

Policy and Sustainability Committee

10.00am, Tuesday 25 February 2020

Welfare Reform update

Item number	
Executive/Routine	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 26 November 2019.

4. Main report

Universal Credit (UC)

- 4.1 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 14 November 2019.

Jobcentre	Number of claims up to 14 November 2019	Claimants with no work element	Claimants with element of work
Leith	4669	2285	2384
High Riggs	4999	2403	2596
Wester Hailes	1914	751	1163
Total	11582	5439	6143

Scottish Welfare Fund (SWF) Claims and Universal Credit (UC)

- 4.2 From April 2019 there have been 2955 applications to the SWF for crisis awards from UC claimants. A total of 1747 applications received an award with the total amount paid of £168,690.32.
- 4.3 Additional resource has been established within the team to ensure adequate support is available to citizens as they transition through Universal Credit.

Council Housing Services and Universal Credit (UC)

- 4.4 At the 30 December 2019 there were around 2703 council tenants (14%) known to have made a claim for UC.
- 4.5 On average the housing service is receiving 40-50 requests per week from the DWP for verification of housing costs for new UC claims by tenants. 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 for the date their UC is paid. Referrals are also made as appropriate, for more specialist UC support and advice.
- 4.6 Where 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 made through Alternative Payment Arrangements or Scottish Choice (by tenant). Around 1601 (59%) UC tenants have a direct payment in place.

Temporary and Supported Accommodation

- 4.7 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)
- 4.8 Currently there are 31 out of 777 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 relevant to any under occupancy.
- 4.9 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.

Advice Services, Debt Advice and Welfare Rights

- 4.10 The Council's Advice Shop remains under review and is awaiting the recommendations of the Edinburgh Poverty Commission.
- 4.11 The main 4 reasons for citizens seeking advice from the Advice Shop are mortgage debt, credit card debt, Council Tax debt and Council tenants in rent arrears.
- 4.12 The Advice Line received 1016 debt enquiries of which 200 were taken on as clients. Those citizens who required assistance but were unable to access the Advice Shop were signposted or referred to other sources of assistance.
- 4.13 There were 7359 welfare rights calls received in 2019 to the Advice Line. A total of 4708 people were provided with information and advice by the Advice Shop in this period.
- 4.14 The Advice Shop achieved financial gains for citizens totalling £12.2m in 2019. This represents an average gain of £2.5k per household over a 12-month period.
- 4.15 The United Kingdom exiting the European Union (EU) has seen an increase in the number of enquiries regarding 'Settled Status' for EU citizens who are living in the

UK. For some households, access to benefit income will be dependent on securing 'Settled Status'. Advice agencies are raising awareness of the scheme and directing people to Citizens Advice Edinburgh who are funded to assist people through the application process.

Benefit Cap

- 4.16 As of 31 December 2019, 254 households within City of Edinburgh Council are subject to a reduction in their Housing Benefit due to the Benefit Cap.
- 4.17 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. Appendix 1 provides a more detailed breakdown by tenure.

Tenure	Number of Households affected	Average Weekly Loss in Benefit	% of all Benefit Cap cases
Mainstream	53	£47.03	21%
Private	61	£62.65	24%
Homeless	88	£209.03	35%
PSL	33	£40.42	13%
HA	19	£45.37	7%
Total	254		100%

- 4.18 As of 31 August 2019, 130 households within City of Edinburgh Council are subject to a reduction in their Universal Credit (UC) due to the Benefit Cap. This is the most up to date position provided by The Department for Works and Pensions.

Average Weekly loss in Universal Credit	Number of households within range
£0.01 - £50.00	100
£50.01 - £100.00	20
£100.01 - £150.00	10

- 4.19 Single households with children account for 90 of the capped UC cases and 40 households are couples with dependants.
- 4.20 Discretionary Housing Payment has been awarded to 21 claims, totalling £24,108.08.

Free School Meals and Clothing Grants

- 4.21 As of 31 December 2019, 6245 Free School Meals and 5599 Clothing Grants have been awarded. This compares to 5951 Free School Meals and 5431 Clothing Grants for the period 01/06/18 to 31/12/18.

Welfare Outreach Events

- 4.22 The Assessment and Finance team have attended 27 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.

- 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 138 families during the school holiday ‘Discover’ events, with 49 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 31 December 2019.

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

- 4.25 Crisis Grant applications between April and December 2019 were considered for high priority cases only. Community Care Grant applications between April and December 2019 were considered for medium and high priority cases. Appendix 3 details the Scottish Welfare Fund spend.

