

The Highland Council
Resources Committee – 27 May 2015

Agenda Item	10(a)
Report No	RES/35/15

Welfare Reform Update

Joint Report by Director of Finance and Director of Community Services

Summary

This Report provides information on the current status of Universal Credit and other Welfare initiatives. It also provides financial monitoring information for 2014/15, covering the Council's considerable involvement in this area of work.

1. Background

1.1 This report forms part of a regular update on all issues relating to Welfare Reform. The latest statistics are outlined in Appendix 1.

2. Social Security in Scotland

2.1 The Scottish Government has published detailed information regarding the scale and reach of social security benefits to be devolved to Scotland. The new report gives Scottish specific statistics on each of the 11 benefits that will be controlled by the Scottish Parliament, which are

- Benefits for carers, disabled people and those who are ill: Attendance Allowance, Carer's Allowance, Disability Living Allowance (DLA), Personal Independence Payment (PIP), Industrial Injuries Disablement Allowance and Severe Disablement Allowance;
- Benefits which currently comprise the Regulated Social Fund: Cold Weather Payment, Funeral Payment, Sure Start Maternity Grant and Winter Fuel Payment; and
- Discretionary Housing Payments

2.2 Social Justice Secretary Alex Neil said "We must consider how the new powers can complement devolved services and I look forward to listening to people and organisations across Scotland over the next few months to hear their ideas on how we can use these powers to the very best effect."

2.3 CoSLA welcomes the Scottish Government's commitment to listen, however they are keen to see further detail on how the Scottish Government propose to facilitate this. In preparation, CoSLA has started initial discussions in some policy areas in order to start developing a Local Authority position where the picture becomes clearer. The Highland Council, represented by the Director of Finance and Head of Revenues and Business Support, is one of five Councils that are participating in

these discussions via the LA Welfare Reform Advisory Group.

2.4 The Highland Council will seek to have a leading role to engage with the Scottish Government and influence future decisions relating to the Social Security system in Scotland with a view to delivering these services on behalf of the Scottish Government.

2.5 The Highland Council area has significant numbers of benefit claimants who will be impacted by any changes to the Social Security System as detailed by the benefit expenditure below:

Benefit	Benefit expenditure 2013/14
Attendance Allowance	£19.6m
Carers Allowance	£6.8m
Disability Living Allowance	£53.4m
Personal Independence Payment	1,133 claimants (January 2015)
Severe Disablement Allowance	£3.0m
Cold Weather Payment	£0.18m (2012/13)
Funeral Payment	unavailable*
Sure Start Maternity Payment	£213m**
Winter Fuel Payment	£9.0m
Discretionary Housing Payment	£1.7m

*Part of social fund payments, specific data unavailable at LA, Scotland or UK level.

**Scotland expenditure

2.6 **The Highland Council Officer Welfare Reform Activities**
Staff across Council services are engaged at all levels both locally and nationally undertaking activities to promote, lobby and champion the Council's considerable involvement in the Welfare Reform agenda.

2.7 **The Scottish Parliament Welfare Reform Committee**
On 21 April 2015 The Highland Council provided evidence to the Committee on the impact of welfare reform on children's services.

2.8 **THC submitted responses to the following DWP consultations:**
October 2014: Universal Credit data sharing between DWP and social landlords;
December 2014: Benefit sanctions policy beyond the Oakley review;
January 2015: Universal Credit data sharing between DWP and local support providers.

2.9 **Officers from Finance and Community Services have delivered presentations:**

- Co-facilitation of DWP Universal Credit awareness sessions for THC staff in Portree, Fort William, Wick, Dingwall and Inverness;
- Scottish Federation of Housing Associations(SFHA) – Housing Management Conference;
- Scottish Housing Best Value Network(SHBVN)– Welfare Reform Forums;
- COSLA LA WR Advisory Group;
- IRRV Annual Benefits Conference;
- West Lothian – Universal Credit Seminar;

- DWP/SFHA – Universal Credit Event;
- IRRV Benefits Workshops and Forums;
- Scottish Local Authorities Rent Forum.

