Policy and Sustainability Committee

10.00am, Tuesday 6 August 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 councils 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 14th May 2019.

4. Main report

Universal Credit (UC)

- 4.1 With effect from 15 May 2019 mixed age couples, where 1 member of the couple has attained the qualifying age for state pension credit and the other has not will no longer be entitled to claim Housing Benefit (HB) and will have to be make a claim for UC.
- 4.2 Only once both citizens have reached the pension credit qualifying age will they be entitled to claim Pension Credit and/or pension age HB.
- 4.3 Citizens who are exempt from the new rule are those that were a mixed age couple prior to 15 May 2019 and in receipt of pension age Housing Benefit, or Pension Credit or both.
- 4.4 Appendix 1 provides details of eligibility of mixed age couples to claim Universal Credit (UC) or remain on Housing Benefit.

4.5 The Department for Work and Pensions (DWP) reported the following claims to UC 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 9th May 2019.

Jobcentre	Number of claims up to 9 th May 2019	Gender Ratio	Element of employment
Leith	2896	1318 female (45%) 1578 male (55%)	1643 (57%) not working 1253 (43%) with an element of employment
Wester Hailes	1222	607 female (49%) 615 male (51%)	585 not working (48%) 637 with an element of employment (52%)
High Riggs	2913	1269 female (44%) 1644 male (56%)	1590 not working (55%) 1323 with an element of employment (45%)
Total	7031	3194 female (45%) 3837 male (55%)	3818 not working (54%) 3213 with an element of employment (46%)

Scottish Welfare Fund (SWF) Claims and UC

- 4.6 Since April 2019 there have been 522 applications to the SWF for crisis grants from UC claimants. A total of 345 applications were paid a total of £33,313.20.
- 4.7 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

- 4.8 From 1st April 2019 PBS and ADS transferred to Citizens Advice Edinburgh who are now providing advice and support to make an online claim for UC.
- 4.9 Since UC Full Service was introduced in Edinburgh, Citizens Advice Edinburgh have supported 626 clients in relation to UC. This has predominantly been in relation to checking entitlement and support to make a claim.
- 4.10 Citizens Advice bureau locations and details of outreach within Edinburgh are detailed in Appendix 2.

Council Housing Services and UC

- 4.11 At the end of April 2019 there were around 1495 council tenants known to have made a claim for UC. On average the housing service is receiving around 30-50 requests per week from the Department for Works and Pensions (DWP) for verification of housing costs for new UC claims by tenants.
- 4.12 When rent verification requests are received, contact is made with the tenants to discuss rent payment responsibilities and to encourage tenants to set up monthly direct debits for the date their UC is paid.
- 4.13 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). Around 705 tenants have a direct payment in place.
- 4.14 Referrals are also made as appropriate, for more specialist UC support and advice for those that need more help to manage their UC claims, either to the DWP or Citizens Advice.

Temporary and Supported Accommodations

- 4.15 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).
- 4.16 Currently there are 41 households who are under occupying that are 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 under occupancy.
- 4.17 Citizens entering temporary accommodation who are in receipt of UC now apply for Housing Benefit to cover their housing costs. This arrangement will remain in place until further notice to allow alternative funding arrangements to be finalised by the DWP.

Advice Services

- 4.18 The Integrated Joint Board grant funding arrangements are being finalised with additional provision being set up within primary health care settings. Specific provision has been developed in Craigmillar to address the loss of capacity due to Community Ability Network (CAN) closing.
- 4.19 Enquiries related to UC made to the Advice Shop have increased in the first quarter of 2019/20 with 61 citizens seeking assistance. This is compared to 43 in the last quarter of 2018/19. More citizens meet the criteria for applying for UC, so this increase is relative to increasing numbers of applicants.
- 4.20 Performance data for the Advice Shop and funded agencies is detailed in Appendix 3.

Benefit Cap

- 4.21 The table below 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 31st May 2019.
- 4.22 The total number of claimants affected by the Benefit Cap has been less than anticipated with a total of households 477 affected up to 31st May 2019.