- 4.26 The table below details the 2019/20 budget allocation:

Grant	Budget 2019/20	Carry Over to 2019/20	Total Budget	2019/20 Spend April to 31 st December
Crisis Grants	£804,784.10	£4426.70	£809,210.80	£589,007.17
Community Care Grants	£1,491,162.00	£74,970.29	£1,566,132.20	£1,453,038.81
Total	£2,295,946.10	£79,396.99	£2,375,343.00	£2,042,045.98

- 4.27 The 2019/20 spend for Community Care Grants does not include £314,684.56 which has been credited back into the Community Care Grant budget over the financial year due to various reasons such as cancelled, amended or unclaimed orders or item price adjustments. Available funds within the Community Care Grant budget in real terms is £427,778.94 for the remaining financial year.
- 4.28 There were 94 SWF 2nd Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2019 and 31st December 2019. The Scottish Public Services Ombudsman upheld 40 appeals in the applicant’s favour and found 54 appeals in the City of Edinburgh’s favour.

Discretionary Housing Payments (DHP)

- 4.29 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).

4.30 As of 31 December, the Council's DHP financial position is:

Total Fund for 2019/20	£5,484,867.00
Net Paid to Date	£4,512,661.19
Committed pending related benefit process	£1,251,527.61

*exclusive of additional 20% for funding all related to under occupancy to be allocated in 2020.

4.31 There have been 7386 DHP applications considered up to 31 December 2019, of which 593 were refused. The overall refusal rate is 8%. The most common reason for refusal is where a customer's income exceeds their expenditure.

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 14 September 2019 to 7 December 2019 is detailed in the following table.

Performance Indicator	Target	Actual
Days to process new benefits claims	28 days	15.07 days
Days to process change of circumstances	10 days	8.94 days

Local Housing Allowance

4.33 The freeze on Local Housing Allowance rates used in the calculation of Housing Benefit for private sector properties that has been in place since 2016 was lifted by the Minister for Welfare Delivery, and rates will rise by inflation from April 2020.

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 Reduction; and
 - 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, 26 November 2019](#)

[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](#)

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

Benefit Cap Data

The charts below provide a breakdown of the numbers affected by the average weekly Housing Benefit loss, number in receipt of a Discretionary Housing Payment and the average amount in payment as of 31 December 2019.

Tenure – Homeless

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number in receipt of DHP	Average Weekly award of DHP
£0.01 - £30.00	2	£16.29	0	£0.00
£30.01 - £50.00	4	£38.59	0	£0.00
£50.01 - £75.00	3	£66.69	2	£67.61
£75.01 - £100.00	5	£88.75	1	£21.39
£100.01 - £150.00	24	£122.41	4	£90.50
£150.01 - £200.00	9	£177.39	2	£77.53
£200.01 - £300.00	22	£256.64	5	£84.01
£300.01 - £400.00	13	£347.00	3	£100.00
£400.01 - £500.00	5	£450.25	3	£100.00
£500.01 +	1	£577.20	0	£0.00

Tenure – Mainstream (Council)

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number in receipt of DHP	Average Weekly award of DHP
£0.01 - £30.00	18	£17.56	4	£18.52
£30.01 - £50.00	19	£40.71	8	£32.71
£50.01 - £75.00	4	£54.42	3	£39.07
£75.01 - £100.00	6	£88.53	6	£69.81
£100.01 - £150.00	6	£116.32	5	£84.36

Tenure – Private

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number in receipt of DHP	Average Weekly award of DHP
£0.01 - £30.00	22	£11.48	5	£21.77
£30.01 - £50.00	10	£35.99	5	£36.51
£50.01 - £75.00	6	£60.90	2	£49.69
£75.01 - £100.00	6	£88.04	4	£62.88
£100.01 - £150.00	12	£118.30	7	£59.52
£150.01 +	5	£179.21	3	£75.00

