

Policy and Sustainability Committee

10.00am, Thursday 10 June 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 23 February 2021.

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 platform, Stat-Explore. The table shows the number of claims made to Edinburgh Jobcentre Plus offices up to 11 February 2021.

Jobcentre	Number of claims up to 11 February 2021	Claimants with no work element	Claimants with element of work	Claimants with no requirement to work
Leith	15616	7512	6193	1911
High Riggs	17644	8348	6929	2367
Wester Hailes	4956	2249	1893	814
Total	38216	18109	15015	5092

- 4.2 Confirmation has been received that from April 2021 to September 2021 UC claimants will continue to receive the £20 per week uplift to mitigate the impact of Covid-19.
- 4.3 From April 2021 the maximum repayment period for a UC advance increased to 24 months from 12 months. The maximum deduction from the standard allowance will also decrease from 30% to 25%.

Council Housing Services and Universal Credit (UC)

- 4.4 As at 4 April 2021 there were 4984 Council tenants (27% of tenants) known to have made a claim for UC. The number of tenants on UC has steadily increased since the initial peak of the Coronavirus pandemic (54% since March 2020).
- 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 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 3087 UC tenants have a direct payment arrangement in place.

Temporary and Supported Accommodation

- 4.7 Homelessness services continue to experience high demands and the team has secured temporary accommodation for 1936 households since the pandemic began. This is in addition to the 2110 households that were already being accommodated when the pandemic began.
- 4.8 Work is ongoing with commissioned services to engage with rough sleepers, encouraging citizens to work with outreach services, who will assist with service access and securing accommodation. To date 150 rough sleepers have received support and accommodation.
- 4.9 The Haymarket Hub Welcome Centre is staffed and operated jointly between Bethany Christian Trust and CEC. It will remain open until 3 May 2021, providing 65 en-suite rooms for homeless people, including rough sleepers. Additional visiting support from the Edinburgh Access Practice and other agencies is also in place. CEC has committed a staff member to attend the Hub daily to identify the need for and arrange for alternative temporary accommodation. This has been successful in creating a greater move on capacity from the Welcome Centre.
- 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 housing costs, whilst continuing to receive the personal allowance element of UC.

Advice Services, Debt Advice and Welfare Rights

- 4.11 The Council's Advice Shop continues to offer a remote advice service for welfare rights and debt advice. It also maintains a presence in the five Customer Resilience Centres to support citizens with limited digital or phone access.
- 4.12 The Council has made significant investment in advice resources to help tackle homelessness with 9 new posts being established in Advice Services. A multi-

disciplinary team is now being formed to proactively target people at risk of homelessness e.g. eviction due to rent arrears

- 4.13 Demand for debt advice has been lower than usual during the pandemic due to mitigating actions by Scottish Government, councils and creditors. Enquiries have, however, increased slightly over the last quarter of 20/21 due to the court system reopening.
- 4.14 Since September 2020 demand for welfare rights advice has been approaching pre-pandemic levels. The period April 2020 to March 2021 saw 6035 welfare rights enquiries to the Advice Shop, leading to financial gains totalling £8.3m through DWP, HMRC and local authority payments totalling £8.3m. This represents an average financial gain of £2177 per household per year.
- 4.15 Income maximisation training has been delivered to frontline services across the Council, as well as voluntary organisations in Edinburgh.
- 4.16 New parents registering the birth of a child in Edinburgh are now offered information and advice on possible benefit entitlements. This is aimed specifically at maximising take up of Scottish Child Payment, Child Benefit and Universal Credit to support the tackling of child poverty.

Benefit Cap

- 4.17 As of 31 March 2021, 207 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	25	£51.55	12%
Private	65	£46.13	31%
Homeless	70	£216.56	34%
PSL	30	£45.57	15%
HA	17	£58.13	8%
Total	207	£83.59	100%

- 4.18 There are 530 households within Edinburgh subject to a reduction in their UC due to the Benefit Cap. This is the most up to date position provided by Department for Works and Pensions.

Average Weekly loss in Universal Credit	Number of households within range
£0.01 - £50.00	310
£50.01 - £100.00	140
£100.01 - £150.00	50
£150.01 - £200.00	30

- 4.19 Single households with/without children account for 350 of the capped UC cases and 180 households are couples with dependants. Discretionary Housing Payment has been awarded to 87 claims, totalling £220,866.62. Work is underway to identify citizens with a potential entitlement to DHP in order to promote take-up.

Free School Meals and Clothing Grants

- 4.20 Substitute payments for Covid-19 Free School Meals made during school closures from 18 January 2021 are detailed in the table below:

Periods	Number of children	Total
18 to 29 January 2021	7676	£172,773.00
01 to 12 February 2021	7778	£194,450.00
15 to 26 February 2021	7772	£194,300.00
01 to 12 March 2021	7806	£195,150.00

- 4.21 Covid-19 Free School Meals payments made for S1 to S6 pupils for the blended learning period between 15 March and 1 April 2021 totalled £105,980.00 for 3028 children.
- 4.22 Covid-19 Free School Meals payments made for the Easter holidays between 2 April to 19 April 2021 totalled £239,580.00 for 7986 children.
- 4.23 Covid-19 Spring Hardship Payments of £100.00 per child for school age children totalled £798,600.00 for 7986 children.
- 4.24 The table below details the number of Free School Meal and Clothing Grant awards that have been made to 31 March 2021, compared to the same period to 31 March 2020.