Tenure	Number of Households affected	Average Weekly Loss in Benefit	% of all Benefit Cap cases
Mainstream	74	£50.75	15%
Private	84	£73.86	18%
Homeless	162	£200.47	34%
PSL	132	£56.98	28%
HA	25	£46.76	5%
Total	477	£107.18	100%

N.B. Appendix 4 provides a more in-depth breakdown of the above data.

- 4.23. Whilst the most negatively affected group are citizens in homeless accommodation it should be noted the service supports citizens apply for HB for all temporary accommodation placements. As detailed in section 4.15 of this report, 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).
- 4.24 It is the case that where a household does not qualify or only partially qualifies for benefit they will be asked for a contribution based on their income, using appropriate DWP guidelines. Citizens in this position receive additional support, including referrals to advice agencies and employability to services to ensure that their income is maximised and all options for improving their financial circumstances are explored.
- 4.25 As defined in section 9.83 of the Scottish Government's Code of Guidance on Homelessness, as a general rule the households eligibility for service is based on their housing needs and circumstances. The ability to pay for accommodation cannot be taken into account if they are eligible for this service. https://www.gov.scot/publications/code-guidance-homelessness/pages/10/

Council Tax Reduction Scheme (CTRS)

4.26 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 5 outlines the Council's CTRS spend to 31st May 2019.

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

- 4.27 Crisis Grant applications between April and June 2019 were considered for high priority cases only. Community Care Grant applications between April and June 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 6.
- 4.28 A total of 17 SWF 2nd Tier Reviews were heard by the Scottish Public Services Ombudsman between 1 April 2019 and 9th June 2019. The Scottish Public Services Ombudsman upheld 5 appeals in the applicant's favour and refused 12 appeals in the City of Edinburgh's favour.

Grant	Budget 2019/20	2019/20 Spend April to 9 th June 2019
Crisis Grants	£703,210.80	£141,003.51
Community Care Grants	£1,672,133.19	£410,237.67
Total	£2,375,343.99	£551,241.18

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

Discretionary Housing Payments (DHP)

- 4.30 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).
- 4.31 As of 31 May 2019, the Council's DHP financial position (Appendix 7) is:

Total Fund for 2018/19	£5,484,667*			
Net Paid to Date	£1,030,011.84			
Committed pending related benefit process	£3,312,469.86			
*exclusive of additional 20% to be allocated in 2020.				

4.32 There have been 4814 DHP applications up to 31 May 2019, of which 99 were refused. The overall refusal rate is 2%. The most common reason for refusal is where a customer's income exceeds their expenditure.

- 4.33 The additional Scottish Government funding is expected to fully mitigate under occupancy in 2019/20.
- 4.34 The Scottish Government are currently developing new guidance on DHPs for local authorities. No time scale for release has been advised.

Benefit processing figures for New Claims and Change of Circumstances

4.35 The number of days to process a Housing Benefit and/or Council Tax Reduction new claim or change of circumstances at 31 May 2019 is detailed below:

Performance Indicator	Target	Actual
Days to process new	28	17.74
benefits claims		
Days to process change	10	5.32
of circumstances		

Social Security Scotland

- 4.36 From Monday 3 June 2019 the Best Start Grant School Age Payment opened for applications. The one-off payment is for £250.00 and citizens whose children were born between 1 March 2014 to 28 February 2015 (inclusive) are eligible to make a claim. The grant can be applied for between 3 June 2019 and 29 February 2020.
- 4.37 The payment will be made to citizens on a low income in order that they can support their child during the early years.
- 4.38 Citizens who are eligible for a Clothing Grant or Free School Meal have been notified on how to apply for the Best Start Grant School Age Payment.
- 4.39 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.
- 4.40 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 available benefits.

