

Policy and Sustainability Committee

10.00am, Tuesday 23 February 2021

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 1 December 2020.

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 12 November 2020.

Jobcentre	Number of claims up to 12 November 2020	Claimants with no work element	Claimants with element of work	Claimants with no requirement to work
Leith	14974	7265	6002	1707
High Riggs	16880	8188	6625	2067
Wester Hailes	4800	2124	1941	735
Total	36654	17577	14568	4509

- 4.2 From 27 January 2021, regulations came into force to remove the Severe Disability Premium (SDP) gateway. From this date, no new Housing Benefit claims may be taken from citizens in receipt of SDP. These citizens will now claim UC.
- 4.3 The only exceptions are citizens living in temporary or specified accommodation who will be entitled to make new claims to Housing Benefit.

Council Housing Services and Universal Credit (UC)

- 4.4 At the end of December 2020 there were 4623 Council tenants (24% of tenants) known to have made a claim for UC. The number of tenants on UC has continued to steadily increase since the initial peak of the Coronavirus pandemic.
- 4.5 The housing service receives around 30 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.
- 4.6 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). Currently 2760 UC tenants have a direct payment in place.

Temporary and Supported Accommodation

- 4.7 Homelessness services continue to see high demand for services and has secured temporary accommodation for 1936 households since the pandemic began. This is in addition to the 2110 households already being accommodated when the pandemic began.
- 4.8 Work is ongoing with commissioned services to positively engage with rough sleepers, encouraging citizens to work with outreach services, who will assist with service access and securing accommodation.
- 4.9 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 continue to receive the personal allowance element of UC.

Advice Services, Debt Advice and Welfare Rights

- 4.10 In November the Council's Advice Shop established a presence in the five Customer Resilience Centres to enable access for those without the ability to phone or email the Advice Shop.
- 4.11 Over 6050 welfare rights enquiries have been made to the Advice Shop during 2020, with the majority relating to UC.
- 4.12 The Advice Shop has made financial gains through DWP, HMRC and local authority payments for citizens of £8.8m in 2020. This represents an average gain of £2375.00 per household.
- 4.13 Following recommendations from Edinburgh's Poverty Commission action is now underway to improve the reach of income maximisation services to citizens.

Benefit Cap

- 4.14 As of 31 December 2020, 201 households within Edinburgh 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	28	£46.14	13.93
Private	65	£48.56	32.34
Homeless	65	£239.77	32.34
PSL	29	£42.29	14.43
HA	14	£54.43	6.96
Total	201	£86.24	100

- 4.15 As of August 2020, 490 households within Edinburgh 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	290
£50.01 - £100.00	130
£100.01 - £150.00	50
£150.01 - £200.00	20

- 4.16 Single households with/without children account for 330 of the capped UC cases and 160 households are couples with dependants. Discretionary Housing Payment has been awarded to 69 claims, totalling £185,228.40.

Free School Meals and Clothing Grants

- 4.17 Payments for Free School Meals made during Christmas holiday (23 December 2020 to 05 January 2021) and the related Winter Support Fund payment of £100 totalled £908,950 for 7420 children.
- 4.18 Free School Meals payments made for extra school holidays (06 January 2021 to 15 January 2021) totalled £135,828 for 7546 children.
- 4.19 Free school meals payments were made for 1383 children who were self-isolating between 16 November to 21 December 2020 and totalled £28,586.25.
- 4.20 The table below details the number of Free School Meal and Clothing Grant awards that have been made to 31 December 2020, compared to the same period to 31 December 2019.

	Awards to 31 December 2019	Awards to 31 December 2020
Free School Meals	5950	8395
Clothing Grants	5337	7834

Council Tax Reduction Scheme (CTRS)

- 4.21 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 31 December 2020 and the following table below details the number of citizens on CTRS from March 2020 to October 2020.

Month	Caseload
March	32,740
April	34,000
May	35,530
June	36,310
July	35,990
August	36,230
September	36,460
October	36,710

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

- 4.22 The following table details the 2020/21 budget allocation:

Grant	Budget 2020/21	Additional Covid-19 allocation	Total Budget	2020/21 Spend April to 31 December
Crisis Grants	£1,481,874.60	£918,600.00	£2,400,474.60	£1,743,004.16
Community Care Grants	£987,916.40	£612,400.00	£1,600,316.40	£1,284,046.93
Total	£2,469,791.00	£1,531,000.00	£4,000,791.00	£3,027,051.09

- 4.23 Additional funding has been provided by Scottish Government to allow for the maximisation of awards to citizens in Crisis.
- 4.24 There were 152 SWF 2nd Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2020 and 31 December 2020. The Scottish Public Services Ombudsman upheld 51 appeals in the applicant's favour and found 101 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 formally asked to self-isolate to prevent the spread of COVID-19. The grant will support people who may otherwise struggle to be able to afford to comply with the requirement to self-isolate.
- 4.26 As at 31 December 2020 539 applications have been received and 252 awards made totalling £126,000. Further information has been requested for 60 applications and 227 have been refused. The main reason for refusal is that the citizen has not been asked to self isolate through Test and Protect.
- 4.27 A total of 38 appeals against the decision not to award have been made, with 14 of these awarded, totalling £7000. The majority of refusals are for failure to appear on Test and Protect data, with the others related to qualifying income.
- 4.28 A further change to the scheme is expected with proposals to extend eligibility to more individuals in low income situations such as:
- Workers in receipt of Council Tax Reduction Scheme;
 - Workers who do not qualify for SSP because of earnings less than £120;
 - Workers with caring responsibilities for someone over 16; and,
 - Workers who earn real living wage or less.
- 4.29 Where an application is refused, the applicant is advised to apply for a Scottish Welfare Fund Crisis Grant. If this is not appropriate, they are referred to the food support pathway, being delivered in conjunction with EVOC, described at 4.32.

