

# Policy and Sustainability Committee

10.00am, Tuesday 30 November 2021

## Welfare Reform Update

Item number	
Executive/Routine	Routine
Wards	All
Council Commitments	

### 1. Recommendations

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- 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

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- 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

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- 3.1 The Welfare Reform update is reported to the Policy and Sustainability Committee on a regular basis and aligns with the Working Group meeting cycle. The last report was considered by Committee on 10 June 2021.

### 4. Main report

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#### Universal Credit (UC)

- 4.1 The Department for Work and Pensions (DWP) reported the following UC claims for Edinburgh. The table shows the number of claims made to Edinburgh Jobcentre Plus offices up to 9 September 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	14233	5825	5823	2585
High Riggs	16189	6559	6516	3114
Wester Hailes	4735	1811	1904	1020
<b>Total</b>	<b>35157</b>	<b>14195</b>	<b>14243</b>	<b>6719</b>

- 4.2 On 6 October 2021 the temporary £20 a week UC uplift ended for UC claimants. Citizens in receipt of legacy benefits did not receive the £20 per uplift and those in receipt of Working Tax Credit had the temporary £20 uplift removed on 31 March 2021. The Chancellor of the Exchequer's Autumn Budget Statement confirmed that the taper rate in UC will reduce from 63% to 55%, as well as increasing work allowances in UC by £500 a year. The change is expected to come into effect no later than 01 December 2021. Non-working UC claimants will not benefit from this change.

- 4.3 From July 2021 the pre pandemic rules for self-employed claimants applied again. The minimum income floor was reintroduced and the UC payment calculated on an assumed level of earnings. The minimum income floor does not apply if the self-employment was in a start up period on 13 March 2020.

### **Council Housing Services and Universal Credit (UC)**

- 4.4 At the end of September 2021 there were around 5570 Council tenants (30% of tenants) known to have made a claim for UC.
- 4.5 All tenants who are known to have made a UC claim were contacted at the end of September to confirm if they are still claiming UC as the Department for Works and Pensions (DWP) do not inform the Council when a claim goes into payment or ends. This will enable the service to better monitor scheduled UC rent payments and target advice/assistance to tenants at risk of accruing debt.
- 4.6 Where tenants have complex needs or are in 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 3640 (65%) of UC tenants have a direct payment in place.

### **Temporary and Supported Accommodation**

- 4.7 Homelessness services continue to see high demand and the service has secured temporary accommodation for 4532 households.
- 4.8 Working with third sector agencies, the homelessness and temporary accommodation service have provided assistance and accommodation to over 200 people at risk of rough sleeping. Since the initial easing of lockdown measures the number of people returning to rough sleeping has been low (6-12 per night).
- 4.9 Positive and constructive liaison is ongoing with commissioned services to engage with rough sleepers, building trust and with the aim of outreach services, assisting them to accept temporary accommodation and access health and other services available to them with the goal of them being able to stop rough sleeping and permanently settling into their own home.
- 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 also continue 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 both a remote advice service for welfare rights/debt advice, whilst maintaining a presence in the Resilience Centres/ locality offices, to support those without phone or email access.

- 4.12 Significant new investment has been made in advice resources to help prevent and tackle homelessness, with 9 new posts in Advice Services. This additional resource is being utilised to prevent Council tenants from being evicted and to provide people presenting as homeless or seeking housing advice with income maximisation support.
- 4.13 Demand for debt advice has been lower than usual during the pandemic due to the mitigating actions by Scottish Government, councils and creditors. The period October 2020 to September 2021 saw 6116 welfare rights enquiries to the Advice Shop, leading to financial gains totalling £7.6m through DWP, HMRC and local authority payments. This represents an average financial gain of £1800 per household per year. Performance data for Advice Shop is detailed in Appendix 1.

### Benefit Cap

- 4.14 As of 30 September 2021, 149 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 2 provides a more detailed breakdown by tenure.

Tenure	Number of Households affected	Average Weekly Loss in Benefit	% of all Benefit Cap cases
Mainstream	17	£60.23	11%
Private	56	£49.19	38%
Homeless	39	£210.97	26%
PSL	25	£36.95	17%
HA	12	£42.94	8%
<b>Total</b>	<b>149</b>	<b>£80.06</b>	<b>100%</b>

- 4.15 As of May 2021, 600 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 DWP.

Average Weekly loss in Universal Credit	Number of households within range
£0.01 - £100.00	190
£100.01 - £200.00	150
£200.01 - £300.00	110
£300.01 - £400.00	50
£400.01 - £500.00	40
£500.01 +	60

- 4.16 Discretionary Housing Payment for those affected by the Benefit Cap has been awarded to 100 UC claims, totalling £135,798011

## Free School Meals and Clothing Grants and Hardship Payments

- 4.17 Payments for Covid-19 Free School Meals made for October school holiday, from 18 October 2021 to 25 October 2021, totalled £110k for 7360 children.
- 4.18 The autumn Scottish Child Bridging payments of £160 per school age child, totalled £1.177m for 7360 children.
- 4.19 Parents and carers who received an automatic award of Free School Meals but have not yet provided payment details for their Clothing Grant, holiday payments and Scottish Child Bridging Payments have been contacted in order to progress these awards.
- 4.20 The following table details the number of Free School Meal and Clothing Grant awards that have been made to 30 September 2021, compared to awards to 31 March 2021.