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 and 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 The increase in numbers of people experiencing hardship has led to increased 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 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 ~ Universal Credit and Mixed Age Couples
- Appendix 2 Citizens Advice Bureau Locations
- Appendix 3 Advice Services Data
- Appendix 4 Benefit Cap Data
- Appendix 5 Council Tax Reduction Scheme Spend
- Appendix 6 Scottish Welfare Fund Spend
- Appendix 7 Discretionary Housing Payment Spend

Mixed age couple in receipt of HB and other legacy benefit – older member of the couple is lead claimant on other legacy benefit:

Patrick and Fiona are a working age couple in receipt of working age HB and Employment Support Allowance (Income Related) (ESA(IR)) continuously since 17 March 2017. As Fiona is the older member of the couple and is the lead claimant on the ESA(IR) claim, DWP will contact her and advise that she needs to make a claim to UC for her future support. The mixed age couple will make a claim to UC. The LA will be notified and the transition to UC Housing payment will be made. The HB claim will be closed.

Mixed age couple in receipt of HB and other DWP legacy benefit – younger member of the couple is lead claimant of the legacy benefit

Lorraine and Neil are a working age couple in receipt of working age HB and Job Seekers Allowance (Income Based) (JSA(IB)) continuously since 21 April 2018 and Neil reaches State Pension age on 15 May 2019. As Lorraine is the younger member of the couple and is the lead claimant on the JSA(IB) claim, they will continue to receive the JSA(IB) and HB until Lorraine reaches State Pension age or has a change in circumstances.

Existing mixed age couple tries to make a new claim to HB on or after 15 May 2019

Where a mixed age couple tries to make a new claim to HB on or after 15 May 2019, they should be signposted to UC to make a claim for their ongoing housing support.

Mixed age couple in receipt of HB and other legacy benefit including Severe Disablement Premium (SDP), older member of the couple is lead claimant

Alan and Lucy are a working age couple in receipt of working age HB and ESA(IR) continuously since 29 October 2018. As Alan is the older member of the mixed age couple and is the lead claimant on the ESA(IR) claim, DWP will contact Alan to inform him that his ESA claim includes SDP and therefore he will remain entitled to ESA after reaching State Pension age and therefore HB.

Mixed age couple in receipt of HB only

Glen and Caroline are a working age couple who have been in receipt of working age HB only continuously since 17 March 2017. Glen reaches State Pension age on 6 July 2019. The LA will inform the claimant that their HB claim will close as they are now a mixed age couple. If the mixed age couple require continued assistance they should be signposted to make a new claim to UC. If the HB claim has not yet closed before the UC claim is made, then a 2-week transition to UC housing payment can be made.

Mixed age couple in receipt of HB with SDP

Where a working age couple are in receipt of working age HB only and SDP and the older member of the couple reaches State Pension age becoming a mixed age couple on or after 15 May 2019, the mixed age couple will continue to receive working age HB.

The LA should signpost the claimant to the DWP working age SDP team if they need additional benefit support as they are ineligible to claim UC.



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If you need free, independent and impartial advice - Citizens Advice Edinburgh will have a service near you.

Access to all our services can be achieved at your local bureau or by calling 0131 510 5510 or visiting <u>www.citizensadviceedinburgh.org.uk</u>

Bureaux Locations	Outreach Services				
Appointments required outwith drop-in sessions	For details visit www.citizensadviceedinburgh.org.uk				
City Centre	GP Surgeries:				
58 Dundas Street, EH3 6QZ Drop-ins Wed 13:30-16:00 and Fri 09:10 – 13:00	Bellevue, Čraigmillar, Ladywell (East&West) Inchpark, South Queensferry and Westerhailes				
Leith	Hospitals:				
23 Dalmeny Street, EH6 8PG Drop-ins Mon-Fri 09:30 – 12:30	Western General and Edinburgh Royal Infirmary				
Portobello	Sheriff Courts:				
8a Bath Street, EH15 1EY Drop-ins Tue 09:30-12:30 and Thu 09:30 – 12:30	In Court Advice and Mediation				
Gorgie/Dalry	Community Centres:				
137 Dundee Street, EH11 1BG Appointments only	Tollcross Hub, Craigmillar Neighbourhood Alliance (White House), Oxgangs Neighbourhood Centre, Goodtrees Neighbourhood Centre, Veterans 1 st Point				
Pilton/Muirhouse	Home Visiting Services:				
31-33 Pennywell Road, EH4 4PJ **Opening July 2019**	Available for people with reduced mobility or health issues and for specialist Home Energy Advice				
Evening Clinics					
Gorgie/Daly Bureau Legal Clinic every Monday fr					
Leith Bureau Employment and Legal Clinic every					
Dundas Street Bureau General and Legal Clinic					
Telephone Advice Universal Credit – 0800 023 2581 - EU Settlement – 0800 916 9847					
Financial Health and Budgeting – 0800 085 7145 – NHS Patient Advice 0800 917 2127 Pension Wise - 0800 138 3944 and for General Advice - 0808 800 9060					
Dedicated and Specialist Advisers					
We have dedicated specialist in Universal Credit, Benefit Appeals, Debt, Employment,					
Immigration, Housing and Home Energy, who your adviser may refer you onto.					

