/uncollected awards from previous financial years. This is in line with previous trends and no overspend is anticipated.*

4.24 The Scottish Government announced in December 2018 that Edinburgh's SWF allocation in 2019/20 will remain the same. The service will continue to monitor demand and amend priority levels to ensure effective management of the fund.

#### **Discretionary Housing Payments (DHP)**

4.25 The DHP budget from the Scottish Government is allocated in two streams: Under Occupancy Mitigation and Other DHPs. The allocation for Edinburgh for 2018/19 was as follows:

- Under Occupancy mitigation - The funding is allocated in two tranches and is based on forecasted Under Occupancy charges. The first tranche of funding is £3.2m or 80% of the expected cost.
- Other DHPs - This includes assistance for those affected by the Benefit Cap and Local Housing Allowance reforms. The funding for Other DHPs is £2m. This is compared to £1.7m, from DWP, for 2017/18.

4.26 As of 31 March 2019, the Council's DHP financial position (Appendix 4) is:

Total Fund for 2018/19	£5,225,418.00*
Net Paid to Date	£5,664,597.56
Committed pending related benefit process	£20,808.09

*\*exclusive of additional 20% to be allocated in 2019.*

4.27 There have been 7425 DHP applications up to 31 March 2019, of which 601 were refused. The overall refusal rate is 8.1%, this compares to 9.8% at 31 March 2018. The most common reasons for refusal is where a customer's income exceeds their expenditure. The additional Scottish Government funding is expected to fully mitigate under occupancy in 2018/19.

4.28 The allocation for Edinburgh for 2019/20 is as follows:

- Under Occupancy mitigation - The funding will be allocated in two tranches and is based on forecasted Under Occupancy charges. The first tranche of funding is £3.25m or 80% of the expected cost.
- Other DHPs - This includes assistance for those affected by the Benefit Cap and Local Housing Allowance reforms. The funding for Other DHPs is £2.2m (£2m in 2018/19).

#### **Benefit processing figures for New Claims and Change of Circumstances**

4.29 The number of days to process a Housing Benefit and/or Council Tax Reduction new claim or change of circumstances as at 28 February 2019 is detailed below. The performance against target reflects various improvement initiatives delivered in 2018/19.

Performance Indicator	Target	Actual
Days to process new benefits claims	28	15.69
Days to process change of circumstances	10	4.01

### Scottish Social Security Agency

- 4.30 The Council continues to liaise with Scottish Government and COSLA to support the design and delivery of the new agency. Discussions are currently taking place between the Scottish Social Security Agency and the Council regarding suitable premises for co-location to support service delivery.
- 4.31 The following table details the amended dates for the roll out of benefits devolved to the Scottish Social Security Agency.

Devolved Benefit	Implementation Date
Carers Allowance Supplement	In delivery (September 2018)
Best Start Grant	<ul style="list-style-type: none"> <li>• Pregnancy and Baby payment in delivery (December 2018)</li> <li>• Early Years and School payment by summer 2019</li> <li>• Best Start Foods by summer 2019</li> </ul>
Funeral Expense Assistance	By summer 2019
Young Carer Grant	By autumn 2019
Disability for Children and Young People (new claims)	Summer 2020
Disability Assistance for Older People (new claims)	Winter 2020
Disability Assistance for Working Age People	Early 2021
Carer's Assistance	End 2021
Winter Heating Assistance	Winter 2021
Cold Spell – Winter Heating Assistance	Winter 2021

## 5. Next Steps

- 5.1 The Council will continue to plan and prepare for future welfare changes. Financial and reputational risks to the Council are being monitored and appropriate mitigation is being put in place. Actions include:
- dedicated teams providing comprehensive welfare support and assistance;
  - updates to Corporate Policy and Strategy on a quarterly basis;
  - annual update to the Governance, Risk and Best Value Committee; and
  - quarterly meetings with Elected Members, key services and external partners.

## 6. Financial impact

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- 6.1 An increase in people experiencing hardship has led to greater demand for Council services and requests for advice from partner agencies. There remains a risk to Council income, particularly in relation to rent arrears, changes to subsidy levels for temporary accommodation and service changes.

Known risks are detailed below and all continue to be tracked:

- loss of rental income to the Housing Revenue Account arising from Housing Benefit reforms and Direct Payment under UC;
- Scottish Welfare Fund and DHP budget insufficient to meet longer term demand;
- spend on Council Tax Reduction Scheme exceeds the available funding; and
- reduced DWP Administration Subsidy due to the abolition of Council Tax Benefit, the phasing out of Housing Benefit and Central Government budget savings.

## 7. Stakeholder/Community Impact

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- 7.1 The UK Government has prepared Equalities and Human Rights assessments for the welfare reform proposals and the Council will undertake Impact Assessments for relevant proposals. Welfare Reform is expected to have general implications for environmental and sustainability outcomes, for example in relation to fuel poverty and financial exclusion. 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
- 7.2 The Council is also engaging with citizens, both in and out of work, who rely on benefit income and tax credits.
- 7.3 The Council continues to participate in groups looking at the impacts of Welfare Reform, namely COSLA's Welfare Reform Local Authority Representative Group.

