

Policy and Sustainability Committee

10.00am, Tuesday 26 November 2019

Welfare Reform update

Item number
Routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Policy and Sustainability Committee notes:
 - 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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Report

Welfare Reform update

2. Executive Summary

- 2.1 This report provides the committee with an update in respect of the Council's ongoing welfare reform activities, including the implementation of Universal Credit.

3. Background

- 3.1 The Welfare Reform update is reported to the Policy and Sustainability Committee on a quarterly basis and aligns with the Working Group meeting cycle. The last report was considered by Committee on 6 August 2019.

4. Main report

Universal Credit (UC)

- 4.1 As reported to Committee in August 2019, since 15 May 2019 mixed age couples (one of the couple has attained the qualifying age for state pension credit and the other has not) are no longer entitled to claim Housing Benefit (HB) and will instead have to make a UC claim. Currently low numbers are being affected and the Department for Work and Pensions (DWP) has identified only 2 affected claims up to 31 October 2019. Citizens who became mixed age couple prior to 15 May 2019 are exempt from the rule.

- 4.2 The Department for Work and Pensions (DWP) reported the following UC claims for Edinburgh on their interactive statistic platform, Stat-Explore. The table below shows the number of claims made to Jobcentre Plus offices in Edinburgh, up to 8 August 2019.

Jobcentre	Number of claims up to 8 th August 2019.	% Claimants with No Work Element	% Claimants with Element of work
Leith	3890	49	51
Wester Hailes	1638	48	52
High Riggs	4071	55	45
Total	9599	49	51

Scottish Welfare Fund (SWF) Claims and UC

- 4.3 Since April 2019 there have been 1716 applications to the SWF for crisis awards from UC claimants. A total of 1065 applications were paid with the total amount of £102,836.40.
- 4.4 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 (PBS) and Assisted Digital Support (ADS) and UC

- 4.5 From 1 April 2019 PBS and ADS transferred to Citizens Advice Edinburgh who are now providing advice and support to make an online claim for UC.

Council Housing Services and UC

- 4.6 At the 30 September 2019 there were 2356 Council tenants (13%) known to have made a claim for UC. This includes tenants who have transitioned from live service and new claims. On average the housing service is receiving around 40 requests per week from the DWP to verify housing costs for new UC claims by tenants.
- 4.7 When rent verification requests are received, contact is made with tenants to discuss rent payment responsibilities and to encourage them to set up monthly direct debits around the date their UC is paid.
- 4.8 If tenants have complex needs or are in rent arrears and unable to manage payment of their own rent a direct payment of housing costs is requested through the Alternative Payment Arrangements or Scottish Choice (by tenant). Currently 1298 (55%) UC tenants have a direct payment in place.
- 4.9 Referrals continue to be made, as appropriate, for more specialist UC support and advice for those that need help to manage their UC claims. Referrals are made to the DWP or Citizens Advice.

Temporary and Supported Accommodation

- 4.10 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).
- 4.11 Currently there are 30 out of 747 households who are under occupying in 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 relevant to any underoccupancy.
- 4.12 Citizens entering temporary accommodation who are in receipt of UC now apply for Housing Benefit to cover housing costs.

Advice Services

- 4.13 The Advice Review remains on hold. It is anticipated that the outputs from the Poverty Commission will help guide the direction that the Review will take. The Commission's recommendations are due in November 2019, with a consultation exercise into 2020.
- 4.14 Integrated Joint Board grant funding arrangements were finalised in August 2019. CHAI, Citizens Advice Edinburgh and Granton Information Centre are now all delivering enhanced provision across primary health care settings and specific provision is in place in Craigmillar.

Welfare Rights

- 4.15 The roll out of UC in Edinburgh continues, with increasing numbers now claiming the new benefit. Anecdotal evidence suggests that some citizens who have taken an advance on their UC payment are now finding it more difficult to manage on the reduced income because of the repayment.
- 4.16 Support is being given to citizens who have failed to notify the DWP of their yearly rent increase. Where the DWP is taking the decision not to backdate the change, this is being challenged on a case by case basis.
- 4.17 Financial gains at the Advice Shop in the past 12 months have averaged £2431 per client compared to £2460 in 2018-19, £2450 in 2017-18 and £2654 in 2016-17.