Debt Advice

Debt Advice	2018/19	2017/18	2016/17	2015/16	2014/15
Number of Enquiries by Funded Agencies	5816	5836	6,596	6,588	7,209
Level of Problematic Debt dealt with by Funded Agencies	£7,385,159	£6,816,501	£2m	£2m	£360,000
Number of People assisted by Advice Shop	Enquiries- 309 New Cases- 297	Enquiries- 471 New Cases- 369	Enquiries -422 New Cases- 472	Enquiries - 2436 New Cases- 1153	Enquiries - 3013 New Cases- 1148
Level of Problematic Debt dealt with by Advice Shop	£2.3m	£2.5m	£2.66m	£11.4m	Not available

Benefit Tribunals Representation

Benefit Tribunals	2018/19	2017/18	2016/17	2015/16	2014/15
Number of tribunals represented by funded Advice Services	459	514	995	738	500
Number of tribunals represented by the Advice Shop	394	477	Inc. in above	Inc. in above	Inc. in above

Welfare Rights Advice

Welfare Rights Advice	2018/19	2017/18	2016/17	2015/16	2014/15
Number of enquiries dealt with by external funded agencies	13,285	13,851	12,896	15,228	14,145
Increased income gained for clients using funded agencies	£6m	£5.6m	£4.8m	£5.7m	£3m
Increased income gained for clients using the Advice Shop	£11.6m	£12.4m	£14.4m	£10.2m	N/ A

Benefit Cap Data

Tenure – Mainstream (Council)

Average Weekly Loss in Benefit	Number c Households within range	of	Average Loss Range	Weekly Within
£0.01 - £30.00	23		£19.	.38
£30.01 - £50.00	25		£39.29	
£50.01 - £75.00	9		£61.	.99
£75.01 - £100.00	9		£88.66	
£100.01 - £150.00	8		£121	.48

<u>Tenure – Private</u>

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	
£0.01 - £30.00	22	£16.42	
£30.01 - £50.00	14 £36.82		
£50.01 - £75.00	7	£57.01	
£75.01 - £100.00	17	£87.60	
£100.01 - £150.00	14 £115.28		
£150.01 +	10	£182.52	

<u> Tenure – Homeless</u>

Average	Number of	Average Weekly
Weekly Loss in	Households	Loss Within
Benefit	within range	Range
£0.01 - £30.00	7	£16.48
£30.01 - £50.00	4	£43.96
£50.01 - £75.00	17	£62.42
£75.01 - £100.00	4	£92.12
£100.01 - £150.00	48	£122.08
£150.01 - £200.00	9	£177.47
£200.01 - £300.00	37	£255.79
£300.01 - £400.00	23	£344.70
£400.01 - £500.00	11	£439.49
£500.01 +	2	£535.57

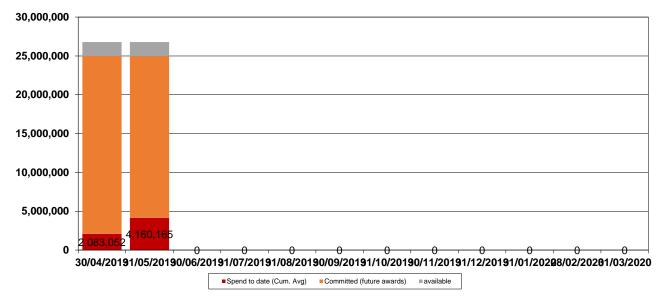
Benefit Cap Data (Contd)