## 8. Background reading/external references

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- 8.1 [Welfare Reform](#) - Corporate Policy and Strategy Committee, 26 February 2019
- 8.2 [Welfare Reform](#) - Corporate Policy and Strategy Committee, 4 December 2018
- 8.3 [Welfare Reform](#) - Corporate Policy and Strategy Committee, 7 August 2018
- 8.4 [Welfare Reform](#) - Corporate Policy and Strategy Committee, 27 February 2018
- 8.5 [Welfare Reform](#) - Corporate Policy and Strategy Committee, 3 October 2017
- 8.6 [Welfare Reform](#) - Corporate Policy and Strategy Committee, 28 February 2017

## Appendices

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- Appendix 1 - Advice Data
- Appendix 2 - Council Tax Reduction Scheme Spend
- Appendix 3 - Scottish Welfare Fund Spend
- Appendix 4 - Discretionary Housing Payment Spend



## Advice Data

### Debt Advice

Debt Advice	2018/19 Q1 –Q3	2017/18	2016/17	2015/16	2014/15
Number of Enquiries by Funded Agencies	4257	5836	6,596	6,588	7,209
Level of Problematic Debt dealt with by Funded Agencies	£6.5m	£6.8m	£2m	£2m	£0.36m
Number of People assisted by Advice Shop	Enquiries– 281 New Cases – 267 (1.4.18 – 28.2.19)	Enquiries – 471 New Cases - 369	Enquiries – 422 New Cases – 472	Enquiries – 2436 New Cases – 1153	Enquiries - 3013 New Cases – 1148
Level of Problematic Debt dealt with by Advice Shop	£1.99m (1.4.18 – 28.2.19)	£2.54m	£2.66m	£11.4m	Not available

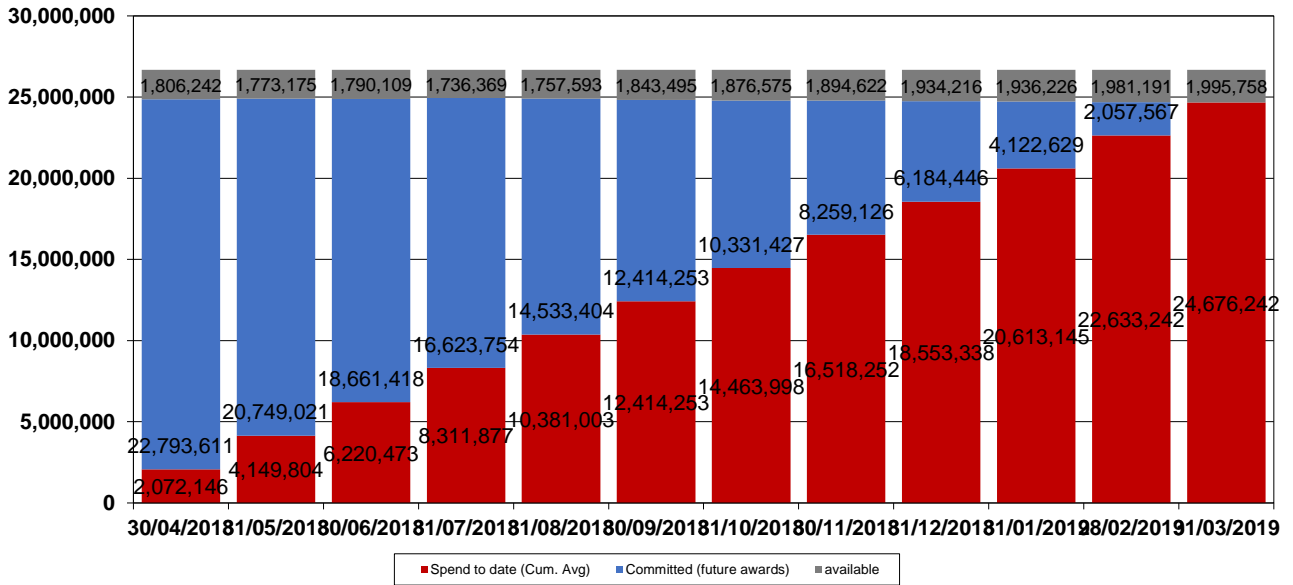
### Benefit Tribunals Representation

Benefit Tribunals	2018/19 (Q1 – Q3)	2017/18
Number of tribunals represented by funded Advice Services	320	514
Number of tribunals represented by the Advice Shop	350 (1.4.18 – 28.2.19)	477