Benefit Cap

- 4.18 The following table shows the number of Benefit Cap cases applied in each tenure type and the average weekly loss in Housing Benefit for these citizens. The figures include Benefit Cap cases up to 30 September 2019.

Tenure	Number of Households affected	Average Weekly Loss in Benefit	% of all Benefit Cap cases
Mainstream	60	£112.14	16%
Private	71	£47.82	18%
Homeless	117	£139.75	31%
PSL	112	£90.94	29%
HA	22	£106.77	6%
Total	382	£102.12	100%

Appendix 1 provides a more in-depth breakdown of the above data.

- 4.19 The total number of claimants affected by the Benefit Cap has been less than anticipated with 382 households affected up to 30 September 2019. This has reduced from 477 in May 2019.

Free School Meals and Clothing Grants

- 4.20 In the academic year of 2019/20, 5768 free school meals and 5032 clothing grant awards have been made.
- 4.21 Discussions are underway with the Council's online benefit application provider to create a single financial assessment alongside Housing Benefit and Council Tax Reduction.
- 4.22 The Assessment & Payments team has attended 20 outreach events since April 2019, providing advice and assistance on claiming the following benefits and grants: Housing Benefit, Council Tax Reduction, Free School Meals, Clothing Grants, Education Maintenance Allowance, Discretionary Housing Benefit, Scottish Welfare Fund and Social Security Scotland benefits. Additional events are planned.
- 4.23 These events also signposted Debt Advice agencies, clothing banks and benefits that could be claimed through Department for Works and Pensions. The team met 98 families during the school holiday 'Discover' events, with 39 positive financial outcomes and various signposting opportunities.

Council Tax Reduction Scheme (CTRS)

- 4.24 The National Settlement and Distribution Group allocated £26.319m CTRS funding to the Council for 2019/20 (£26.672m for 2018/19). No significant changes have been made to the scheme this year and Appendix 2 outlines the Council's CTRS spend to 30 September 2019.

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

- 4.25 Crisis Grant applications between April and September 2019 were considered for high priority cases. Community Care Grant applications between April and September 2019 were considered for medium and high priority cases. The service will continue to monitor demand and amend priority levels to ensure effective management of the fund. A summary of the SWF spend is included in Appendix 3.

4.26 There were 52 SWF 2nd Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2019 and 30 September 2019. The Scottish Public Services Ombudsman upheld 17 appeals in the applicant's favour and refused 35 appeals in the City of Edinburgh's favour.

4.27 The table below details the 2019/20 budget allocation:

Grant	Total Budget 2019/20	Spend at 30/09/2019
Crisis Grants	£809,210.80	£393,695.66
Community Care Grants	£1,566,133.19	£975,042.40
Total	£2,375,343.99	£1,368,738.06

Discretionary Housing Payments (DHP)

4.28 The DHP budget from the Scottish Government is allocated in two streams: Under Occupancy Mitigation and Other DHPs. 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).

4.29 As of 30 September 2019, the Council's DHP financial position (Appendix 4) is:

Total Fund for 2018/19	£5,484,667*
Net Paid to Date	£3,088,618.90
Committed pending related benefit process	£2,270,586.63

**exclusive of additional 20% to be allocated in 2020.*

4.30 There have been 6211 DHP applications up to 30 September 2019, of which 352 were refused. The overall refusal rate is just over 5%. The most common reason for refusal is where a customer's income exceeds their expenditure.

4.31 The additional Scottish Government funding is expected to fully mitigate under occupancy in 2019/20.

Benefit processing figures for New Claims and Change of Circumstances

4.32 The number of days to process a Housing Benefit and/or Council Tax Reduction new claim or change of circumstances from 15/06/2019 to 14/09/2019 is detailed in the following table. Recent positive trends have been sustained.

