

**The Highland Council**  
**Resources Committee – 27 May 2015**

Agenda Item	<b>10(b)</b>
Report No	<b>RES/36/15</b>

**Welfare Reform Fund Proposals**

**Joint Report by the Director of Finance, the Head of Policy and Reform and the Head of Digital Transformation**

**Summary**

This report recommends an allocation of £191,565 from the Council's Welfare Fund, which currently totals £849,435. The allocation would enable: enhanced support for tenants, better digital inclusion across the region and support for families with children through a refreshed approach to school clothing grants. The proposals are supported by the Council's Welfare Reform Working Group.

**1. Background**

1.1 In 2014/15 the Council established a Welfare Fund of £1.167m. As part of the Council's programme commitment to prevention, targeting those struggling with deprivation, members have agreed the following allocation from the Fund to date:

<b>Amount</b>	<b>Purpose</b>	<b>Committee approval</b>	<b>Notes</b>
£160,920	Welfare advice clinics for people with mental ill health	Nov 2014	£32,354 in 2014/15 and £128,566 in 2015/16. CAB staff.
£3,000	Staff training - mental ill health awareness	Nov 2014	In-house and CAB staff
£90,000	Midwifery project for expectant mothers	February 2015	Roll out following Ross-shire pilot. CAB staff.
£63,645	Identifying and supporting those under claiming benefit	February 2015	One year in-house records project

1.2 With expenditure of £317,565 approved, the Fund has £849,435 remaining.

1.3 This report sets out three proposals for a further £191,565 of preventative services. They have been considered by the Council's Welfare Reform Working Group and are aligned to the priorities for responding to Welfare Reform, namely:

1. Welfare reform actions need to continue to involve every service in the Council, be co-ordinated in a way that helps people most and be evaluated for impact.
2. Vulnerable clients need enhanced support and hand holding to navigate the system, including appealing welfare decisions.
3. Employability support needs to accommodate a diverse range of needs

and include people furthest from the labour market and with challenging behaviour.

4. Digital inclusion/participation/literacy is to be led as a corporate policy, co-ordinated across the Council, linked to the customer services strategy and agreed and delivered in collaboration with community planning partners, notably HIE given its lead in rolling out Next Generation Broadband.
5. Financial capability /budgeting skills should be supported.
6. Continue to lobby the UK Government.

## **2. Proposals Recommended for the Council's Welfare Fund**

2.1 At the Resources Committee meeting in February 2015 members were advised that work was under way:

1. To support tenants affected by welfare reforms or other vulnerable tenants, with discussions underway with other social landlords; and
2. To identify how best to support digital inclusion, with proposals for continuing the Citizens Online project across Highland being explored with partners.

Two of the proposals are now ready for Member consideration.

### **2.2 Enhanced support for tenants**

Members are aware of the difficulties some tenants face in moving to Universal Credit, and for some the change has led to rent arrears accruing. The proposal is for the Council to join the project currently underway by Registered Social Landlords (RSLs) in the region to provide targeted and enhanced money advice events to tenants in various locations across the Highlands. These 'Count you cash' days are described in Appendix 1. The proposal seeks £28,500 over 4 years to match the funding secured by RSLs. The expenditure in 2015/16, if approved, would be £7125.

### **2.3 Supporting digital inclusion - Citizens Online**

Welfare reforms require applicants to apply for benefits and to search for employment on-line. However not everyone requiring on-line access has it and some people face particular barriers in using on-line services including the cost of internet connections and devices and a lack of support and confidence. The development of a proposal for funding Citizens Online was highlighted in the previous Welfare Reform Fund paper to Committee and the value of continuing to support Citizens Online was detailed in the Digital First Programme paper at Resources Committee in February (RES/21/15).

2.4 The proposal is to fund Citizens Online to build capacity among those who need support and to do this through various mechanisms including: training the trainer; supporting a network of digital champions; and working with community groups and voluntary organisations. The project would be managed by Citizens Online, with strategic support from The Highland Council and outcomes linked to the Council's Digital First Programme. Citizens Online is a national organisation with a track record of service delivery in parts of Highland for the past 6 years.

