

Policy and Sustainability Committee

10.00am, Tuesday 01 December 2020

Welfare Reform Update

Item number	
Executive/Routine	Routine
Wards	All
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 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 Committee with an update of the Council's ongoing welfare reform activities, including the implementation of Universal Credit (UC).

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 February 2020. The longer reporting timescale reflects the changes to Committee reporting during the ongoing pandemic.

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 shows the number of claims made to Edinburgh Jobcentre Plus offices up to 10 September 2020.

Jobcentre	Number of claims up to 10 September 2020	Claimants with no work element	Claimants with element of work	Claimants with no requirement to work
Leith	14765	7225	5985	1555
High Riggs	16438	8156	6408	1874
Wester Hailes	4637	2146	1824	667
Total	35840	17527	14217	4096

- 4.2 From April 2020 the standard allowance in UC and the basic element in Working Tax Credit (WTC) increased by £20 per week for 1 year. This applies to all existing and new UC claimants and existing WTC claimants. The DWP has also aligned payment of the tenants UC housing costs to landlords and the tenant's monthly payment of UC. Improved features have also been added to the DWP social landlord portal that provide landlords with more information to manage payments.

Council Housing Services and Universal Credit (UC)

- 4.3 At the end of September 2020 there were 4267 Council tenants (23% of tenants) known to have made a claim for UC. The number of tenants on UC has continued to steadily increase (+6%) since the initial peak of the Coronavirus pandemic.
- 4.4 The housing service is receiving 30-40 requests per week from the DWP for verification of housing costs for new UC claims by tenants. When rent verifications are received tenants are contacted to discuss their new UC claim, rent responsibilities and to encourage them to set up secure payment methods. Referrals also continue to be made, as appropriate, for more specialist UC support and advice, especially where tenants may be more vulnerable and require ongoing support to manage their claim.
- 4.5 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). Currently 2580 UC tenants have a direct payment in place.

Temporary and Supported Accommodation

- 4.6 On 22 March 2020 there was 2170 households in temporary accommodation and on 22 October 2020 there are 2798 households in temporary accommodation.
- 4.7 The Council secured 408 additional bed spaces in Hotels for use throughout the current public health emergency as well as 375 additional flats from the Social Sector, the Private Rented Sector and Hotel Service Apartments.
- 4.8 At the beginning of the pandemic rough sleepers regardless of their eligibility were moved into temporary accommodation, with support provided by commissioned services. A city centre hotel was used as an alternative to the Care Shelter. This service closed on the 16 July and all residents were moved in advance to alternative accommodation. An additional City Centre Hotel was used as a form of Rapid Access for rough sleepers until 28 August, and all residents were again transferred to alternative accommodation.
- 4.9 Alternative hotel city centre accommodation replaced the Care Shelter on 5 October 2020. It is operated jointly between Bethany Christian Trust and the Council and will remain open until 3 May 2021 providing 65 en-suite rooms for homeless people, including rough sleepers, with additional support from the Edinburgh Access Practice.
- 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). 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

- 4.11 The Council's Advice Shop remains under review and it is anticipated this work will align with the recommendations of the Poverty Commission.
- 4.12 Debt services saw demand reduce in the initial months of the pandemic. Mitigation actions taken by the Scottish Government and Westminster Governments have led to very little recovery action and rent arrears evictions have been suspended and no new actions will commence prior to 2021. Mortgage providers, credit card companies and banks have all withheld legal proceedings and are working with debtors to set up affordable repayment plans and manage debts.
- 4.13 Enquires regarding UC applications and how to make a claim have been mainly dealt with by Citizens Advice. There has been a material increase in those seeking help with rent as incomes have dropped, with more Discretionary Housing Payment and Housing Benefit enquiries being handled by the Advice Shop.

Benefit Cap

- 4.14 As of 30 September, 159 households within City of Edinburgh Council are subject to a reduction in their Housing Benefit due to the Benefit Cap. 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	29	£45.99	18.24
Private	45	£62.19	28.30
Homeless	51	£255.67	32.08
PSL	18	£55.99	11.32
HA	16	£54.93	10.06
Total	159	£94.95	100

- 4.15 As of February 2020, 140 households within City of Edinburgh Council are subject to a reduction in their 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	40
£100.01 - £150.00	0

- 4.16 Single households with/without children account for 100 of the capped UC cases and 40 households are couples with dependants. Discretionary Housing Payment has been awarded to 23 claims, totalling £58,622.60.