Performance Indicator	Target	Actual
Days to process new benefits claims	28	18.47
Days to process change of circumstances	10	10.04

Social Security Scotland

4.33 An update on Social Security Scotland's new benefits are included in Appendix 5. These include:

- Funeral Expenses Payment
- Young Carers Grant
- Scottish Child Payment

4.34 The agency now directly employs more than 460 people and has an expectation of having 3-5 staff in Edinburgh by the end of 2019. The Council continues to liaise with the Scottish Government and COSLA to support the design and delivery of the new agency, as well as signpost citizens towards the new benefits. The Council submitted a response on 21 October 2019 to a national request for views surrounding benefit take-up campaign. This engagement will shape the launch of future campaigns.

4.35 Council officers attended an event hosted by Social Security Scotland on 16 October 2019 to help shape the agency's next Corporate Plan. This allows local authorities to provide evidence on best practice and potential improvements.

5. Next Steps

5.1 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 to ensure effective governance include:

- updates provided to Policy and Sustainability on a quarterly basis;
- annual update to the Governance, Risk and Best Value Committee;
- dedicated teams introduced to provide support and assistance; and Quarterly meetings with Elected Members, Council Officers and External Partners.

6. Financial impact

6.1 An increase in the number of people experiencing hardship has led to greater demand for services across the Council and 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 changes. Known risks include:

- loss of rental income to the Housing Revenue Account (HRA) arising from Housing Benefit reforms and Direct Payment under UC;
- Scottish Welfare Fund and DHP 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.

7. Stakeholder/Community Impact

- 7.1 The UK Government has prepared Equalities and Human Rights assessments for the welfare reform proposals. The Council will undertake Integrated Impact Assessments when necessary for any of its 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 with the looking at the impacts of Welfare Reform, namely COSLA's Welfare Reform Local Authority Representative Group.

8. Background reading/external references

[Welfare Reform](#) - Update to Policy and Sustainability Committee, 06 August 2019

[Welfare Reform](#) - Update to Corporate Policy and Strategy Committee, 14 May 2019

[Welfare Reform](#) – Update to Corporate Policy and Strategy Committee, 26 February 2019

[Welfare Reform](#) - Update to Corporate Policy and Strategy Committee, 4 December 2018

[Welfare Reform](#) – Update to Corporate Policy and Strategy Committee, 7 August 2018

[Welfare Reform](#) – Update to Corporate Policy and Strategy Committee, 27 February 2018

Appendices

Appendix 1 – Benefit Cap Data

Appendix 2 – Council Tax Reduction Scheme Spend

Appendix 3 – Scottish Welfare Fund Spend

Appendix 4 – Discretionary Housing Payment Spend

Appendix 5 – Scottish Social Security Agency Update

Benefit Cap DataTenure – Mainstream (Council)

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	15	£16.69
£30.01 - £50.00	15	£39.48
£50.01 - £75.00	5	£59.94
£75.01 - £100.00	4	£91.77
£100.01 - £150.00	7	£117.63
Over £150	14	£313.95

Tenure – Private

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	24	£14.67
£30.01 - £50.00	21	£39.89
£50.01 - £75.00	14	£62.77
£75.01 - £100.00	8	£86.42
£100.01 - £150.00	3	£120.24
£150.01 +	1	£196.15

Tenure – Homeless Accomodation

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	12	£14.25
£30.01 - £50.00	14	£37.83
£50.01 - £75.00	12	£60.39
£75.01 - £100.00	17	£90.74
£100.01 - £150.00	23	£125.38
£150.01 - £200.00	8	£171.66
£200.01 - £300.00	18	£254.57
£300.01 - £400.00	13	£349.62
£400.01 - £500.00		
£500.01 +		

