

**The Highland Council**  
**Resources Committee – 24 August 2016**

<b>Agenda Item</b>	<b>15</b>
<b>Report No</b>	<b>RES/51/16</b>

**Welfare Reform Update**

**Joint Report by Director of Finance and Director of Community Services**

**Summary**

This report provides comprehensive information on the current status of Universal Credit and other welfare initiatives. It also makes available financial monitoring information, covering the Council's considerable involvement in this area of work.

**1. Background**

- 1.1 This report forms part of a regular update on issues relating to Welfare Reform. The latest statistics are outlined in Appendix 1 and budget monitoring is set out in Appendix 2.

**2. School Clothing Grants**

- 2.1 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.

- 2.2 In Highland, assistance with school clothing can be claimed if you are in receipt of any one of the following:

- Income Support
- 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 HMRC)
- Child Tax Credit and Working Tax Credit and an income below £6,420 (as assessed by HMRC)
- If you are 16 to 18 years 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
- Universal Credit

- 2.3 Payment levels across Scotland are detailed in Appendix 3. This information has been gleaned from local authority websites with some contacted by telephone as their payment amount is not shown on their website. On sample checking, the majority of figures do not appear to have changed since 2014/15.

Highland, Dundee, East Ayrshire, East Renfrewshire, Inverclyde and Orkney Councils have all increased their grant, whilst Angus Council was the only local authority to reduce their grant for 2015/16.

- 2.4 For 2015/16, the average payment per child/application is £60 for primary age children, £62 for secondary age children, with a Scottish average of £61.
- 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 and third highest amount is £90 (for both primary and secondary) awarded by Inverclyde Council. From 2015/16, the Highland Council paid the joint fourth highest rate (£81) in Scotland.
- 2.6 There does appear to be limited research available on payment levels. 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 for Councils to set their own payment rates reflecting local needs and priorities.
- 2.7 In May 2015, Resources Committee agreed to increase the school clothing grant funding to £81 per application irrespective of when the application is received during the financial year. This was a significant increase on the prior policy of £55 for applications made pre-December and £25 post-December. This increase resulted in greater spend from £199k in 2014/15 to £297k in 2015/16.
- 2.8 As part of the report for Members for May 2015 Resources Committee, research was 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).
- 2.9 For the purposes of today's report, the cost of a typical school uniform (as detailed in paragraph 2.8 above) was obtained from <http://www.schoolwewearmadeeasy.com/>. The lowest price (small sizes) is £97 and the most expensive (larger sizes) at £117.
- 2.10 Electronic payment of this grant, via PayPoint, has proven to be highly successful with parents as is the online application form which was introduced after the Revenues and Business Section assumed responsibility for this service. As reported to Resources Committee in May 2016, the Council now has a single team providing a single point of contact and administration for a range of financial assessments which provides various advantages including efficiency of service delivery, sharing of information, reducing the number of

times customers must provide the same information and significantly improved service delivery resilience.

- 2.11 Opportunities to further increase the take-up of this grant and to further streamline the process continue to be explored. For example, the Council has reduced the need for parents to re-apply for free school meals and clothing grants every year. Where families currently receive Housing Benefit or Council Tax Reduction and any of the qualifying benefits (Income Support; Job Seekers Allowance (Income Based); Employment and Support Allowance (Income Related); Universal Credit), they will be automatically assessed. Families who do not need to re-apply will receive a letter confirming their continued entitlement to free school meals and clothing grants.
- 2.12 The budget for school clothing grants is £331k. Although ongoing efforts are undertaken to maximise take-up, it is likely for 2016/17 that there is the opportunity to increase the sum from £81 to £90 (an 11% increase), per child/application to help hard-pressed families – without creating a budget pressure.