Free School Meals and Clothing Grants

- 4.17 Free school meals payments made during school closures/school holidays/first week of term (23 March 2020 to 14 August 2020) totalled £1,547,833.00 for 6637 children.
- 4.18 A further 6519 free school meals payments were made for the October holiday (19 October 2020 to 26 October 2020). An additional 934 children are eligible for payment, but further information is required before payment can be made and contact has been made with the parents to progress these claims.

	Awards to 30 September 2019	Awards to 30 September 2020
Free School Meals	6403	7571
Clothing Grants	5737	6540

Council Tax Reduction Scheme (CTRS)

- 4.19 The National Settlement and Distribution Group allocated £26.49m CTRS funding to the Council for 2020/21 (£26.32m for 2019/20). Following the response to COVID 19 a further £2.43m has been allocated from the Scottish Government. The funding for 2020/21 is now £28.92m. No significant changes have been made to the scheme this year and Appendix 2 outlines the Council's CTRS spend to 30 September 2020 and the following table below details the number of citizens on CTRS from March 2020 to August 2020.

Month	Caseload
March	32,740
April	34,000
May	35,530
June	36,310
July	35,990
August	36,230

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

- 4.20 The following table below the 2020/21 budget allocation:

Grant	Budget 2020/21	Additional Covid-19 allocation	Total Budget	2020/21 Spend April to 30 September
Crisis Grants	£1,481,874.60	£918,600.00	£2,400,474.60	£987,473.54
Community Care Grants	£987,916.40	£612,400.00	£1,600,316.40	£672,449.30
Total	£2,469,791.00	£1,531,000.00	£4,000,791.00	£1,659,922.84

- 4.21 Appendix 3 details the budget spend to 30 September 2020.

- 4.22 This funding is flexible and can be adjusted between crisis and community care grant at any time. The initial split for 2020/21 is currently 60% to Crisis, 40% to Community Care Grant. This is reviewed on a monthly basis and reviewed based on demand and funding availability.
- 4.23 The funding has been augmented by Scottish Government to support citizens challenged by the impact of Coronavirus and applications for Crisis Grants are double the level of pre-pandemic activity. Priorities are continually being reviewed to ensure that as many vulnerable citizens as possible are supported, and that the fund is managed to enable that support to continue for the entire financial year. This review will take account of the recent additional funding and work is ongoing to align the increased budget with the level of demand.
- 4.24 There were 120 SWF 2nd Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2020 and 30 September 2020. The Scottish Public Services Ombudsman upheld 43 appeals in the applicant's favour and found 77 appeals in the City of Edinburgh's favour.

Scottish Welfare Fund (SWF) – Self-Isolation Support Grant

- 4.25 The Scottish Government is providing a grant of £500 to people who are in receipt of low-income benefits and who will lose earned income as a result of being asked to self-isolate by Test and Protect to prevent the spread of COVID-19. The grant will support people who would otherwise struggle to be able to afford to comply with the requirement to self-isolate. It provides the financial support they need to meet their basic needs during the 14-day period in which they are unable to work.
- 4.26 The grant opened on 12 October 2020 and people self-isolating from 28 September 2020 can apply. As at 22 October 2020 96 applications have been received and 28 awards made totalling £14,000. Further information has been requested for 27 applications and 41 have been refused. The main reason for refusal is that the claimant has not been asked to self isolate through Test and Protect.
- 4.27 To 13 November 2020 177 applications have been received and 74 awarded (totalling £37,000). Further information has been requested for 13 and 90 have been refused. The main reason for refusal is that the claimant has not been asked to self-isolate through Test and Protect. A total of 16 appeals against the decision not to award have been made, with 7 of these awarded. Majority of refusals are mainly for failure to appear on Test and Protect data supplied by Public Health Scotland, with the others related to qualifying income.

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 2020/21 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 £3.66m 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 £3.23m (£2.2m in 2019/20).

4.29 As of 30 September, the Council's DHP financial position is:

Total Fund for 2019/20	£6,896,927.00
Net Paid to Date	£2,669,636.13
Committed pending related benefit process	£2,370,514.92

*exclusive of additional 20% funding for under occupancy to be allocated in 2021.