Planned future events include:

- April/May: IRRV – The Highland Council and IRRV are jointly delivering 2 national workshops on “The implementation of Universal Credit” to help Councils prepare to “go live” with UC;
- June: Capita WR National Conference (includes Head of Revenues & Business Support speaking);
- June: SFHA Annual Conference (includes Housing Policy Officer speaking).

2.10 **Attendance at regular meetings:**

- ◆ CoSLA LA WR Advisory Group;
- ◆ DWP/LA Strategic Delivery Group;
- ◆ Universal Credit Highland Operational Delivery Forum;
- ◆ Money Advice Service ‘Improving Outcomes in Money Advice’ Project Advisory Board;
- ◆ LA/DWP Communication Network Group;
- ◆ Highland Social Landlord Forum;
- ◆ Highland Multi-Agency Welfare Reform Delivery Group.

2.11 **DWP Universal Credit Pilot:**

- The Highland Council as a social landlord has been invited to participate in a DWP pilot testing making Alternative Payment Arrangement applications by email. (Currently these have to be posted).

2.12 **Council Tax Reduction (CTR) and Universal Credit**

- The Highland Council is working with the Scottish Government analysing those cases where CTR is in payment for UC customers who are also in receipt of some earnings. At present the number of cases is very low (4 of the 50 CTR UC cases in Highland have earnings involved). However, some issues such as the Highland Council not being provided the full details of the UC calculation from the DWP may result in future CTR payments being lower than actual entitlement.
- Such work and analysis is to help provide information and evidence to challenge and inform national policy.

2.13 **Employability/Training:**

- Supporting people to get into work and be more ready for work through the Employability Partnership (Development and Infrastructure Service);
- Supporting school leavers with positive destinations (Care and Learning Service).

- 2.14 **Social Housing**
- Engaging with other social housing providers to support tenants affected by welfare reform (Finance and Community Services).

- 2.15 **Community Planning Partners**
- Ensuring community planning partners are sighted on the issues arising from welfare reform, co-ordinating partnership activity and reporting on partnership progress to reduce poverty against the Single Outcome Agreement, through participation in the CPP Health Inequalities Group (officers from Community Services, Development and Infrastructure and Chief Executive's Office).

3. **The Cumulative Impact of Welfare Reform on Households in Scotland**

3.1 In March 2015 the Scottish Government Welfare Reform Committee published a new report detailing the cumulative impact of Welfare Reform on households in Scotland.

3.2 The report highlights that when the current welfare reforms come to full fruition, which is now unlikely before 2018, they can be expected to reduce incomes in Scotland by £1.5bn a year, or £440 for every adult of working age. The impact falls very unevenly on different places, and on different households.

3.3 Families with dependent children are one of the biggest losers in Scotland; couples with children lose an average of more than £1,400 a year, and lone parents around £1,800 a year. Because this is the cumulative impact of several individual benefit changes the overall impact is not always apparent. In all, families with children lose an estimated £960m a year approaching two-thirds of the overall financial loss in Scotland.

3.4 Claimants with health problems or disabilities also lose out significantly. Reductions in incapacity benefits are estimated to average £2,000 a year, and some of the same customers also face large reductions in Disability Living Allowance as well as reductions in other benefits.

3.5 For some groups, notably families with children, the average losses in Scotland are below the UK average. The decision in Scotland to offset the impact of the Under Occupancy rules for instance is an important factor.

3.6 The overall financial loss arising from welfare reform in The Highland Council area is estimated to be £56m per annum or £340 per working age adult per annum, compared to the £440 per working adult per annum in Scotland.

4. **Universal Credit**

4.1 From Monday 26 January 2015, Inverness Jobcentre began to take new Universal Credit claims from families who meet the specific qualifying criteria. DWP class a family as a single claimant or couple claimants who

are responsible for one or more children or qualifying young persons (i.e. someone aged 16–19 and in full time non-advanced education or training).

- 4.2 Universal Credit rolled out to the remaining 5 Jobcentres (Wick, Dingwall, Invergordon, Portree and Fort William) within the Highlands on Monday 16 February 2015 initially to new claims from single jobseekers who meet the specific qualifying criteria.
- 4.3 In the published official Universal Credit statistics for March 2015 The Highland Council area has had 1,100 claimants who have completed the Universal Credit claim process and accepted their Claimant Commitment, with 840 claimants still claiming Universal Credit.