	Awards to 31 March 2021	Awards to 30 September 2021
Free School Meals	8828	8309
Clothing Grants	8301	7431

## Council Tax Reduction Scheme (CTRS)

- 4.21 The National Settlement and Distribution Group 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 and Appendix 3 outlines the Council's CTRS spend to 30 September 2021.
- 4.22 The following table details the number of citizens on CTRS from September 2020 to August 2021 (latest data provided by Scottish Government).

Month	Caseload
September	36,460
October	36,710
November	36,340
December	36,520
January	35,870
February	36,050
March	35,750
April	35,520
May	35,350
June	35,080
July	34,680
August	34,720

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

4.23 The following table details the 2021/22 budget allocation:

Budget 2021/22	Additional funding	Total Budget
£2,417,686.00	£2,951,420.00	£5,369,106

4.24 The following table details monthly spend from 1 April 2021 to 30 September 2021.

Month	Community Care Grant	Crisis Grant
April	£248,079.38	£177,629.54
May	£180,765.17	£158,046.40
June	£148,804.44	£147,410.56
July	£100,080.03	£166,005.34
August	£112,717.44	£158,574.94
September	£143,369.75	£176,941.37
<b>Total Spend</b>	<b>£933,816.21</b>	<b>£984,608.15</b>

4.25 There were 79 SWF 2<sup>nd</sup> Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2021 and 30 September 2021. The Scottish Public Services Ombudsman upheld 20 appeals in the applicant's favour and found 59 appeals in the City of Edinburgh Council's favour.

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

4.26 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 supports people who may otherwise struggle to be able to afford to comply with the requirement to self-isolate.

4.27 From 13 October 2021 the eligibility rules changed and claimants who are fully vaccinated (either an adult who has received 2 doses or a child aged between 12-17 who has received 1 dose over 14 days ago) and have been identified as a close contact but receive a negative PCR test will no longer be entitled to receive a SISG, even whilst isolating until the PCR result is known.

4.28 The following table details the number of applicants, awards made, rejected and the spend for the period 1 April 2021 to 30 September 2021.

	SISG Awarded	SISG Refused	SISG Spend
April	109	124	£54,500.00
May	89	117	£44,500.00
June	482	375	£241,000.00
July	1244	1008	£622,000.00
August	882	702	£441,000.00
September	2006	1673	£1,003,000.00
<b>Total</b>	<b>4812</b>	<b>3999</b>	<b>£2,406,000.00</b>

4.29 The majority of refusals are for failure to appear on the Test and Protect database, with the others related to qualifying income.

4.30 There were 6 SISG 2<sup>nd</sup> Tier Reviews heard by the Scottish Public Services Ombudsman between 1 April 2021 and 30 September 2021. The Scottish Public Services Ombudsman upheld 3 appeals in the applicant's favour and found 3 appeals in the City of Edinburgh Council's favour.

4.31 Where an application is refused, the applicant is advised to apply for a Scottish Welfare Fund Crisis Grant and if this is 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, and as a last resort, applicants are offered a foodbank referral.

### **Additional Support for Citizens During Covid-19 Related Restrictions**

4.32 The Scottish Government has advised that all households currently eligible for the Council Tax Reduction Scheme, entitled to specific Council Tax exemptions or residing in temporary accommodation for any day within April 2021 will receive £130 of support through a Low-Income Pandemic Payment. No application was required and the Council has identified and paid 39,684 citizens, totalling £5.158m

4.33 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. From 1 April 2021, £48k has been awarded. A further payment is due to be made in December 2021, with an additional payment planned in the Spring 2022.

4.34 The Scottish Government has provided grant funding to local authorities for tenants who are at risk of homelessness as a direct result of rent arrears accrued due to the Covid-19 pandemic. Edinburgh received £1.499m from this fund, which can be used for arrears accrued from both the Private Rented Sector and Registered Social Landlords.

4.35 A dedicated team to administer the fund is being set up within Homelessness and Housing Support. Information about the grant award is available on the Council's website, with communications also being distributed to Registered Social Landlords, Private Landlords and via social media.

### **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 2021/22 is as follows:

- Under Occupancy mitigation - The funding is 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.

4.37 Scottish Government provided further funding in August 2021.

- Under Occupancy mitigation – A further 30% of the expected cost was allocated of £1.63M.
- Other DHPs – £748K

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

Total Fund for 2021/22	£6,473,598.00 *
Net Paid to Date	£3,239,568.59
Committed pending related benefit process	£2,460,847.12

\*exclusive of additional 20% funding for under occupancy to be allocated in 2022.