	Awards to 31 March 2020	Awards to 31 March 2021
Free School Meals	5950	8828
Clothing Grants	5337	8301

Council Tax Reduction Scheme (CTRS)

- 4.25 The National Settlement and Distribution Group allocated £26.49m CTRS funding to the Council for 2020/21 (£26.32m for 2019/20). As part of the response to COVID a further £2.43m was allocated to the Council by the Scottish Government. No significant changes were made to the scheme and Appendix 2 outlines the Council's CTRS spend to 31 March 2021 and the following table below details the number of citizens on CTRS from March 2020 to January 2021 (latest data provided by Scottish Government).

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
November	36,340
December	36,520
January	35,870

- 4.26 The National Settlement and Distribution Group has allocated £27.06m CTRS funding to the Council for 2021/22 (£28.92m for 2020/21). No significant changes have been made to the scheme this year.

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

- 4.27 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 March
Crisis Grants	£1,481,874.60	£918,600.00	£2,400,474.60	£2,973,397.61
Community Care Grants	£987,916.40	£612,400.00	£1,600,316.40	£2,143,368.51
Total	£2,469,791.00	£1,531,000.00	£4,000,791.00	£5,116,766.12

- 4.28 As part of the Scottish Government's flexible hardship support funding an additional £1.155m was allocated to SWF to support increased awards to citizens in crisis.
- 4.29 There were 187 SWF 2nd Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2020 and 31 March 2021. The Scottish Public Services Ombudsman upheld 58 appeals in the applicant's favour and found 129 appeals in the City of Edinburgh's favour.
- 4.30 The following table details the 2021/22 budget allocation:

Budget 2021/22	Additional Covid-19 allocation	Total Budget	Average Monthly Budget
£2,417,686.00	£0.00	£2,417,686.00	£201,473.83

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

- 4.31 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.
- 4.32 As at 31 March 2021, 1538 applications have been received and 706 awards made, totalling £353,000. The main reason for refusal is the citizen has not been asked to self-isolate through Test and Protect
- 4.33 A total of 122 appeals against the decision not to award have been made, with 45 of these awarded, totalling £22,500.

4.34 Where an application is refused, the applicant is advised to apply for a Scottish Welfare Fund Crisis Grant. If unsuccessful they are considered for a discretionary award from the Financial Security Fund. In instances where all financial options have been found not to be appropriate, applicants are referred to the food support pathway, being delivered in conjunction with EVOC.

Additional Support for Citizens During Covid-19 Related Restrictions

4.35 The Scottish Government has advised that all households currently eligible for the Council Tax Reduction Scheme or specific Council Tax exemptions will receive £130 of support. This will support around 40,000 Edinburgh households and the scheme is expected to launch in late spring, with all payments by October 2021.

4.36 The Council is supporting food security through the creation of a Food Charity Support Fund, with grants of up to £4000 available. This is aimed at Edinburgh based foodbanks and community food providers. By 31 March 2021, £88k of grants had been made to food agencies.

Discretionary Housing Payments (DHP)

4.37 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 £3.66m (£2.2m in 2019/20).

4.38 As of 31 March, the Council’s DHP financial position is:

Total Fund for 2020/21	£7,328,529.00*
Net Paid to Date	£6,501,238.65
Committed pending related benefit process	£23,720.25

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

4.39 Appendix 3 details the budget spend/commit to 31 March 2021.

4.40 There have been 8205 DHP applications considered up to 31 March, of which 839 were refused. The overall refusal rate is 10.2%. The most common reason for refusal is where a customer’s income exceeds their expenditure.

4.41 Edinburgh’s DHP allocation for 2021/22 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 £2.41M or 50% 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 £1.68M

4.42 Scottish Government have advised that additional funding will be allocated in May 2021 for 'other DHPs' in 2021/22.

Benefit processing figures for New Claims and Change of Circumstances

4.43 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 13 March 2021 is detailed in the following table.

Performance Indicator	Target	Actual
Days to process new benefits claims	28 days	17.03 days
Days to process change of circumstances	10 days	4.71 days

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 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, including rent arrears and changes to subsidy levels for temporary accommodation. 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 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 Sustainability Committee 23 February 2021](#)
- 8.2 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 01 December 2020](#)
- 8.3 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 25 February 2020](#)
- 8.4 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 26 November 2019](#)

9. Appendices

- 9.1 Appendix 1 – Benefit Cap Data (as at 31 March 2021)
- 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 (as of 31 March 2021)Tenure – Homeless

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	3	£11.26
£30.01 - £50.00	5	£40.04
£50.01 - £75.00	0	£0.00
£75.01 - £100.00	5	£87.68
£100.01 - £150.00	16	£124.10
£150.01 - £200.00	8	£173.04
£200.01 - £300.00	14	£250.71
£300.01 - £400.00	12	£361.24
£400.01 - £500.00	6	£455.78
£500.01 +	1	£537.11