Delivery Partnership Agreement

- 4.4 The Head of Revenues and Business Support has agreed and signed the 2015/16 Delivery Partnership Agreement (DPA) with the DWP to support the delivery of Universal Credit in the Highlands. This agreement details the Council's commitment to provide claimant services in the form of personal budgeting support and on-line support. The DPA also makes financial provision for the manual calculation of council tax reduction following a claim or change to claimants' Universal Credit and for responding to DWP enquiries relating to housing benefit.

Universal Credit waiting days

- 4.5 The government has confirmed that the introduction of Universal Credit waiting days is to be delayed. The Social Security Advisory Committee (SSAC) consulted last year on the government's proposal that certain Universal Credit claimants would have to wait seven days before they are entitled to benefit; it had been planned that the new measure would come into force on 27 April 2015.
- 4.6 However, Work and Pensions Minister Lord Freud has said, in response to the Committee's feedback, he wishes to consider fully the points raised in the SSAC response before bringing forward the regulations. As a result, the implementation date for introducing seven waiting days in Universal Credit has been put back to 1 July 2015.
- 4.7 Members may recall from the November 2014 Committee that regulations came into effect in October 2014 to increase the number of waiting days from three to seven days before Jobseekers Allowance and Employment and Support Allowance is put into payment.

Universal Support – delivered locally: data sharing

- 4.8 The Welfare Reform report presented to Resource Committee in February 2015 highlighted that DWP had laid amendment regulations to support data sharing for Universal Support, which came into force on 13 February 2015.

4.9 The Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012 have been amended to permit:

- DWP to inform social landlords whenever one of their tenants makes a claim for, or receives an award of, Universal Credit with housing costs; and
- DWP to share specific information relating to a particular individual with LAs and include support providers where they have identified that the individual requires joined-up support services. The Regulations also permit these organisations to share specific information amongst themselves and DWP for the purposes of the Universal Support initiative.

4.10 The first amendment, in respect of social landlords, enables DWP to share data with social sector landlords for the purpose of providing welfare support to those tenants that need it and who are claiming for, or already receiving, Universal Credit. This mirrors the existing arrangements in place for HB, where data is shared between LAs and social landlords.

4.11 Under the new regulations landlords will be told whenever one of their tenants claims Universal Credit, or when someone already receiving Universal Credit moves into one of their properties. Changes were introduced from 16 February 2015 to enable notifications to be issued. To support secure receipt and effective processing of these notifications to Community Services, the Benefits and Welfare Manager is working with Community Services to enable the Finance Service's document retention and workflow management IT system (Civica) to be used for this purpose.

4.12 The second amendment, in respect of Universal Support allows the sharing of data between DWP and local support providers only for the prescribed welfare purposes of assessing whether any Universal Credit claimants need appropriate types of advice, support or assistance in relation to accessing benefits. The regulations also allow providers to share this information amongst themselves.

4.13 The legislation enables the sharing of information between the following specific delivery partners specifically local authorities, citizen's advice bureaux, credit unions, social landlords and relevant registered charities.

4.14 DWP have advised they are adopting a phased approach to data sharing with local support providers. Following testing they will roll out the ability to share data in tranches to dates to be advised by the DWP.

Universal Credit and Council Tenants

4.15 The number of known Council tenants in receipt of Universal Credit is continuing to rise as more groups of tenants become eligible to claim.

4.16 At the 31 March 2015, Community Services were aware of 62 tenants who have claimed Universal Credit. Of these, 56 (90%) are in arrears with

their rent. The cumulative rent arrears of the households currently affected by Universal Credit are £54,436. This figure includes £24,141 attributable to 13 tenants currently residing in temporary accommodation.

- 4.17 Of the tenants currently affected who are in arrears, there has been a reduction in the level of rent arrears in respect of 21 households (37.5%). 7 households (12.5%) have static arrears, whereas the level of rent arrears has continued to rise in 28 (50%) of the cases.
- 4.18 Although the overall rent arrears for tenants in receipt of Universal Credit is increasing, this is due to the increased awareness of cases and the number of UC claimants. Analysis of the individual cases has highlighted, for mainstream tenancies, that there is an increase in rent arrears during the Universal Credit claim period in most cases. Once Universal Credit payments have commenced the level of arrears begin to stabilise or reduce as tenants become used to receiving the housing costs element and their responsibility to pay their rent. Each case is monitored by a Housing Management Officer who will provide the tenant with the necessary level of support based on their individual circumstances and requirements and determine whether there is a need to request a direct payment of rent from the DWP.