Tenure - PSL

Average	Number of	Average Weekly		
Weekly Loss in	Households	Loss Within		
Benefit	within range	Range		
£0.01 - £30.00	35	£13.22		
£30.01 - £50.00	44	£39.11		
£50.01 - £75.00	28	£64.79		
£75.01 - £100.00	5	£85.58		
£100.01 - £150.00	9	£117.04		
£150.01 - £200.00	8	£171.24		
£200.01 +	3	£224.43		

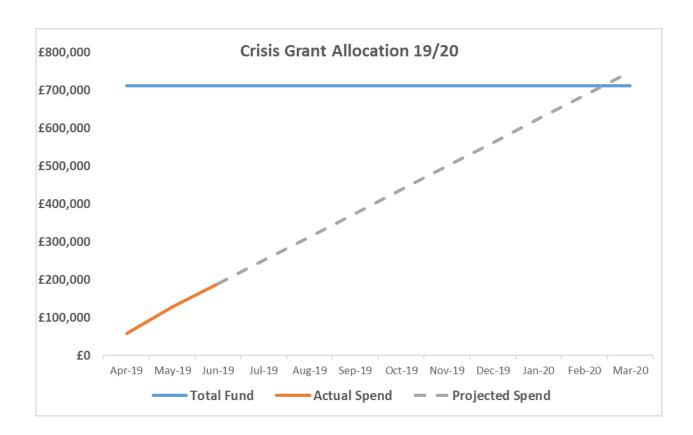
<u>Tenure – HA</u>

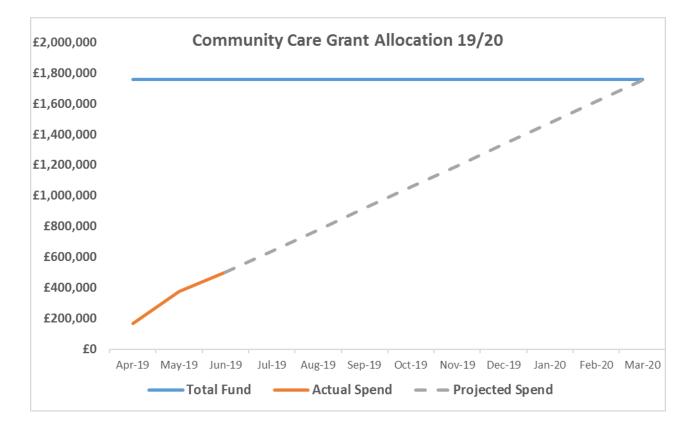
Average Weekly Loss	Number	of	Average	Weekly
in Benefit	Households		Loss	Within
	within range		Range	
£0.01 - £30.00	13		£16.44	
£30.01 - £50.00	2		£36.45	
£50.01 - £75.00	3		£63.72	
£75.01 - £100.00	5		£91.24	
£100.01 - £150.00	2		£117.49	

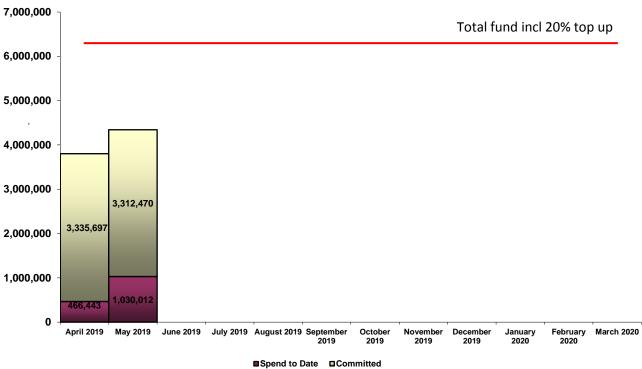


CTRS Distribution 2019/20

Policy and Sustainability, 6 August 2019







DHP Fund Allocation 2019/20