*Appendix 4 details the budget spend/commit to 30 September 2021.*

4.39 There have been 6827 DHP applications considered up to 30 September, of which 331 were refused. The overall refusal rate is 4.8%. 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**

4.40 The number of days to process a Housing Benefit and/or Council Tax Reduction new claim or change of circumstances from 1 April 2021 to 11 September 2021 is detailed in the following table:

Performance Indicator	Target	Actual
Days to process new benefits claims	28 days	15.97 days
Days to process change of circumstances	10 days	6.29 days



## **Child Disability Payment**

- 4.41 Scottish Social Security (SSS) will begin to deliver the Child Disability Payment from 22 November 2021. This replaces the current DWP administered Disability Living Allowance for children. The new benefit will be the first recurrent benefit being administered by SSS and is payable to children with a disability or terminal illness between the ages of 3 months and 18 years, with the aim of reducing face to face health and capability assessments. SSS will gather supporting information of client condition and needs directly from health and local authorities to allow assessment to be made and reduce the burden on claimants. Local authorities are in the process of discussing SSS requirements for team/single points of contact to coordinate requests. The new benefit will be implemented on a phased basis and is expected to be complete by spring 2023.

## **5. Next Steps**

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

## **6. Financial implications**

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- 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. Actions taken to assess and mitigate these risks and 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**

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- 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**

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- 8.1 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 10 June 2021](#)
- 8.2 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 23 February 2021](#)
- 8.3 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 01 December 2020](#)
- 8.4 [Welfare Reform - Update to Corporate Policy and Sustainability Committee 25 February 2020](#)

## **9. Appendices**

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- 9.1 Appendix 1 – Advice Shop Performance Data
- 9.2 Appendix 2 – Benefit Cap Data
- 9.3 Appendix 3 – Council Tax Reduction Scheme (CTRS) Distribution 2021/22
- 9.4 Appendix 4 – Discretionary Housing Payment (DHP) Fund Allocation 2021/22

**Advice Shop Performance Data**Debt Advice

Debt Advice	Apr-Sep 2021	2020/21	2019/20	2018/19	2017/18
Number of People assisted by Advice Shop	Enquiries – 91 New Cases - 42	Enquiries – 206 New Cases - 107	Enquiries – 264 New Cases – 190	Enquiries – 309 New Cases – 297	Enquiries – 471 New Cases – 369
Level of Problematic Debt dealt with by Advice Shop	£275k	£558k	£1.7m	£2.3m	£2.5m

Welfare Rights Advice

Welfare Rights Advice	Apr-Sep 2021	2020/21	2019/20	2018/19	2017/18
Increased income gained for clients using the Advice Shop	£3.2m	£8.3m	£11.5m	£11.6m	£12.4m

Benefit Tribunals Representation

Benefit Tribunals	Apr-Sep 2021	2020/21	2019/20	2018/19	2017/18
Number of tribunals represented by the Advice Shop	58	116	304	394	477

**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 (DHP) and the average amount in payment as of 30 September 2021.

Tenure – Homeless

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number of Households with DHP	Average Weekly DHP
£0.01 - £30.00	1	£2.95	0	0
£30.01 - £50.00	3	£39.56	0	0
£50.01 - £75.00	0	£0.00	0	0
£75.01 - £100.00	2	£92.97	1	£100.00
£100.01 - £150.00	10	£73.61	2	£104.00
£150.01 - £200.00	5	£174.92	1	£100.00
£200.01 - £300.00	8	£219.32	3	£100.00
£300.01 - £400.00	7	£349.72	0	0
£400.01 - £500.00	3	£456.71	1	£100.00

Tenure – Mainstream (Council)

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number of Households with DHP	Average Weekly DHP
£0.01 - £30.00	5	£16.38	1	£20.00
£30.01 - £50.00	2	£42.68	0	£0.00
£50.01 - £75.00	4	£56.72	1	£48.00
£75.01 - £100.00	3	£90.76	1	£64.00
£100.01 - £150.00	3	£119.20	2	£40.50

Tenure – Private

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number of Households with DHP	Average Weekly DHP
£0.01 - £30.00	29	£13.90	8	£18.25
£30.01 - £50.00	9	£39.91	4	£34.83
£50.01 - £75.00	6	£41.51	3	£52.00
£75.01 - £100.00	5	£86.61	4	£63.02
£100.01 - £150.00	5	£102.91	3	£114.93
£150.01 +	2	£266.39	2	£211.50

### Tenure – Housing Association

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number of Households with DHP	Average Weekly DHP
£0.01 - £30.00	5	£19.69	2	£26.00
£30.01 - £50.00	4	£42.62	1	£49.00
£50.01 - £75.00	1	£55.59	1	£34.00
£75.01 - £100.00	1	£75.44	0	£0.00
£100.01 - £150.00	1	£115.35	1	£65.00

### Tenure - PSL

Average Weekly Loss in Benefit	Number of Households within range	Average Weekly Loss Within Range	Number of Households with DHP	Average Weekly DHP
£0.01 - £30.00	16	£11.46	12	£13.08
£30.01 - £50.00	6	£36.71	4	£30.38
£50.01 - £75.00	0	£0.00	0	£0.00
£75.01 - £100.00	0	£0.00	0	£0.00
£100.01 - £150.00	1	£109.27	0	£0.00
£150.01 - £200.00	1	£165.86	1	£165.86
£200.01+	1	£244.86	1	£100.00

### CTRS Distribution 2021/22