### 3. **Managing household bills on a low and falling budget**

- 3.1 Research undertaken by the New Policy Institute "*Managing household bills on a low and falling income*" explores how households manage bill payments, the overlap between bill arrears and benefit entitlement and what this means for the impact of welfare reforms. Some of the key findings from this research include:
- 3.2
- Essential bills (rent, mortgage interest, energy, phones/internet and council tax) account for a quarter of spending for the average family – for the poorest fifth it is more than half of their weekly spending.
  - 1.4 million working-age families were behind with an energy and/or phone bill, about 6%. However, arrears were more common among certain family types including families where no adult is working, single parents and those renting from a social landlord.
  - Although tenants in the private rented sector face higher housing costs, receive housing benefit directly and often have to top-up this benefit to pay rent, only 7% had fallen behind on their rent. However, 34% had fallen behind on essential household bills other than rent.
  - 70% of working-age families that had fallen behind with an essential bill in the past 12 months were in receipt of a key benefit. A third were in receipt of an out-of-work benefit – the baseline benefit income.

### 4. **Universal Credit**

- 4.1 In the published official Universal Credit statistics for June 2016, the Highland Council area has had approximately 2,905 claimants who have completed the Universal Credit claim process and accepted their Claimant Commitment. In

the Highland Council area 1,518 claimants are still claiming Universal Credit of which approximately 697 (46%) are in some form of employment.

## 4.2 **Universal Credit Full Service**

- 4.2.1 Universal Credit Full Service went live in Inverness Job Centre from Wednesday 29<sup>th</sup> June 2016. This means most **working age** residents living in postcodes covered by Inverness Jobcentre who needs to claim a means-tested benefit after that date must claim Universal Credit. DWP have no plans at present to rollout Full Service to any other Job Centre in Highland.
- 4.2.2 Full Service removes a number of clerical functions for claimants and means that claimants will apply online; report changes in their circumstances online; interact with their DWP Work Coach online; and maintain their journal online – this journal records what action the claimant is undertaking to search for work and to improve their work outcomes.
- 4.2.3 Working age claimants who are already receiving one or more of those ‘legacy’ benefits and who live in the Full Service area will be required to claim Universal Credit if they have a change in their circumstances that would involve a claim for another ‘legacy’ benefit. Their existing benefits will cease and they will have to make a claim for Universal Credit. The DWP call this natural migration.
- 4.2.4 Members should note, whether making a new claim or by going through the natural migration process to claim Universal Credit Full Service, some claimants, and depending on their personal circumstances, will be financially worse off through the loss of additional premiums or transitional protection which are not available in Universal Credit Full Service.
- 4.2.5 For example, a “what if” calculation showing a situation for a lone parent aged 25 or over and living in a Full Service postcode on Child Tax Credit (CTC), where her only income is Maternity Allowance, will result in the claimant being £63.84 per week worse off by claiming UC instead of CTC.
- 4.2.6 Since the introduction of Full Service the number of requests to support vulnerable residents to access Universal Credit has increased. This support relates to assisting individuals to set up email addresses, access bank accounts and support them to make online claims.
- 4.2.7 The Council, DWP and the voluntary sector will continue to work together aiming to deliver the right support tailored to individual needs. This has included the Council recruiting 3 additional Welfare Support Officers to provide localised advice and information services including Universal Credit online support and Personal Budgeting Support. Members may wish to note further details of these posts can be found in Section 10 of this report.
- 4.2.8 In addition, the Council will continue to work in partnership with the other Highland social landlords, Citizens Advice Bureaux, Citizens Online and other voluntary sector organisations to rollout Digital and Financial inclusion opportunities to all Highland residents through the previously approved ‘Count

Your Cash' days.

4.2.9 The 'Count Your Cash' days project aims to:

- Increase people's confidence and capacity in using online services to enable them to save money. E.g. price comparison websites, online shopping and online banking.
- Assist people to set up email addresses, open bank accounts and get the most out of technology and gadgets.
- Promote the use of the Council's online services.
- Offer a financial health check.

4.2.10 It is intended that promotion of the 'Count Your Cash' days will be through targeted campaigns to specific groups in addition to general social media, newsletters and online campaigns.

#### 4.3 **Universal Credit Full Service for families with more than two children**

4.3.1 In the Summer Budget, the Chancellor announced that benefit for larger families would be limited to reflect two children. This reform is to be implemented via Housing Benefit and Tax Credits until November 2018. Regulations will therefore be laid to enable some Universal Credit Full Service claimants to claim Housing Benefit and Tax Credits during this time.