4.30 There have been 6126 DHP applications considered up to 30 September, of which 433 were refused. The overall refusal rate is 7%. 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

4.31 The number of days to process a Housing Benefit and/or Council Tax Reduction new claim or change of circumstances from 1 April 2020 to 12 September 2020 is detailed in the following table.

Performance Indicator	Target	Actual
Days to process new benefits claims	28 days	16.95 days
Days to process change of circumstances	10 days	5.44 days

Local Housing Allowance (LHA)

4.32 The freeze on LHA rates used in the calculation of Housing Benefit and UC Housing Costs for private sector properties, that has been in place since 2016, was lifted from 1 April 2020. Rates now cover the lowest 30th percentile of market rents.

Weekly LHA rates for Edinburgh	2019/20 rate	2020/21 rate
Shared Accommodation	£70.32	£94.82
1 Bedroom	£127.33	£158.79
2 Bedroom	£154.28	£189.86
3 Bedroom	£192.06	£253.15
4 Bedroom	£276.92	£390.08

Social Security Scotland

4.33 The Job Start Payment planned for Spring 2020 was delayed to August 2020 due to the Coronavirus pandemic. This payment is now available to those that have been offered a job on or after 17 August 2020. This is a cash payment of £250 or £400 for a young person who is the main carer of any children.

4.34 This will be available to those between the age of 16 to 24 who have been out of paid work and receiving a low-income benefit for 6 months prior to finding employment. Care leavers aged 16-25 can also claim. They only need to be out of work and receiving a qualifying benefit on the day of their job offer, not for the previous 6 months. To be eligible the employment offered must average at least 12

hours per week over a 4-week period and claims can be made up to 3 months after the date of the job offer.

- 4.35 The Scottish Child Payment will open for applications in November 2020, with first payments beginning from end of February 2021. Low income families with a child under 6 will be able to apply for £10.00 per child, per week. There are no limits on the number of eligible children.
- 4.36 The qualifying benefits are Child Tax Credit, Universal Credit, Income Support, Pension Credit, Working Tax Credit, Income-based Job Seekers Allowance and Income-related Employment Support Allowance.

5. Next Steps

- 5.1 The Council continues to engage with all key stakeholders to ensure that support is targeted at those in need.

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.
- 6.2 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,
 - meetings with Elected Members, Council Officers and External Partners.

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

- 8.1 [Welfare Reform - Update to Corporate Policy and Strategy Committee 25 February 2020](#)
- 8.2 [Welfare Reform – Update to Policy and Sustainability Committee, 26 November 2019](#)
- 8.3 [Welfare Reform - Update to Policy and Sustainability Committee, 06 August 2019](#)
- 8.4 [Welfare Reform - Update to Corporate Policy and Strategy Committee, 14 May 2019](#)
- 8.5 [Welfare Reform – Update to Corporate Policy and Strategy Committee, 26 February 2019](#)
- 8.6 [Welfare Reform - Update to Corporate Policy and Strategy Committee, 4 December 2018](#)

9. Appendices

- 9.1 Appendix 1 – Benefit Cap Data
- 9.2 Appendix 2 – Council Tax Reduction Scheme Spend
- 9.3 Appendix 3 – Scottish Welfare Fund Spend
- 9.4 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 30 September 2020.

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	1	£24.62	0	£0.00
£30.01 - £50.00	3	£40.89	0	£0.00
£50.01 - £75.00	1	£57.48	0	£0.00
£75.01 - £100.00	3	£81.57	0	£0.00
£100.01 - £150.00	7	£124.89	1	£100.00
£150.01 - £200.00	3	£167.06	1	£100.00
£200.01 - £300.00	10	£242.74	4	£91.25
£300.01 - £400.00	16	£341.61	3	£116.67
£400.01 - £500.00	5	£455.23	2	£100.00
£500.01 +	2	£521.07	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	11	£20.01	0	£0.00
£30.01 - £50.00	9	£40.69	5	£26.00
£50.01 - £75.00	3	£54.44	1	£55.00
£75.01 - £100.00	4	£86.99	2	£55.00
£100.01 - £150.00	2	£118.09	1	£50.00

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	18	£15.34	5	£34.80
£30.01 - £50.00	5	£36.94	2	£35.50
£50.01 - £75.00	6	£60.16	2	£59.50
£75.01 - £100.00	6	£87.80	3	£63.67
£100.01 - £150.00	7	£127.45	4	£98.25
£150.01 +	3	£186.00	3	£89.00