2.5 The full proposal is set out in Appendix 2 and it seeks £90,000 of funding in 2015/16 from the Council's Welfare Fund to provide a service across the region. This would be matched by £55,000 from HIE, £10,000 from SCVO and a bid to the Big Lottery Fund of £91,500 (decision pending). As well as supporting residents with Welfare Reform changes, this project would support the Council's Digital First Programme to provide more services online.

2.6 School clothing grants

The Head of Revenues and Business Support reviewed the arrangements for the payment of school clothing grants. Over 4,000 of the poorest families with school age children received grants from the Council in 2014/15. The proposal is to set the grant at £70, based on national guidance, an increase from £55 and to remove the lower rate of £25 paid if the grant is claimed after December each year. The full proposal is set out in Appendix 3. It would mean a contribution of £73,065 from the Welfare Fund in 2015/16 and for one year only as from 2016/17 the cost can be met from efficiencies in the Council Tax Reduction budget.

**3. Proposals Under Development for the Council's Welfare Fund**

3.1 Members are aware that vulnerable groups particularly affected by welfare reform include Council tenants, people with disabilities and long term health conditions and people unable to use internet services for claiming benefits and job search. Further work is under development for reviewing whether additional support is needed for claimants appealing Personal Independence Payments (PIP) decisions. We expect demand for this to increase from October 2015 onwards and this continues to be monitored.

3.2 In a separate report for this meeting Members are advised about the new European Social Fund (ESF) Programme targeting poverty and social inclusion and to support people requiring more help to find employment. It is valued at £1.42m from 2015 to 2018, and is expected to attract 50% match funding. The broad approach to the programme is under development and the Council's Welfare Fund could be a potential source of match funding.

**4. Implications**

4.1 Resource implications:

The proposals require £191,565 from the Council's welfare fund. If approved that leaves £657,870 in the fund uncommitted. The new ESF programme may help to grow the value of the Welfare Fund to 2018.

4.2 Legal implications: There are no new legal implications arising from this report.

4.3 Equalities: The proposals are most likely to assist vulnerable groups and that can help the Council to comply with its duties under the Equality Act.

4.4 Climate Change/Carbon Clever: The proposals involve travel associated with the 'Count your cash days' but these are designed to make information more easy for people to access in their communities. The Citizens Online project should enable more people to access services and information they need on-line, avoiding travel for them.

4.5 Risk: The proposals aim to reduce the negative impacts arising from welfare reform and to support people most at risk of poverty. There is a risk that the Big Lottery funding for the Citizens Online project may not be approved. Should this be the case, Citizens Online would continue with the project but re-scope the work to deliver it with a lower budget. This may result in fewer staff on the ground for example, but Citizens Online will deliver a project based on the budget available. There may also be the possibility of exploring other partnership opportunities. Early feedback from Big Lottery has been positive. Similarly if the Council does not approve funding Citizens Online would continue to develop a project based on the available funding but it would not realise the same benefits.

4.6 Gaelic: There are no Gaelic implications arising from this report.

4.7 Rural: The proposals to run 'Count your cash days' and to enable more people to access online services will support households across the region in urban and in rural communities. The proposal to increase school clothing grants will have a positive impact in particular on rural households with school age children as the cost of living is found to be higher in remote and rural areas<sup>1</sup>. This targeted work from the Citizens Online project will impact positively on equality groups, and will expand on previous work in more rural areas.

## 5. Recommendations

5.1 Members are asked to approve funding for three proposals from the Council's Welfare Fund, namely:

- i. £28,500 over four years for the 'Count your cash days' for tenants;
- ii. £90,000 for the Citizens Online project for 2015/16; and
- iii. £73,065 in 2015/16 for increasing the school clothing grants in line with national guidance.

5.2 Members are asked to note that further proposals for the remaining £657,870 in the fund will be developed and brought back to Committee for consideration and with the scope for EU programme funding to grow the Fund to 2018.

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<sup>1</sup> A recent study (Minimum Income Standard for Remote and Rural Scotland) has evidenced that the cost of living is higher in remote rural areas in Scotland compared with urban or similar rural communities in England. The findings highlighted that the range of goods and services required was similar for people in remote and rural Scotland and those living elsewhere in the UK however; the study found that the costs of achieving this minimum standard of living were very different. The cost of living within remote and rural areas in Scotland was found to be between 10-40% higher than in the equivalent urban Britain. Key factors in this were the higher costs for goods and services, the increased travel to achieve the same living standard – particularly work and increased energy costs.