Universal Credit partnership engagement

- 4.19 Officers from the DWP continue to meet regularly with representatives from Finance, Community Services and other social housing landlords to discuss the impacts of Universal Credit on customers and Council Services, for example rent arrears, Council Tax Reduction, Personal Budgeting Support, client communications (e.g. letters) and data sharing.
- 4.20 Some improvements arising are:
- Implementing quality checks to ensure that correct Alternative Payment Arrangement (APA's) notifications are issued to social landlords on time and every time.
 - Improvements to the APA process, including the trialling of email submissions to DWP for APA requests. Currently all applications have to be made in writing. The Highland Council has been selected to trial this process in the next couple of months.
 - Escalating the issues relating to payment for temporary accommodation and accommodation management fees to the Universal Credit policy team for consideration.
 - Data sharing arrangements in respect of the Council Tax Reduction Scheme.
 - Process improvements and co-location of money advisers for personal budgeting support.

Progress and outcomes of these commitments will continue to be monitored.

4.21 During March 2015, the DWP worked with social landlords in all live Universal Credit sites to obtain data which has enabled the bulk uprating of annual increases of rent and service charges for Universal Credit recipients. This process supported the identification of additional Universal Credit claimants in The Highland Council area. It is hoped that the introduction of the data sharing regulations and the increased use of electronic data transfer will improve communications between the DWP and landlords.

EU jobseekers prevented from claiming Universal Credit

4.22 From 9 March 2015, new EU migrants who arrive in the UK are now unable to claim benefits until they have started work. The new regulations mean that under Universal Credit no EU households will be able to access means-tested benefits in the UK without having first worked here.

4.23 The UK Government halved the amount of time EU jobseekers can claim Jobseeker's Allowance, Child Benefit and Child Tax Credit. Those that do not have a job after 3 months will lose their right to reside in the UK. In addition new migrant jobseekers are also now unable to claim Housing Benefit.

5. Personal Independence Payment

5.1 Personal Independence Payment (PIP) replaced Disability Living Allowance (DLA) for new claims from people aged 16 to 64 on 8 April 2013 or who turned 16 after that date. People cannot claim DLA and PIP at the same time. Children under the age of 16 and people aged 65 and over cannot claim PIP.

5.2 The most recent data available from DWP's stats-xplore database shows the Highland Council area had 1,133 claimants receiving PIP at January 2015.

5.3 DWP announced re-assessment of existing DLA claimants for Personal Independence Payment for IV postcodes from 26 January 2015 and PH postcodes from 23 February 2015. Claimants being reassessed will include:

- those with fixed period DLA awards coming up for renewal;
- children who turn 16 years old on or after 7 October 2013 (unless they have been awarded DLA under the Special Rules for terminally ill people);
- those where there is a report of a change in the DLA claimant's health condition or disability;
- existing DLA claimants aged 16 to 64 who wish to make a PIP claim.

DLA claimants do not need to take any action until they are contacted by DWP. We are continuing to work closely with colleagues in Care and Learning to support those who will be affected by these changes.

- 5.4 Members should note that when a DLA claimant is going through the re-assessment process, their DLA continues in payment until a decision is made on their PIP application. A DLA award may be suspended if the claimant does not engage in the re-assessment process.
- 5.5 From October 2015 existing DLA claimants who do not fall into one of the categories in para 5.3 will be invited to claim PIP (claimants who have reached age 65 or older will be contacted as soon as possible after October 2015). This will also take into account DLA claimants who have an indefinite award.
- 5.6 In March 2015, Citizens Advice Scotland published the latest in their series of briefings detailing the reality of the impact of current welfare changes on the people of Scotland. Their briefing highlights the experiences of CABx and clients so far in claiming Personal Independence Payment (PIP).
- 5.7 The report includes new claimants' experiences and highlights significant problems in claiming PIP, particularly as a result of delays in the assessment and decision process.
- 5.8 Citizens Advice Scotland has called for a halt to the continued migration of existing Disability Living Allowance claimants in Scotland to PIP and have highlighted the problems and delays new claimants have had to face. Future devolution of powers over disability benefits to the Scottish Parliament is also highlighted.