#### 4.4 **Universal Credit and Council Tenants**

4.4.1 At 30 June 2016, the number of known Universal Credit cases in Council houses has increased to 366. Although the percentage of Universal Credit cases in arrears continues to remain static at 80%, the average rent arrear for mainstream tenancies has reduced again during the last quarter from £695 per household in quarter 4 (2015/16) to £634 in quarter 1 of 2016/17. The table below details the breakdown of Universal Credit cases and arrears values by accommodation type.

4.4.2

<b>Impact on the Highland Council's Housing Rent Arrears: Live cases</b>					
<b>30 Jun 2016</b>	<b>Number of UC cases</b>	<b>Number of cases in arrears</b>	<b>Percentage of cases in arrears (%)</b>	<b>Cumulative rent arrears £</b>	<b>Average rent arrears per household £</b>
<b>All Highland Council Universal Credit Cases</b>	366 (307)	296 (246)	80% (80%)	£201,569 (£171,183)	£680.98 (£695.00)
<b>Mainstream Tenancies</b>	349 (293)	280 (234)	80% (80%)	£177,730 (£151,972)	£634.75 (£649.45)
<b>Temporary Accommodation</b>	17 (14)	16 (12)	94% (85%)	£23,838 (£19,211)	£1489.91 (£1,600.94)

4.4.3 During June 2016 the Council received 135 Alternative Payment Arrangements

which represents 37% of the known Universal Credit cases. Although a tenant may present as vulnerable or have a level of arrears that would qualify them for an APA payment, there are a number of reasons as to why an APA payment may not be made. Examples include: a change in their personal circumstances or cases where the tenant has not applied for the housing cost element.

#### 4.5 ***DWP Project – Universal Credit Trusted Partner Pilot Update***

4.5.1 At the previous Resources Committee it was reported that the Council had commenced participation in the Universal Credit - Trusted Partner Pilot.

4.5.2 The aim of the pilot is to understand and assess the process whereby social landlords identify vulnerable tenants who may struggle to cope with receiving direct rent payments and make appropriate recommendations for a direct payment of housing costs to the landlord.

4.5.3 At present the DWP do not have provision for operating the Trusted Partner Pilot within Universal Credit Full Service which rolled out to the Inverness Jobcentre catchment area from 29 June 2016. The Council is working with the DWP to consider the implications of this and to decide whether the project should continue in Highland.

#### 4.6 ***Universal Credit in Temporary Accommodation***

4.6.1 Although the percentage of Universal Credit cases in arrears has increased for tenants residing in temporary accommodation from 85% to 94% between quarter 4 (2015/16) and quarter 1 of 2016/17, the average rent arrear has decreased over the last two quarters. The average rent arrear has reduced from £2,085 per household at the end of December 2015 to £1,489 per household at the end of June 2016.

4.6.2 The allocation of a dedicated Housing Options Officer on such cases will have helped in this improved performance.

4.6.3 The Community Services Committee will also be considering a report on the “*Homeless Initiatives Project Board Update*” which will include an update on the “*Temporary Accommodation Re-provisioning Project*” and the impacts and challenges arising from Universal Credit.

#### 4.7 ***Universal Credit for Pensioners***

4.7.1 DWP has announced that they will not begin the incorporation of Housing Benefit for pensioners into Pension Credit until the completion of the Universal Credit timetable. The clarification provided by this announcement is helpful as it enables local authorities to plan to continue delivering Housing Benefit for pensioners beyond 2020. Around 38% of the overall Housing Benefit caseload in Highland is from pensioners.

## 5. Devolution of Social Security Benefits

5.1 On 14 July 2016 the UK Government laid formal Parliamentary regulations which set out the timetable for the transfer of the first tranche of welfare powers. The move means that the Scottish Parliament will, for the first time, be able to legislate to tailor the welfare system to reflect local needs, including the ability to create entirely new welfare benefits in areas of devolved responsibility.