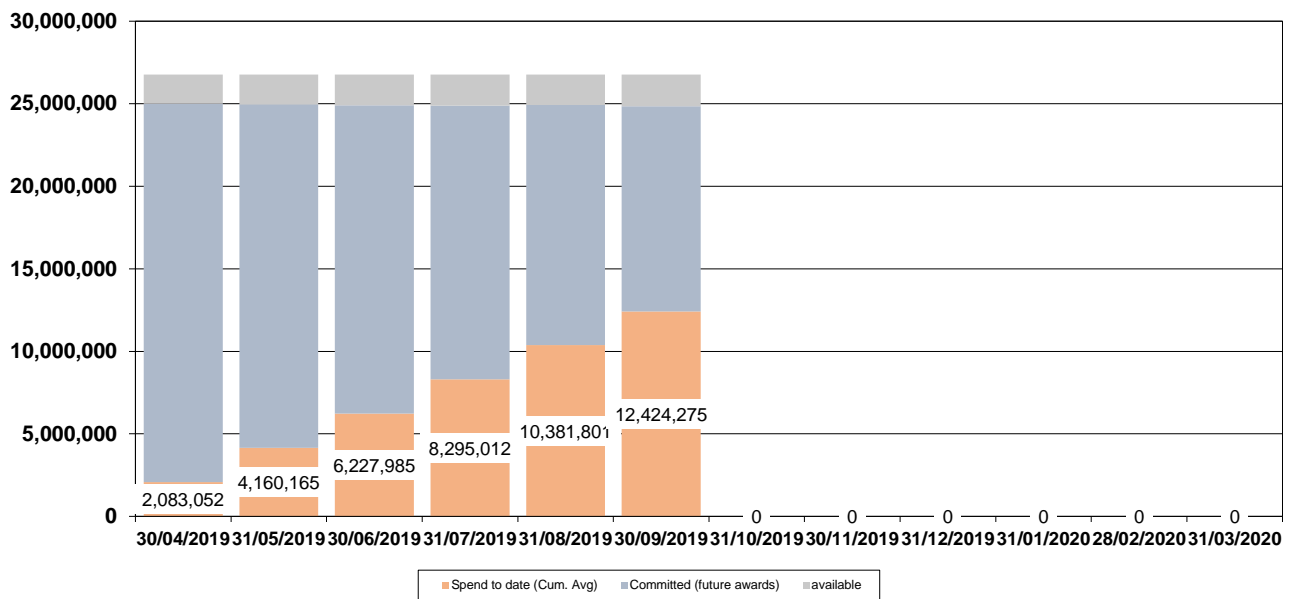
Benefit Cap Data (Contd)Tenure - PSL

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	24	£16.76
£30.01 - £50.00	19	£40.30
£50.01 - £75.00	20	£66.36
£75.01 - £100.00	14	£85.67
£100.01 - £150.00	20	£117.07
£150.01 - £200.00	4	£171.42
£200.01 +	11	£313.62

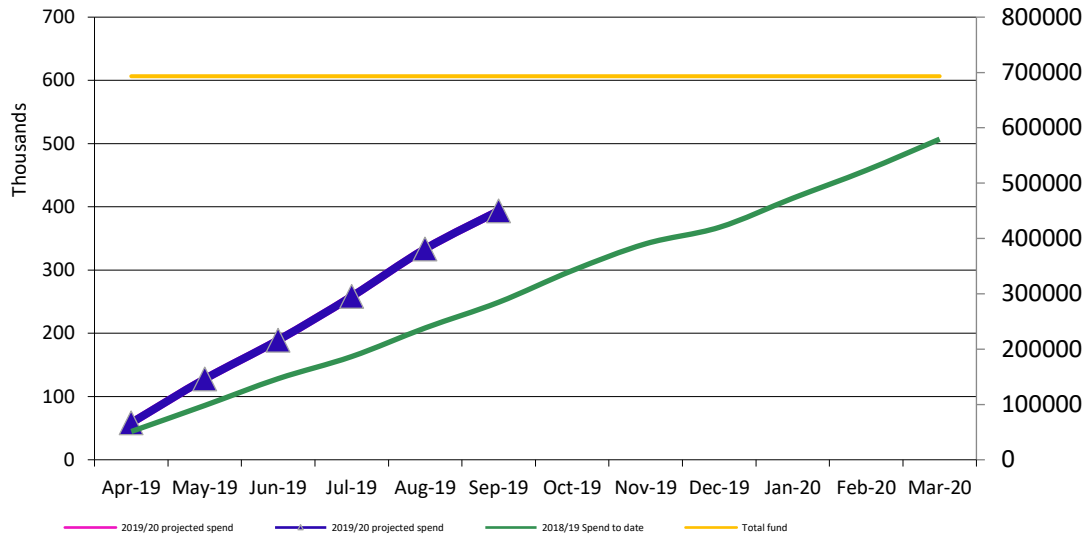
Tenure – HA

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	7	£15.52
£30.01 - £50.00	6	£39.15
£50.01 - £75.00	3	£60.27
£75.01 - £100.00	0	0
£100.01 - £150.00	2	£122.55
£300+	4	£394