6. Under Occupancy rules

- 6.1 In the November 2014 report to Committee, Members were informed that in October 2014 MPs voted in favour of a Private Member's Bill exempting households from the Under Occupancy rules where someone is entitled to Carer's Allowance. The purpose of the *Carers Bedroom Entitlement (Social Housing Sector) Bill 2014-2015* was to provide people in receipt of Universal Credit and Housing Benefit, and accommodated in the social housing sector, with entitlement to an additional bedroom related to caring responsibilities or overnight care.
- 6.2 Although the Bill was expected to receive its second reading in the House of Commons on 9 January 2015, it was re-scheduled to 6 March 2015 but did not get called. The 2014-2015 session of Parliament has prorogued and this Bill will make no further progress.

7. Foodbanks

- 7.1 Highland Foodbank is part of the Trussell Trust's UK-wide foodbank network and has 10 projects throughout The Highland Council area. Foodbanks are currently located in Inverness, Aviemore, Fort William, Thurso, Kyle, Dingwall, Nairn, Alness and Invergordon, South Skye and Lochalsh and Tain.

7.2 Available information highlights a year on year increase in demand for support from Foodbanks within the Highlands over the past 3 years:

	No. Vouchers	Adults	Children	Total
2012	1,918	2,423	1,035	3,458
2013	2,371	2,953	1,103	4,056
2014*	3,148	3,914	1,340	5,254

*Data taken from available Distributors reports 1st January 2014 - 31st December 2014 throughout the Highlands

7.3 Between 2012 – 2014 Highland Foodbanks have experienced:

- 39% increase in vouchers* issued;
- 38% increase in adults* receiving support;
- 23% increase in children* receiving support;
- 34% increase in total numbers* receiving support.

*Recipients may have received a voucher on more than 1 occasion

7.4 The top 4 crisis types for issuing a food bank voucher are:

	Reason			
	1.	2.	3.	4.
2012	Benefit delays	Low income	Other	debt
2013	Benefit delays	Low income	Other	Homeless
2014	Benefit delays	Low income	Other	Homeless

DWP benefit delays are the main reason in all foodbanks for the issue of vouchers. For example, an analysis of the top 2 reasons in Inverness Foodbank shows:

	% of total referrals to Inverness foodbank	
	Benefit delays	Low income
2012	27%	17%
2013	33%	17%
2014	33%	18%

7.5 In a recent article, 'Austerity, sanctions, and the rise of food banks in the UK' published in the British Medical Journal, academics reported that the growth in use of food banks is directly linked to welfare cuts and sanctions.

7.6 Findings from the research, which linked information on the Trussell Trust's food bank operations to budgetary and socio-economic data from 375 UK local authorities concludes that *'More food banks are opening in areas experiencing greater cuts in spending on local services and central welfare benefits and higher unemployment rates. The rise in food bank use is also concentrated in communities where more people are experiencing benefit sanctions. Food parcel distribution is higher in areas where food banks are more common and better established, but our data also show that the local authorities with greater rates of sanctions and*

austerity are experiencing greater rates of people seeking emergency food assistance.'