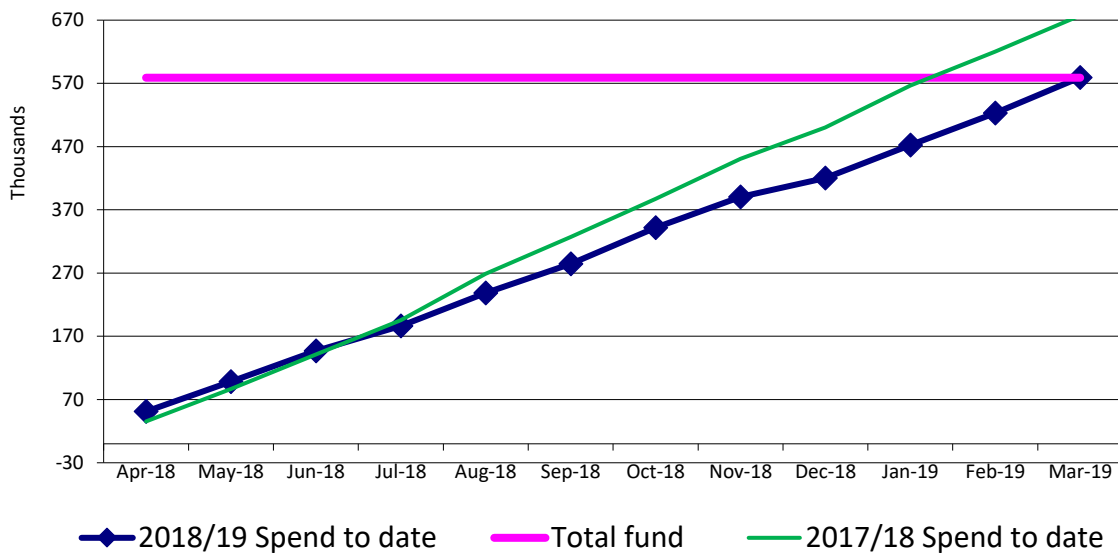
### Welfare Rights Advice

Welfare Rights Advice	2018/19 Q1 – Q3	2017/18	2016/17	2015/16
Number of enquiries dealt with by external funded agencies	8968	13,851	12,896	15,228
Increased income gained for clients using funded agencies	£4.5m	£5.6m	£4.8m	£5.7m
Increased income gained for clients using the Advice Shop	£10.4m (1.4.18 – 28.2.19)	£12.4m	£14.4m	£10.2m

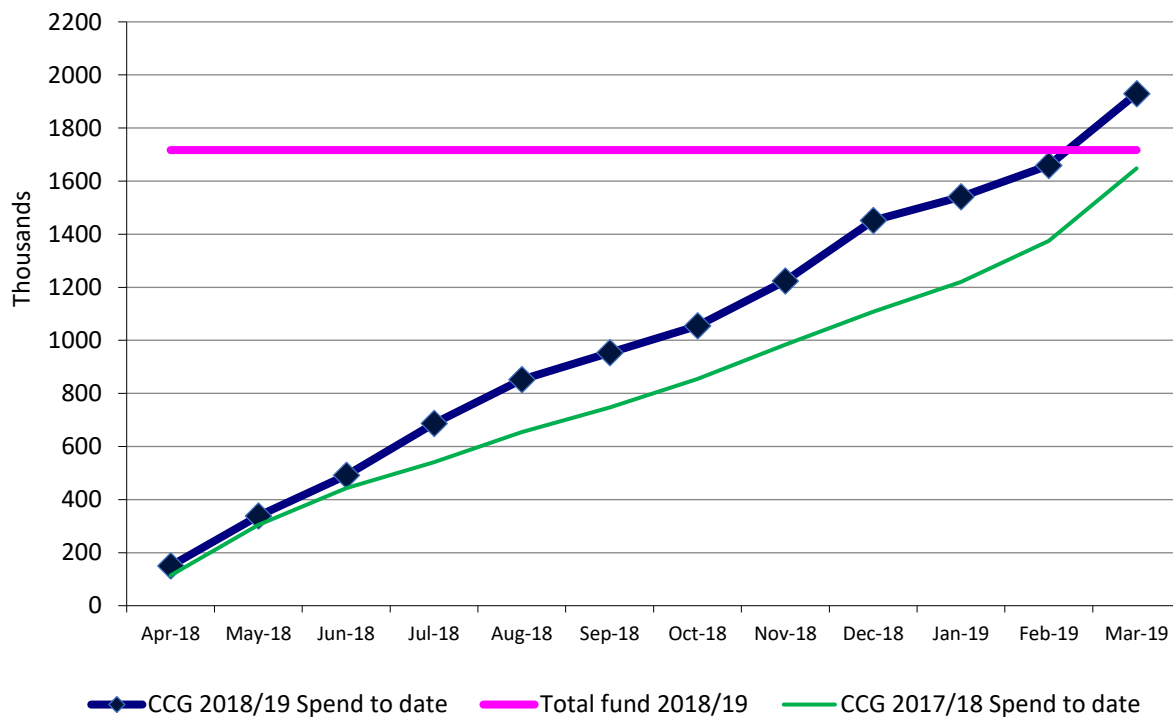
### CTRS Distribution 2018/19



**Crisis Grant Allocation 2018/19**



**Community Care Grant Allocation 2018/19**



### DHP Fund Allocation 2018/19