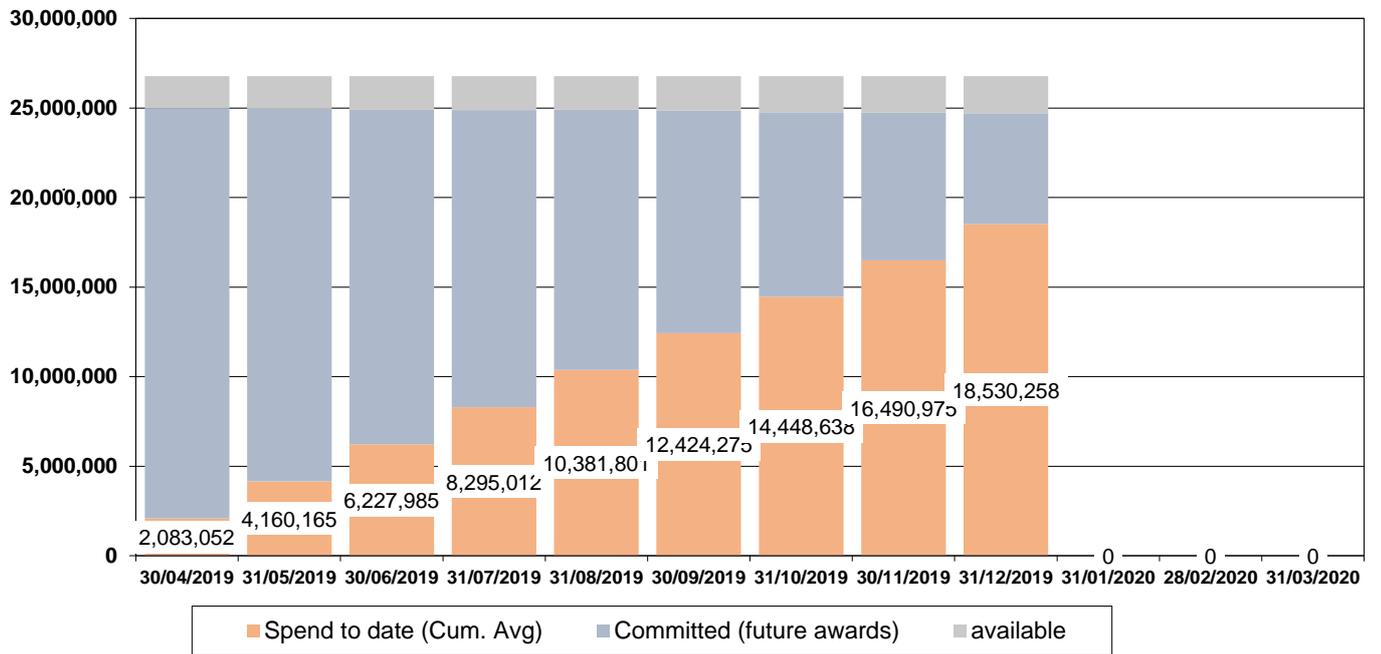
Tenure – Housing Association

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number in receipt of DHP	Average Weekly award of DHP
£0.01 - £30.00	10	£18.52	5	£21.72
£30.01 - £50.00	2	£42.71	0	£0.00
£50.01 - £75.00	2	£61.61	0	£0.00
£75.01 - £100.00	4	£90.16	2	£44.50
£100.01 - £150.00	1	£107.54	0	£100.00

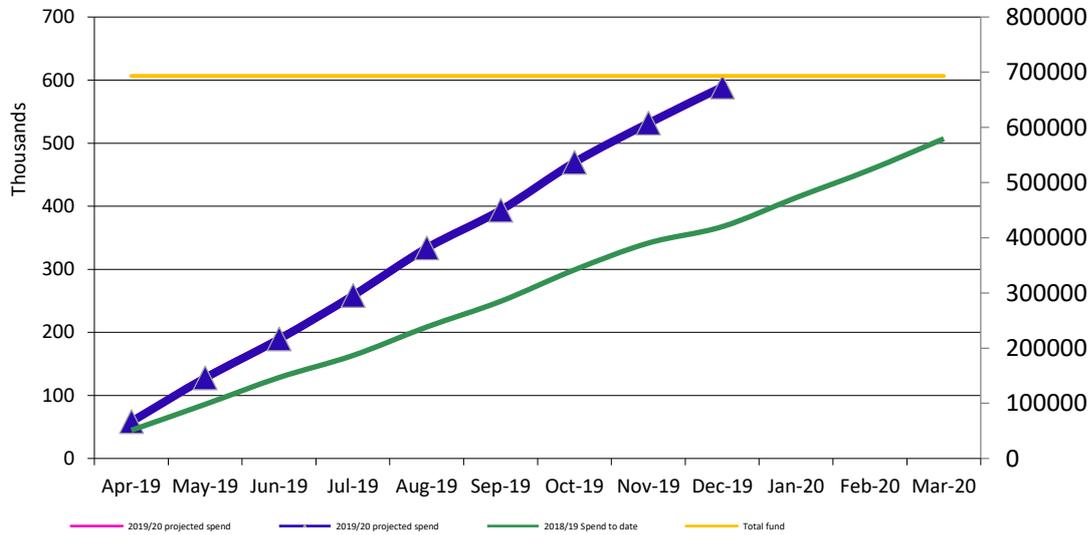
Tenure - PSL

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number in receipt of DHP	Average Weekly award of DHP
£0.01 - £30.00	21	£9.80	15	£9.24
£30.01 - £50.00	4	£34.11	4	£34.11
£50.01 - £75.00	2	£69.48	1	£68.53
£75.01 - £100.00	1	£87.48	0	£0.00
£100.01 - £150.00	2	£116.17	2	£113.17
£150.01 - £200.00	3	£177.65	3	£110.25

CTRS Distribution 2019/20



Crisis Grant Allocation 2019/20



Community Care Grant Allocation 2019/20