8. Debt Management Companies Campaign Update

- 8.1 On the 1 April 2014, the Financial Conduct Authority became responsible for the regulation of 'debt management' firms, taking this role over from the Office of Fair Trading. 'Debt management' companies provide debt advice and assistance to consumers, rescheduling consumer debts and making payments to creditors on behalf of the debtor. These debt management companies charge a fee, most commonly taking the first 2 months' repayment amount and then a percentage of all other repayment instalments.
- 8.2 In May 2014, the Financial Conduct Authority published a report which found that *'that some debt management providers were giving consumers poor advice and lacked the necessary training to advise customers on suitable plans.'* In place of the previous licensing regime for all consumer credit providers, the Financial Conduct Authority has introduced a system of 'authorisation' and has been prioritising firms which pose a higher risk to consumers, such as some of the debt management companies. As this process of authorisation moves forward, some debt management firms have chosen not to apply for authorisation and instead have ceased trading.
- 8.3 The national Money Advice Service has issued advice on their website to those affected about how to access free advice and assistance for debt problems. In the Highlands, anyone who has been previously paying for debt management assistance can seek help from The Highland Council's in-house money advice team or their local Citizens Advice Bureau, which are accredited money advice providers.
- 8.4 The National Standards for information and advice providers have been developed and promoted by the Scottish Government. The standards are supported by a system of independent accreditation and accreditation is awarded to organisations rather than individuals.

9. Welfare Funds (Scotland) Bill

- 9.1 On 3 March 2015 the Welfare Funds (Scotland) Bill successfully completed Stage 3 in the Scottish Parliament and received Royal Assent on 8 April 2015. This means Local Authorities will have a duty to deliver welfare funds through the Scottish Welfare Fund, in line with regulations and guidance.
- 9.2 The Bill has had a small number of changes since it was introduced in June 2014. Most notably, the Scottish Government has removed the ability of Local Authorities to contract out the Scottish Welfare Fund service to an external organisation. This does not prevent Councils being able to work with another local authority to deliver the fund jointly.

9.3 The Highland Council is represented by the Business Development and Support Manager (Revenues and Business Support) on the Scottish Welfare Fund Cross Sector Reference Group which is working with the Scottish Government to produce regulations and guidance for the permanent scheme. These will be circulated for consultation this summer.

9.4 In addition, permanent arrangements are progressing to enable the Scottish Public Services Ombudsman to take over responsibility for second tier reviews from April 2016. These reviews are currently undertaken by the Council.

10. Digital Scotland

10.1 More than 14,500 homes and businesses across the Highlands and Islands will be next to benefit from the arrival of high-speed fibre broadband in the latest phase of the Digital Scotland Superfast Broadband programme. Since the £410 million roll-out started last year, over 3400 km of fibre cable has been laid across Scotland with more than 275,000 homes and businesses now able to connect to fibre broadband.

10.2 Fibre broadband will be rolled out to new locations in Highland including Ardgay, Ardgour, Boat Of Garten, Brora, Carrbridge, Castletown, Dulnain Bridge, Edderton, Halkirk, Helmsdale, Invergarry, Kincaig, Kingussie, Kinlochleven, Lairg, Lybster, Nethybridge, Rogart, Strontian, Thrumster, Tomatin, Watten. The first connections in the latest locations will start to go live this Autumn.

11. Financial Monitoring Report

11.1 The financial monitoring statement is attached at Appendix 2. An underspend of £0.838m is reported. The main reasons for this are listed below.

Council Tax Reduction (CTR)

11.2 The Council Tax Reduction Scheme is underspent by £0.669m. The amount of CTR paid, and formerly known as Council Tax Benefit pre April 2013, has decreased compared to the 14/15 budget.

11.3 Members are reminded that the main reason for this reducing expenditure relates to the way in which DWP has increased benefits and other components used to calculate CTR entitlement. The impact of these measures is therefore to reduce the qualifying amounts on which CTR is calculated.

11.4 Before CTR came into effect in April 2013, the amount of its predecessor, Council Tax Benefit, was £13.200m for 2012/13. This represents a reduction of £1.167m less CTR paid to our customers. Whilst CTR caseload has reduced by 2% perhaps reflecting some improvements in the economy, expenditure has reduced by 9% over the same period.

Housing Benefits

- 11.5 Housing Benefits reports an underspend of £0.229m against 14/15 budget and is mainly attributable to higher than anticipated recoveries/collections.