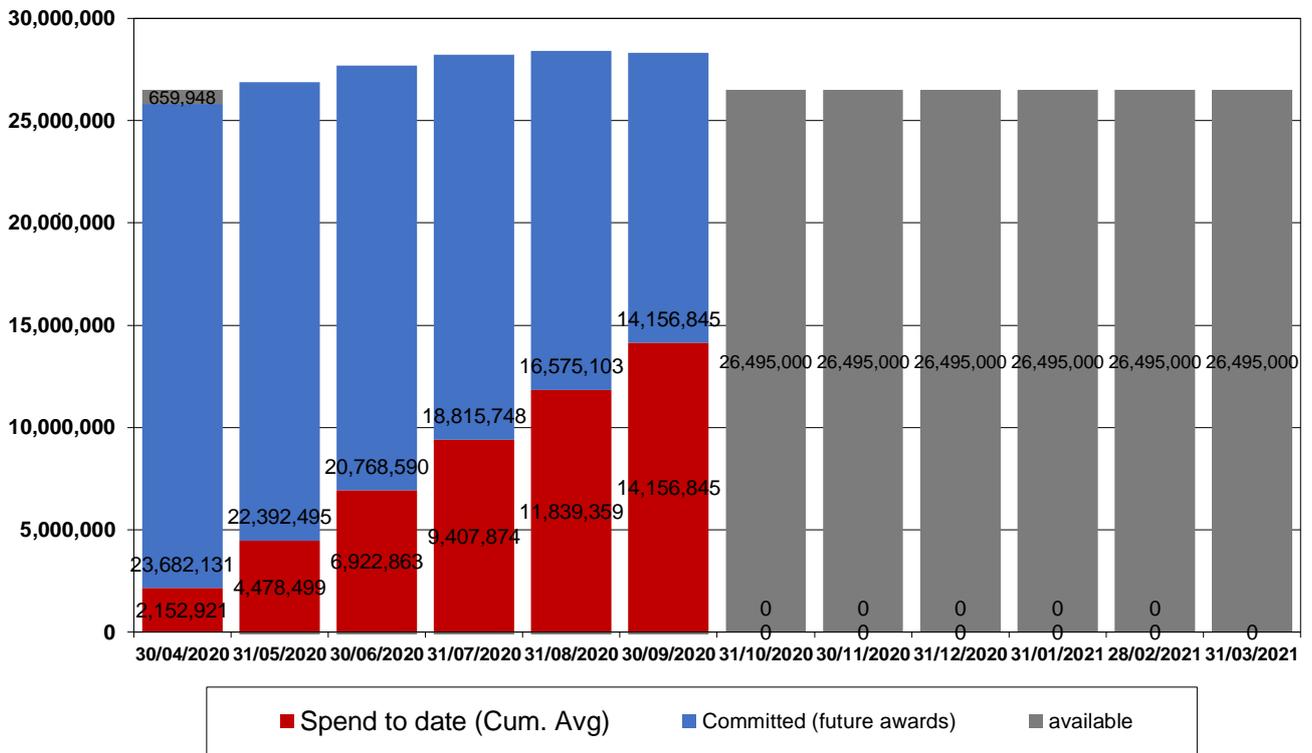
Tenure – Housing Association

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	7	£17.36	2	£14.50
£30.01 - £50.00	3	£38.31	1	£37.00
£50.01 - £75.00	2	£58.36	1	£40.00
£75.01 - £100.00	2	£97.34	2	£97.50
£100.01 - £150.00	1	£100.46	0	£0.00
£150.01+	1	£230.52	0	£0.00