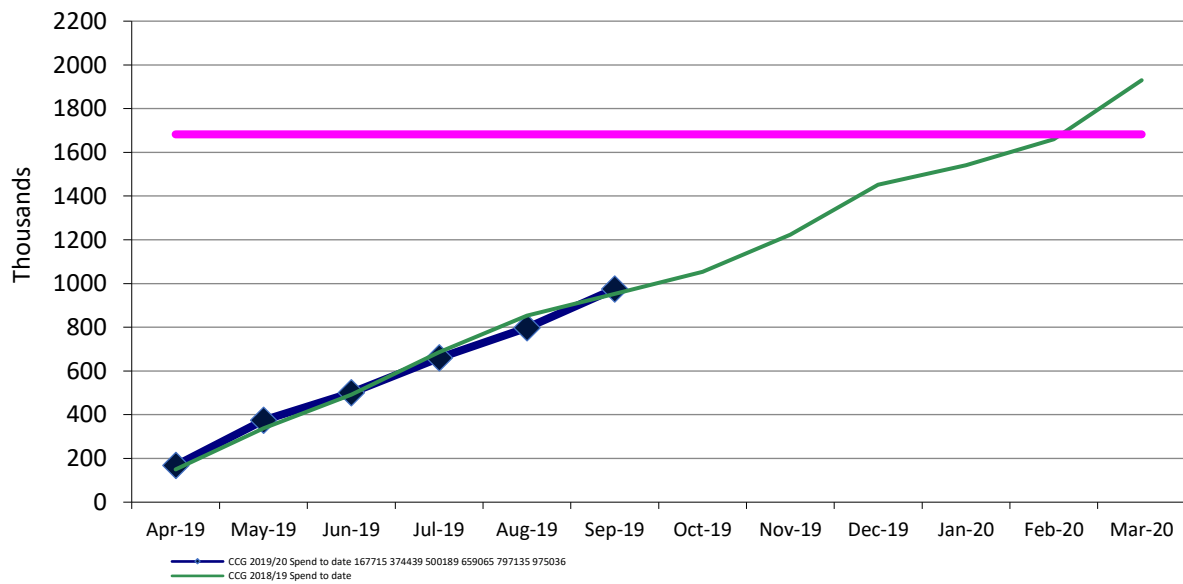
CTRS Distribution 2019/20

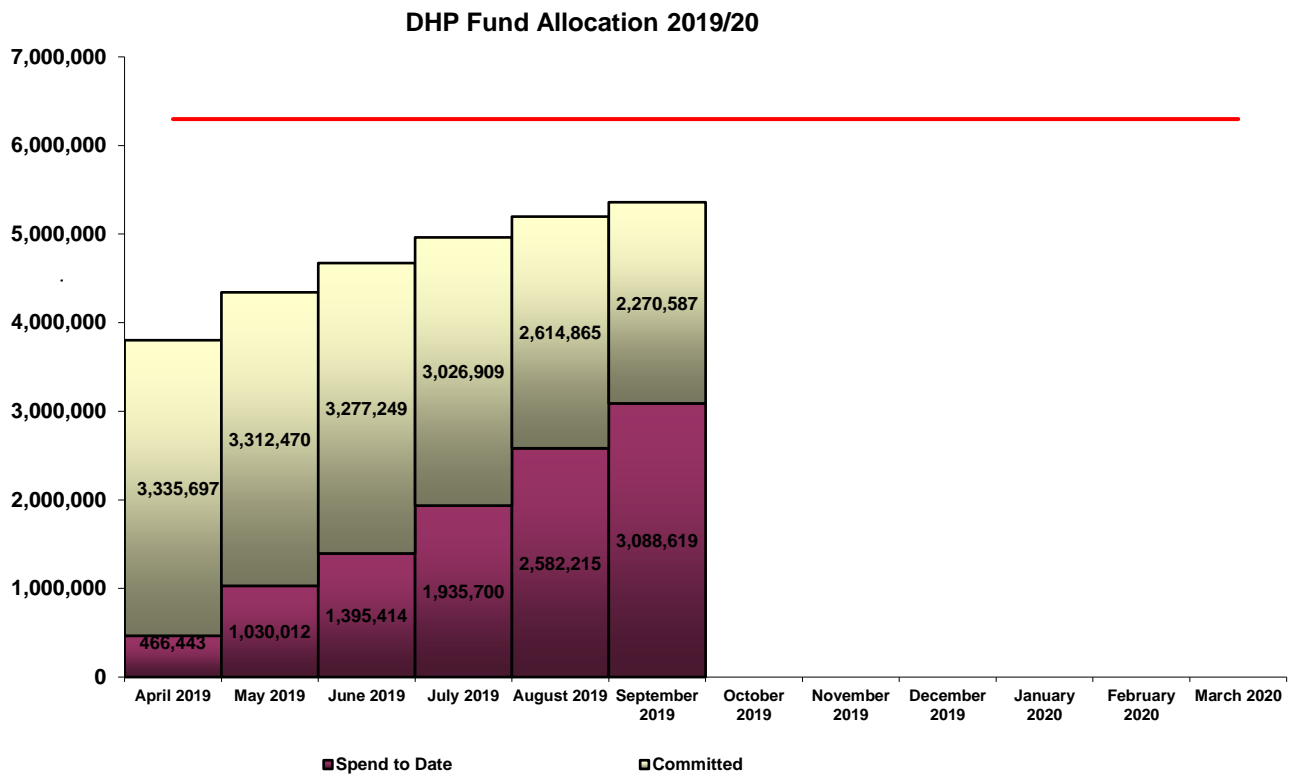


Crisis Grant Allocation 2019/20



Community Care Grant Allocation 2019/20





Scottish Social Security Agency Update

Funeral Support Payment

- Social Security Scotland commenced delivery of the Funeral Support Payment on 16 September 2019.
- The Funeral Support Payment is a one-off payment to help citizens on low income benefits with a contribution towards the cost of a funeral and replaces the Department for Works and Pensions Funeral Expenses Payment in Scotland.
- Applications for a Funeral Support Payment are accepted from the date of death, up until six months after the funeral has taken place. This means that anyone who meets the eligibility for the Funeral Support Payment and has already paid for a funeral within the last 6 months will be able to apply retrospectively, as long as they haven't already received a Funeral Expenses Payment from the Department for Works and Pensions.
- Further details regarding are available on Scottish Government website at:
<https://www.mygov.scot/funeral-support-payment/>
- Details of the new payment have been shared on City of Edinburgh Councils website and passed to the Bereavement Service within the Council to ensure that this can be claimed at point of registration.

Young Carer Grant

- Young Carer Grant is a yearly payment of £300 for young carers in Scotland. To qualify for the grant, young citizens must:
 - be 16, 17 or 18 years old
 - have been caring for 1, 2 or 3 people for an average of 16 hours a week for at least the last 3 months. Hours can be combined to meet the threshold
- The Grant can be paid once a year, up until the age of 19, but must be re-applied for annually.
- Applications for the Grant can be made via the link below:
<https://www.mygov.scot/young-carer-grant;>
- The grant has been promoted with the Council's secondary schools and on the Council's website, as well as shared with various stakeholders across the city.

Scottish Child Payment

- From early 2021 a payment of £10.00 per week, per eligible child will be paid for low income families with children under six. The payment will be delivered to all remaining eligible families with children under 16 by the end of 2022, with no cap on the number of children in families.
- The payment will be made to households with children who are in receipt of Universal Credit, Legacy Benefits and/or Pension Credit. There will be an application process and the payment will be paid on a monthly basis.
- City of Edinburgh will promote this with other council services and external stakeholders.