Scottish Welfare Fund (SWF)

- 11.6 The Scottish Welfare Fund is overspent by £0.080m. This fund is funded by the Scottish Government to a pre-determined budget for administrative and expenditure costs.
- 11.7 The Council currently procures all goods supplied through the Scottish Welfare Fund via a Scotland Excel Framework that has been created for use by all local authorities. In addition, Community Services currently has local arrangements in place for the supply of goods for housing purposes.
- 11.8 Opportunities have therefore been taken to create a Council-owned Framework to supply, deliver, and install second hand and recycled domestic furniture to various THC clients in crisis, experiencing homelessness and requiring support to remain/resettle in the community throughout the Highland Council area on an as and when required basis. This Framework enables the Council to effectively target resources and creates opportunities for local and other businesses to supply goods for these purposes as well as looking to deliver some reduced expenditure costs.
- 11.9 Tenders for this Framework Agreement have been advertised through the Public Contracts Scotland Website http://www.publiccontractsscotland.gov.uk/authority/authority_noticestatus.aspx?ID=344461 from 13 April 15 with a closing date for submissions of 25 May 15 at 12 noon.

12. Implications

- 12.1 Resource implications are set out in the paper. There are no legal; climate change/Carbon Clever; risk or Gaelic implications.
- 12.2 Rural Implications – the report highlights a range of issues that particularly impact on rural areas.
- 12.3 Equalities – the whole report seeks to consider and address the issues arising from welfare reforms that impact on poverty and vulnerability.

Recommendations

The Committee is asked to note and consider:

- Universal Credit is now available in the 5 jobcentres outwith Inverness for single claimants and the expansion in Inverness Jobcentre to accept new Universal Credit claims from families.
- The local impact of welfare changes and ongoing reform.
- The ongoing partnership working between Services and with the DWP to improve processes and client communication.
- The increasing demand for Foodbanks in Highland and that the main reason for this increased demand is benefit delays.
- The extensive and ongoing contribution that Officers are making to help shape the welfare system in Scotland and the UK.
- The management information and budgetary position provided in the appendices to the report.

Designation: Director of Finance and Director of Community Services

Date: 14 May 2015

Authors: Allan Gunn, Head of Revenues & Business Support and David Goldie, Head of Housing

Background Papers:

[ScottishGovernment - News - New social security powers](#)

[1st Report, 2015 \(Session 4\): The Cumulative Impact of Welfare Reform on Households in Scotland - Parliamentary Business : Scottish Parliament](#)

[Voices from the Frontline: Halt the roll out of PIP in Scotland | Citizens Advice Scotland](#)

[Austerity, sanctions, and the rise of food banks in the UK | The BMJ](#)

[Welfare Funds \(Scotland\) Bill - Parliamentary Business : Scottish Parliament](#)

Welfare Reform Report – March 15**Benefit Cap at 12/04/15**

Landlord type where cap has been implemented	HB reduction per week						
	£0 - £19.99	£20 – £39.99	£40 - £59.99	£60 - £79.99	£80 - £99.99	£100 - £119.99	£120 - £139.99
Local Authority	2	4	-	2	1	-	-
Housing Association	2	-	-	-	2	1	-
Private rent	1	-	-	2	-	-	-

Under occupation rules - 25/03/15

Summary – 14% reduction		Summary – 25% reduction		Summary – combined	
	No of Properties		No of Properties		No of Properties
Council tenants	1,416 (66%)	Council tenants	331 (77%)	Council tenants	1,747 (68%)
HA tenants	714 (34%)	HA tenants	97 (23%)	HA tenants	811 (32%)
Total	2,130	Total	428	Total	2,558

Number of transfer applicants affected and movement in quarterly periods – for Highland Housing Register: Mar 15

Number of applicants	% Movement since Qtr. 3 14/15	Number +/-
219	-14	-35

Number of tenants in arrears, value of arrears and movement in quarterly periods – for Highland Council tenants only:* data as Mar 15

Period	Total number of arrears	Value £	+/- % Movement since Qtr. 4 12/13	Number +/-	Value £ +/-
30-Apr-14	588	£168,853	2.6%-	136-	£4,638-
27-May-14	570	£168,223	3%-	154-	£5,268-
25-Jun-14	569	£162,667	6%-	155-	£10,824-
26-Jul-14	555	£155,447	10%-	169-	£18,044
27-Aug-14	568	£163,260	6%-	156-	£10,231-
25-Sep-14	558	£150,476	13%-	166-	£23,015-
28-Oct-14	565	£155,057	10%-	159-	£18,434
28-Nov-14	566	£167,101	3.7%-	158-	£6,390-
22-Dec-14	597	£178,763	3%+	127-	£5272+
28-Jan-15	595	£174,520	0.50%	129-	£1,029+
25-Feb-15	626	£195,913	13%+	98-	£22,422+
25-Mar-15	606	£190,550	10%+	118-	£17,059+