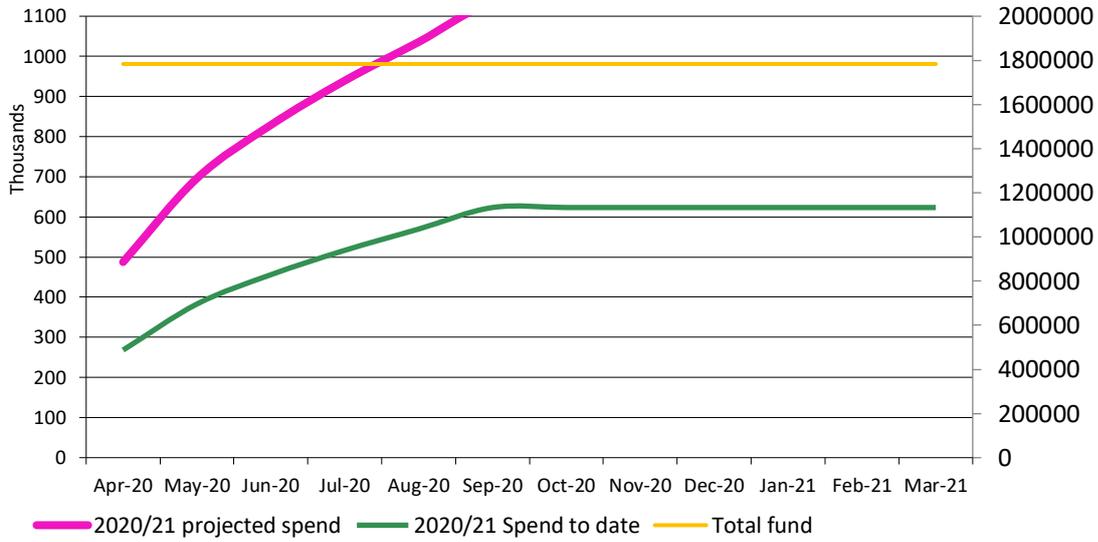
Tenure - PSL

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	10	£12.53	7	£12.41
£30.01 - £50.00	2	£40.42	2	£40.50
£75.01 - £100.00	3	£82.97	1	£82.00
£100.01 - £150.00	1	£138.67	2	£138.67
£150.01 - £200.00	2	£202.59	2	£152.50

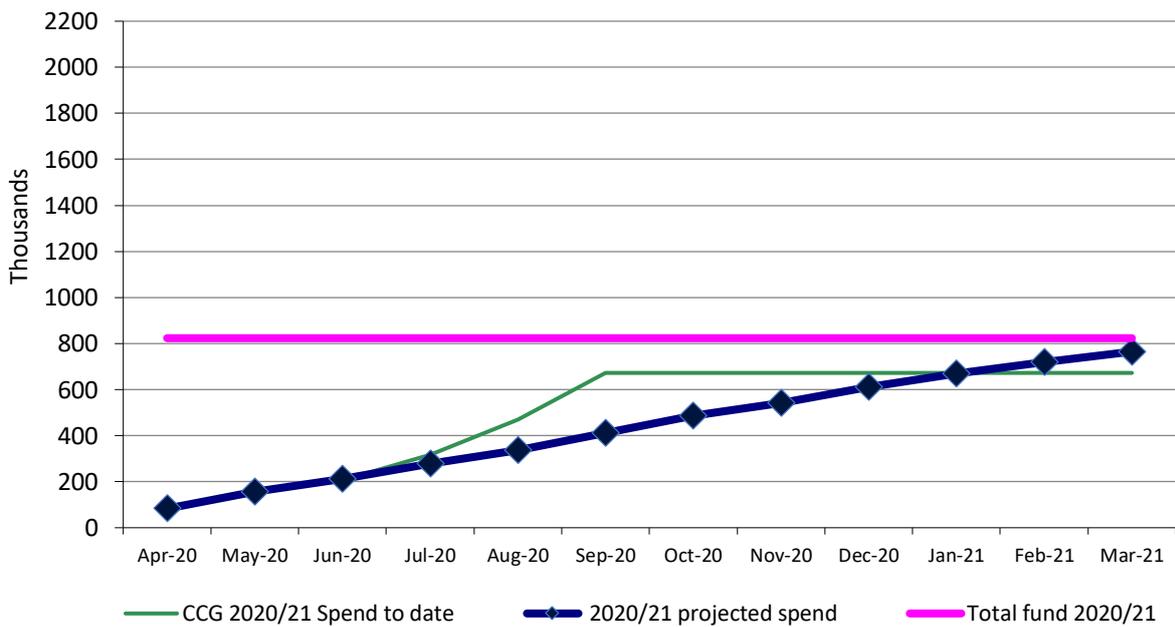
CTRS Distribution 2020/21



Crisis Grant Allocation 2020/21



Community Care Grant Allocation 2020/21



DHP Fund Allocation 2020/21