Tenure – Mainstream (Council)

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	10	£19.59
£30.01 - £50.00	5	£41.86
£50.01 - £75.00	3	£53.13
£75.01 - £100.00	3	£89.36
£100.01 - £150.00	4	£114.03

Tenure – Private

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	34	£13.02
£30.01 - £50.00	11	£37.57
£50.01 - £75.00	6	£65.06
£75.01 - £100.00	5	£88.14
£100.01 - £150.00	7	£130.62
£150.01 +	2	£198.41

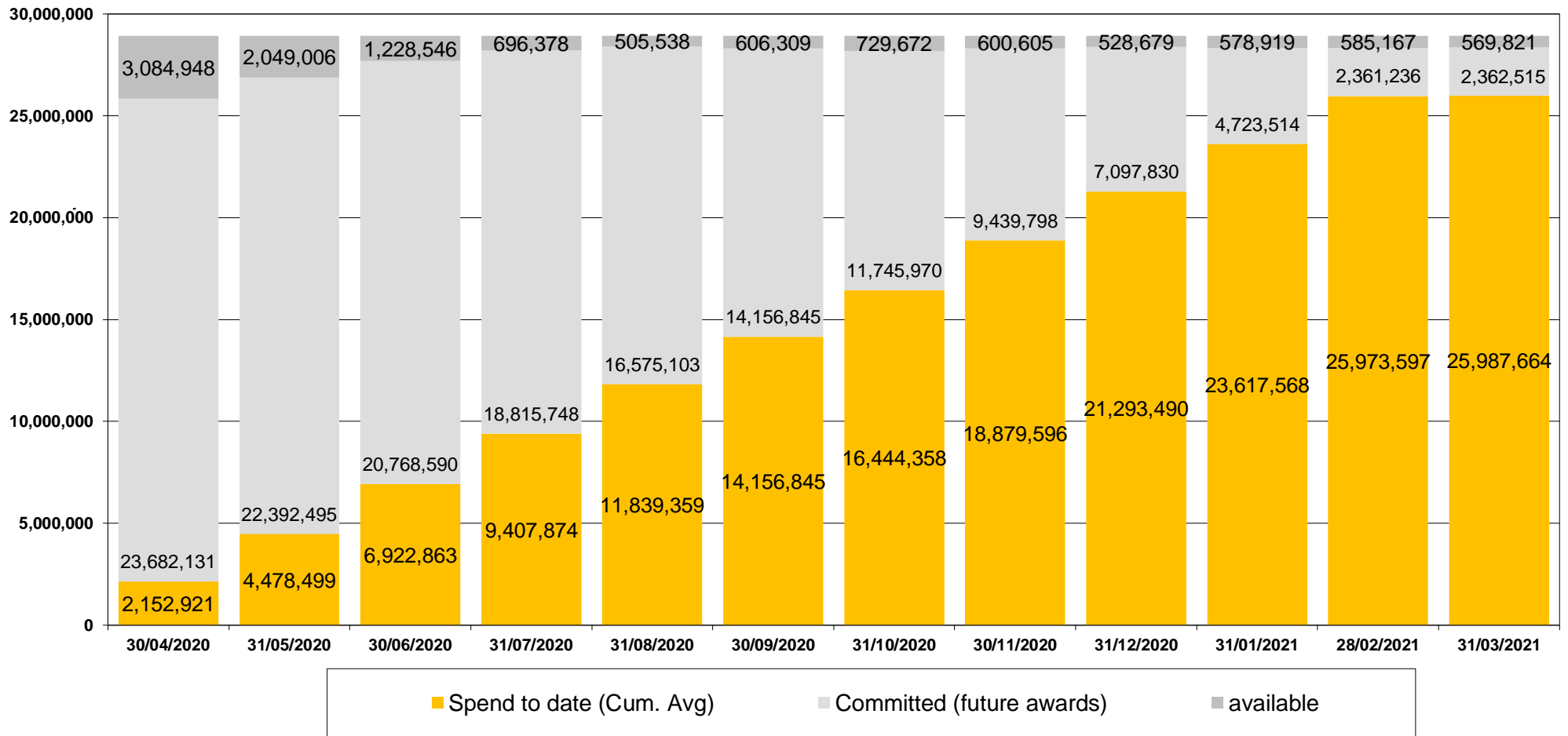
Tenure – Housing Association

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	8	£17.10
£30.01 - £50.00	2	£38.30
£50.01 - £75.00	1	£50.95
£75.01 - £100.00	3	£94.15
£100.01 - £150.00	2	£105.48
£150.01+	1	£230.51

Tenure – PSL

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range
£0.01 - £30.00	17	£10.27
£30.01 - £50.00	6	£36.58
£50.01 - £75.00	1	£59.14
£75.01 - £100.00	1	£87.17
£100.01 - £150.00	2	£122.35
£150.01 - £200.00	2	£172.06
£200.01+	1	£237.94

CTRS Distribution 2020/21



DHP Fund Allocation 2020/21