Housing Benefit Appeals

Number of appeals received with a comparison to the previous financial year			
Qtr 1 2013 Appeals/Reconsiderations	2 / 99	Qtr 1 2014 Appeals/Reconsiderations	3 / 81
Qtr 2 2013 Appeals/Reconsiderations	1 / 92	Qtr 2 2014 Appeals/Reconsiderations	0 / 102
Qtr 3 2013 Appeals/Reconsiderations	1 / 58	Qtr 3 2014 Appeals/Reconsiderations	2 / 104
January 2014 Appeals/Reconsiderations	0 / 23	January 2015 Appeals/Reconsiderations	1 / 31
February 2014 Appeals/Reconsiderations	0 / 30	February 2015 Appeals/Reconsiderations	0 / 37
March 2014 Appeals/Reconsiderations	1 / 37	March 2015 Appeals/Reconsiderations	1 / 41

Discretionary Housing Payments

	Qtr 1	Qtr 2	Qtr 3	Jan-15	Feb-15	Mar-15	Year to Date
Number of awards made in-month	3,556	854	765	282	302	579	6,338
Award Reasons							
Under Occupation:	3,233	738	613	236	260	516	5,596
Benefit Cap:	24	15	38	4	0	6	87
Other:	299	101	114	42	42	57	655
Total amount paid and committed in-month	£1,770,930	£146,111	£62,738	£42,701	£34,164	£75,576	£2,132,220

Scottish Welfare Fund

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	14/15 spend
Crisis Grant					
Application Approved	973	846	734	872	3,425
Qtr award total	£64,976	£56,245	£47,238	£52,281	£220,740
Average CG award	£67	£66	£64	£60	£64
Community Care Grant					
Application Approved	351	421	314	228	1,314
Qtr award total	£213,177	£219,628	£163,251	£89,587	£685,643
Average CCG award	£607	£522	£520	£393	£522

FoodBank MI

Inverness & Nairn

Vouchers issued	Adults fed	Children fed	Total fed
2,161	2,639	799	3,438

Top 4 reasons why voucher issued: 1. Benefit delay 2. Low income 3. Other 4. Homeless

Data taken from Distributor report 1st January 2014 - 31st December 2014

Highland foodbanks (exc Inverness & Nairn)

Vouchers issued	Adults fed	Children fed	Total fed
987	1,275	541	1,816

Top 4 reasons why voucher issued: 1. Benefit delay 2. Low income 3. Benefit changes 4. Other

Data taken from available Distributors report 1st January 2014 - 31st December 2014

Appendix 2

WELFARE BUDGET 1 April 2014 to 31 March 2015	ANNUAL BUDGET £000	OUTTURN £000	VARIANCE £000
Housing Benefits			
- Rent Rebates	27,906	26,359	-1,547
- Rent Allowances	24,510	24,433	-77
	<hr/> 52,416	<hr/> 50,792	<hr/> -1,624
Council Tax Reduction Scheme	12,702	12,033	-669
Scottish Welfare Fund			
- Community Care Grants	555	650	95
- Crisis Grants	246	231	-15
	<hr/> 801	<hr/> 881	<hr/> 80
Discretionary Housing Payments	2,089	2,089	0
Advice Services			
- Money Advice	244	241	-3
- Income Maximisation	182	169	-13
- Citizens Advice Bureau	1,262	1,259	-3
	<hr/> 1,688	<hr/> 1,669	<hr/> -19
GROSS WELFARE BUDGET	69,696	67,464	-2,232
Income			
- HB Subsidy (DWP) & Recoveries	-52,295	-50,900	1,395
- Discretionary Housing Payments (DWP)	-1,179	-1,180	-1
- HRA Income recharge (CAB)	-124	-124	0
	<hr/> -53,598	<hr/> -52,204	<hr/> 1,394
NET WELFARE BUDGET	<hr/> 16,098	<hr/> 15,260	<hr/> -838