Additional Support for Citizens During Covid-19 Related Restrictions

- 4.30 As part of the Scottish Government initiative, the Contact Team are also proactively contacting citizens who have been formally instructed to self-isolate through Test and Protect. The week ending 29 January 2021 required the Council to attempt 363 contacts. Of those successfully contacted less than 1% required further advice or support.
- 4.31 Similar to earlier initiatives, requests for support are being coordinated through the Council's Contact Centre (0131 200 2388) to establish whether direct financial support is available. Citizens will also be signposted to alternative areas of support to address additional issues they may be experiencing, offering a holistic and tailored solution to service users.
- 4.32 Where direct financial support is not available, or not required, arrangements have been put in place to support a network of food deliveries across the city. The Council worked successfully with EVOC, supported by local partners, throughout the first months of the pandemic and building on this experience, a targeted food delivery exists for those in need of support.
- 4.33 It is expected that most people will prefer to get direct financial support, and so projected levels of food deliveries will be lower than at the start of the pandemic.

Food packages will be provided for up to two weeks, and citizens will be asked to make contact again if they need further support.

- 4.34 Any individuals identified as in need of support due to hardship, should be referred to the Council's Vulnerable Support Line on 0131 200 2388 or the Scottish Welfare Fund on 0131 529 5299. Their situation will be assessed and triaged for the most suitable form of support. Contact levels have returned to the lower levels experienced in the last quarter of 2020 with approximately 35 shielding contacts per day, with support for vulnerable citizens, an additional 15/20 contacts per day.
- 4.35 The Scottish Government has also confirmed that a medicine delivery service to support the clinically vulnerable, will run until 31st March 2021.

Discretionary Housing Payments (DHP)

- 4.36 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).
- 4.37 As of 31 December, the Council's DHP financial position is:

Total Fund for 2020/21	£6,896,927.00
Net Paid to Date	£4,452,719.25
Committed pending related benefit process	£1,386,820.52

N.B. – these figures are exclusive of additional 20% funding for under occupancy to be allocated in 2021.

- 4.38 Please note that Appendix 3 details the budget spend/commit to 31 December 2020.
- 4.39 There have been 7,232 DHP applications considered up to 30 September, of which 433 were refused. The overall refusal rate is 9%. 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

- 4.40 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 5 December 2020 is detailed in the following table.

Performance Indicator	Target	Actual
Days to process new benefits claims	28 days	15.42 days
Days to process change of circumstances	10 days	6.39 days

5. Next Steps

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

6. Financial implications

- 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 yearly efficiency savings; 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.
- 7.4 The Council is liaising with multiple third sector organisations across the city to support citizens throughout Covid-19 restrictions

8. Background reading/external references

- 8.1 [Welfare Reform - Update to Corporate Policy and Strategy Committee 01 December 2020](#)
- 8.2 [Welfare Reform - Update to Corporate Policy and Strategy Committee 25 February 2020](#)
- 8.3 [Welfare Reform - Update to Corporate Policy and Strategy Committee 25 February 2020](#)
- 8.4 [Welfare Reform – Update to Policy and Sustainability Committee, 26 November 2019](#)
- 8.5 [Welfare Reform - Update to Policy and Sustainability Committee, 06 August 2019](#)

9. Appendices

- 9.1 Appendix 1 – Benefit Cap Data
- 9.2 Appendix 2 – Council Tax Reduction Scheme (CTRS) Distribution 2020/21
- 9.3 Appendix 3 – Discretionary Housing Payment (DHP) Fund Allocation 2020/21

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 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	£19.25	0	£0.00
£30.01 - £50.00	3	£36.86	0	£0.00
£50.01 - £75.00	2	£56.55	0	£0.00
£75.01 - £100.00	4	£88.76	0	£0.00
£100.01 - £150.00	12	£123.80	2	£107.00
£150.01 - £200.00	7	£178.47	4	£100.00
£200.01 - £300.00	12	£237.61	4	£100.00
£300.01 - £400.00	17	£304.23	4	£112.50
£400.01 - £500.00	6	£455.78	3	£100.00
£500.01 +	1	£537.11	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	13	£21.12	1	£30.00
£30.01 - £50.00	5	£41.99	4	£28.25
£50.01 - £75.00	3	£53.13	1	£55.00
£75.01 - £100.00	5	£50.57	3	£63.33
£100.01 - £150.00	2	£54.33	1	£52.00