**Enhanced support for tenants receiving Universal Credit – ‘Count Your Cash Days’**

Financial and digital inclusion is one of the main areas of preparation required for Universal Credit.

A recent tenant event looking at the impacts of the introduction of Universal Credit on Highland Council tenants highlighted that financial inclusion presents many challenges. The two main barriers are:

- People’s reluctance to discuss their own financial position
- An unwillingness to engage before reaching crisis point

Working in partnership with other Highland Social Housing Providers the ‘Count Your Cash Days’ project aims to deliver a series of events in strategic locations across Highland. These events will bring together a number of agencies and will promote services, products and tools that will help tenants maximise their household income and highlight the range of services that are already available. These will include:

- Money and debt advice services
- Universal Credit planning tools
- Credit Unions

The objectives of the project are:

- To support tenants to increase their financial capability and impart awareness of affordable credit;
- In partnership with other projects, to deliver digital skills and inclusion within the community by promoting the benefits of being online;
- To offer a service which aims to help residents balance their budget and make provision for periodic bills and through a financial health check approach;
- To enable customers to access the most appropriate advice and budget tools based on their level of need and ability;
- To help tenants sustain their tenancies and reduce evictions; and
- Identify vulnerable tenants who may need longer term support and refer them appropriately.

Partner social housing providers have successfully secured Big Lottery Funding of £28,500 to deliver this project to their own tenants over the next four years. It is proposed that the existing service delivery model for advice and information can be utilised to deliver this project across Highland to provide an enhanced service for Council tenants. This proposal is to seek match funding up to £28,500 from the Welfare Fund to enable the Council to work collaboratively on this project to maximise delivery and take-up.

### Supporting Digital inclusion: Citizens Online

#### 1. Background

- 1.1 In Highland, 11% of residents have never accessed the internet. There are also a larger number of residents who do not have the skills or opportunity to use the internet regularly. This may be for a variety of reasons, including lack of skills and confidence, lack of appreciation of the benefits of going online, and unaffordability of devices or internet connections.
- 1.2 The issue of digital exclusion features in the Scottish Government Digital Participation Strategy: *“Critically, we need to ensure that we grasp the opportunity that digital technologies offer to tackle deep rooted social and economic inequalities in our society.”*
- 1.3 To support those customers who cannot access online services, Highland Council ensures that there are other channels available to access our services (face to face, telephone and paper). However, digital access and the skills and confidence to use it enable customers to seek and apply for work, manage their money, make savings, access and engage with healthcare, reduce social isolation and access learning opportunities. Highland Council has an opportunity to work with partners, and a national organisation, to reduce the impact of digital exclusion, as well as increasing the uptake of our own digital services.
- 1.4 The development of a proposal for funding Citizens Online was highlighted in the previous Welfare Reform Fund paper to Resources Committee (RES/08/15) and the value of continuing to support Citizens Online was detailed in the Digital First Programme paper at Resources Committee in February (RES/21/15).

#### 2 Citizens Online

- 2.1 Citizens Online provide training and support to get more people online. Their objectives are to see more people using various devices and they offer specialist consultancy support for the development of strategies. They are a national organisation focused on digital inclusion and have been running projects in the Highlands, supported by HIE and Highland Council for over 6 years. To date, Citizens Online has provided 740 hours of training. Almost 1000 people have attended one-off taster sessions and 650 people have completed basic skills training. Citizens Online marketing and awareness campaigns in the Highlands have reached over 6000 people.
- 2.2 As well as providing training sessions, Citizens Online has been creating a network of Digital Champions; members of local communities who encourage and support others to go online. 63 digital champions have been recruited and trained to date and are engaging with other members of their communities.
- 2.3 Highland Council’s funding of Citizens Online ceased in March of this year due to the need to refocus the funding on the wider Highland as previously our funding was focused on the Inner Moray Firth area. Since then, HIE have provided 6 months of

funding for Citizens Online to ensure work continued while other proposals were developed. Continuation of the Citizens Online funding will retain the network of project managers currently in post, maintaining the provision of support in rural locations across the Highlands