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	34	£13.20	9	£27.97
£30.01 - £50.00	6	£37.61	2	£23.37
£50.01 - £75.00	8	£60.07	4	£38.09
£75.01 - £100.00	8	£87.72	5	£47.32
£100.01 - £150.00	7	£113.01	6	£73.99
£150.01 +	2	£198.41	2	£83.72

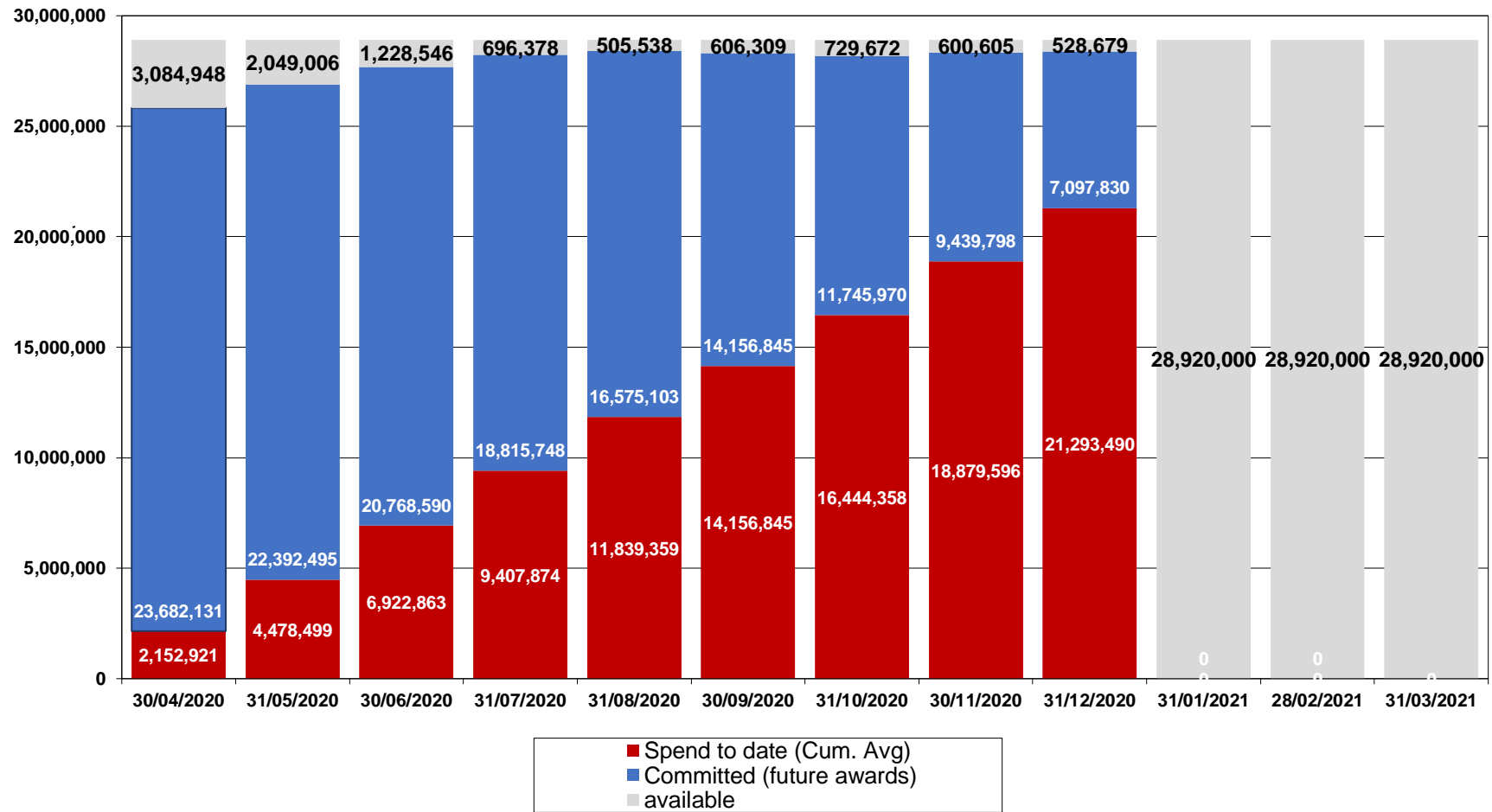
Tenure – Housing Association

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	£15.46	3	£14.08
£30.01 - £50.00	2	£38.58	1	£30.00
£50.01 - £75.00	1	£50.95	1	£50.95
£75.01 - £100.00	2	£97.34	2	£97.34
£100.01 - £150.00	1	£100.46	0	£0.00
£150.01+	1	£230.51	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	16	£11.00	10	£10.55
£30.01 - £50.00	7	£36.31	6	£36.95
£50.01 - £75.00	1	£59.14	1	£20.00
£75.01 - £100.00	1	£87.17	1	£82.00
£100.01 - £150.00	2	£122.35	1	£139.00
£150.01 - £200.00	1	£167.73	1	£167.00
£200.01+	1	£237.94	1	£138.00

CTRS Distribution 2020/21



DHP Fund Allocation 2020/21