- 2.4 Three opportunities have been identified to form a package of work that will continue to support our customers across the Highlands, and develop a legacy for digital inclusion going forward.
- 2.5 ***Our Digital Zone*** – initially focused on skills training, this project continues the work that was previously funded by HIE and Highland Council in supporting people to go on-line across the Highlands. In 2015/16, this project will place greater emphasis on capacity building, train the trainer, digital champions and working with community groups and voluntary organisations to support those who support others. HIE are currently supporting this work until September 2015.
- 2.6 ***Inner Moray Firth project*** – This project is coming to the end of year 1 of a 2 year project to develop digital skills training and digital neighbours within the Inner Moray Firth Area. This was originally envisaged as a two year project and started in July 2014. Funded in partnership with HIE, the proposal is to continue with the second year of funding, providing a dedicated project manager within this area to June 2016.
- 2.7 ***Big Lottery Test & Learn programme*** – This programme aims to develop a systemic, local partnership approach to digital inclusion, identifying gaps and needs, current provision and building capacity with partners to fill those gaps. This programme will deliver:
- A strong local cross-sector partnership with a clear strategy, direction and partnership for continuing a sustained approach to digital skills and access.
  - Agencies involved in training and supporting local people will have a clear, ongoing and sustainable role in supporting digital skills (and potentially assisted digital)
  - Specific digitally and socially excluded people within the community (defined by local need) will realise both social and digital skills outcomes as a result of the work.
  - An audit of local assets and resources will be kept up to date for use by all local partners, including offerings of local private sector organisations. Gaps will be plugged.
  - A network of local champions will support information sharing and coaching.
- 2.8 Citizens Online will provide monitoring data on the outputs and impact of the work through sampling, focus groups and social return on investment monitoring through an external agency (measuring the value of the social benefit delivered by the work).
- 2.9 A proposal is in progress with Big Lottery Fund to support this work which will involve 4 locations nationwide, of which Highland will be one. This is an opportunity to be involved in an innovative project to address a complex social issue.

### 3 Funding for 2015/16

3.1

<b>Funder</b>	<b>Amount (£)</b>	<b>Status</b>
Highland Council	90,000	Proposed
Highlands & Islands Enterprise	55,000	Confirmed
SCVO	10,000	Confirmed
Big Lottery Fund	91,500	Proposed
<b>Total</b>	<b>246,500</b>	

3.2 ***Members are asked to approve funding of £90,000 from the Council's Welfare Fund to support Citizens Online for the next 12 months.***

### 4 Other Opportunities

4.1

Additional opportunities are currently being identified and explored to expand on the work of the Citizens Online projects. This includes the potential for the provision of devices and improved Wi-Fi access to support customers for whom online is unaffordable. These ideas, along with outcomes from the Citizens Online projects, will feature in a future application for European Smart Cities funding, currently at an early stage of development.



## School Clothing Grants

### 1. Background

- 1.1 The Education (Scotland) Act 1980 gives the education authority a duty to make provision for the clothing of pupils who would, otherwise, be unable to take full advantage of the education provided at schools under its management. Local authorities are responsible for setting the criteria for allocating grants, for deciding on the grant amount and for the application process.
- 1.2 In Highland Council assistance with school clothing can be claimed if you are in receipt of any one of the following:
- Income Support
  - Universal Credit
  - Income-based Job Seekers Allowance
  - Any income related element of Employment and Support Allowance
  - Child Tax Credit, but not in receipt of Working Tax Credit, and your income is less than £16,010 (as assessed by the Inland Revenue)
  - Child Tax Credit and Working Tax Credit and an income below £6,420 (as assessed by the Inland Revenue)
  - If you are 16 to 18 yrs old and receive any of these benefits in your own right then you can claim for yourself
  - If you are an asylum seeker receiving support
- 1.3 The school clothing grant budget is held by Care & Learning who are the lead Service for determining grant rates. The budget has remained at £213,165 over the last five years. The table below shows the spend over the last five years:

Fin Year	Spend
2010/11	£227,389
2011/12	£226,975
2012/13	£224,363
2013/14	£210,075
2014/15 (Feb15)	£199,000

- 1.4 To date in 2014/15 a total of 4,054 applications have been received (3,906 paid at £50; 148 at £25) giving a current spend in 2014/15 to the end of February 2015 of £199,000.
- 1.5 Opportunities also continue to be taken to improve wherever possible the signposting of customers to other support services such as the Council's Money Advice service and the CABx network.

### 2. Research

- 2.1 There does appear to be limited research available on this subject. However, a Working Group comprising the Scottish Government, CoSLA and the Third Sector published a report in January 2011. It suggested Councils set a sum of £70 for school clothing grants. It is, ultimately however, for Councils to set their own

payment rates.

- 2.2 Across Scotland, clothing grants payments vary significantly. Highland Council has set the amount at £50 per child if claimed between July and December in each school year; and £25 paid if claimed between January and June.
- 2.3 Annex 1 details all the clothing grant levels across Scotland for 2014/15. This information has been gleaned from local authority websites, with some contacted by telephone as their payment amount is not shown on their website. Highland Council's clothing grant rates are available for customers on-line and on the application form which is submitted *hard copy*.
- 2.4 The average payment per child is:
- £55 for primary age children
  - £57 for secondary age children
- An average of about £56 then across Scotland.
- 2.5 The highest amounts are paid by West Lothian Council at £94 for primary age and £110 for secondary age. The second highest amount is £100 (for both primary and secondary) made by West Dunbartonshire Council.
- 2.6 Highland Council is also the only local authority in Scotland with a two tiered payment plan (£50/£25), the date of the claim dictating the amount awarded.
- 2.7 Research was also undertaken using [www.schooluniformshop.co.uk](http://www.schooluniformshop.co.uk) to price what could be considered a typical school uniform:
- 3 polo shirts
  - 2 sweatshirts
  - 2 trousers/skirts
  - 1 pair of shoes
  - 1 gym kit (shorts, t-shirt and trainers/plimsolls)
- It should be noted that the need for school logos can increase costs.
- 2.8 The lowest price (small sizes) is £81 and the most expensive (larger sizes) at £142
- 2.9 These costs do not take into account the cost of a jacket/coat, or if shirts/blouses were purchased instead of polo shirts. The impact on shirts/blouses alone would take the costs to £105 and £172 for small/large sizes, respectively. This does not take into account that children grow and some will inevitably change sizes during the year.

### **3. Proposal**

- 3.1 To meet the guidance set out in the report noted at paragraph 2.1 above, and to take into account better the costs identified in paragraph 2.8, it is proposed that the grants are paid at £70 per annum per child eligible, with one rate paid. With 4089 claims assumed this would require £286,230 budget provision. With £213,165 currently in the budget, the gap would be £73,065. If the Welfare Fund can pay this amount in 2015/16, the future gap can be met by existing resources using savings from the overall Welfare Fund budget (including efficiencies within Council Tax Reduction) on an annual recurring basis.

## Annex 1

## School Clothing Grants paid by local authority 2014/15

Council	Primary School	Secondary School	Primary/Secondary School
Aberdeen	£55	£60	
Aberdeenshire			£50
Angus			£35
Argyll & Bute			£50
Clackmannanshire			£55
Dumfries & Galloway			£80
Dundee City	£45	£50	
East Ayrshire			£50
East Dunbartonshire			£50
East Lothian	£60	£65	
East Renfrewshire			£50
Edinburgh City	£43	£50	
Falkirk			£50
Fife			£55
Glasgow			£47
Highland			£50 (Jul-Dec) £25 (Jan-Jun)
Inverclyde			£80
Midlothian	£60	£65	
Moray			£45
North Ayrshire			£40
North Lanarkshire			£70
Perth & Kinross	£45	£50	
Renfrewshire			£55
Scottish Borders			£45
South Ayrshire			£50
South Lanarkshire			£50
Stirling			£50
West Dunbartonshire			£100
West Lothian	£94	£110	
Eilean Siar	£50 (Age 5-8) £55 (Age 9-12)	£60 (Age 13-14) £65 (Age 15-18)	
Orkney Islands			£55
Shetland Islands	£45	£50	