5.2 The regulations set out a timetable for the transfer to Holyrood of a number of welfare powers, including the ability to:

- Create new benefits in devolved areas
- Top up reserved benefits (such as Universal Credit, Tax Credits and Child Benefit)
- Make discretionary payments and assistance
- Change employment support
- Make changes to Universal Credit for the costs of rented accommodation
- Make changes to Universal Credit on the timing of payments and recipients
- Make discretionary housing payments

The majority of these powers will transfer on 5 September 2016. Discretionary housing payments will transfer on 1 April 2017.

5.3 The transfer gives the Scottish Government the power to start the process of implementing these changes over a number of years, including bringing forward the necessary legislation. The timescale for implementation will start from 1 April 2017, when the first employment support schemes will start operating.

5.4 Poverty campaigners are calling for Child Benefit to be increased by £5 a week, which the Poverty Alliance said could reduce child poverty by 14%.

5.5 The Scottish Government said the changes to its welfare powers will mean it will control more than 15% (£2.7bn) of social security spending. The rest remains the responsibility of the UK Government.

5.6 Also, in June 2016 the Scottish Parliament voted to agree a Scottish Government motion setting out a range of proposed changes to social security using devolved powers, following the debate on 'dignity, respect and fairness in disability benefits'.

5.7 The motion sets out the Scottish Government's 'wider goal of supporting disabled people and their carers to participate in society, fulfilling their potential in life'. Specific proposals for changes to social security provision in Scotland include to -

- increase Carer's Allowance;
- extend Winter Fuel Payments in respect of children on higher rate

Disability Living Allowance;

- ensure that disability benefits are increased at least in line with inflation;
- ensure that disability benefits are not means-tested; and
- ensure that the disability assessment process is fair and transparent.

- 5.8 On 29 July 2016 the Scottish Government announced a 13 week consultation to develop social security legislation including looking for views on the benefits being devolved to Scotland, as well as how they are delivered.
- 5.9 The Scottish Government has the opportunity to design a system which has less bureaucracy, more flexibility and maximises resources to deliver a successful social security system in Scotland. Within this system, local authorities can deliver a single point of contact service which can provide information, holistic support and benefit delivery to claimants.
- 5.10 The Council has previously submitted a response to the Scottish Parliament's Welfare Reform Committee consultation on "The Future Delivery of Social Security in Scotland" in August 2015. In addition, the Head of Revenues & Business Support was invited to give evidence to the Scottish Parliament's Welfare Reform Committee meeting on 6 October 2015 on this matter.
- 5.11 The Benefit and Welfare Manager within the Finance Service is leading the response to this lengthy and complex consultation and has engaged with all Services to ensure a comprehensive response is submitted on behalf of the Council.
- 5.12 The deadline for submitting the Council's response to the Scottish Government is Friday 28 October 2016. The Resources Committee is invited to note that the Council's final submission will be approved by the Welfare Reform Working Group and a copy of the Council's response will be included in the November Resources Committee paper.

## **6. Benefit Cap**

- 6.1 Detailed information regarding the benefit cap was provided to the May 2016 meeting of this Committee. DWP has now confirmed that the new cap levels will be implemented from 7 November over a number of weeks.
- 6.2 The Policy and Assurance Officer within the Benefits and Welfare Team continues to provide a pivotal role as *single point of contact* for Council Services and social landlords with the DWP for both the benefit cap and Universal Credit.
- 6.3 The reduction in cap levels is anticipated to impact on significantly more households than at present and to have a fairly significant impact on the local economy. Benefit cap management information will continue to be provided in future reports to this Committee. The impact of current benefit cap rules is provided in Appendix 1 to this report.



## 7. Foodbanks

7.1 In June 2016, the independent Working Group on Food Poverty published their first report *Dignity – Ending hunger together in Scotland* which sets out evidence and recommendations.

7.2 The group was tasked with considering:

- how best to create a dignified and sustained food strategy which supports vulnerable people;
- how best to address the often complex set of issues which lead people into food poverty;
- how a strong partnership approach to eradicating food poverty can be developed and how collective resources and assets can be best aligned.

7.3 The recommendations of the report focus on reducing and removing the need for foodbanks in the lifetime of the current Parliament and of transitioning to other models, involving increasing income and developing community food initiatives.

7.4 The group recognise that food poverty is a symptom of wider poverty and disadvantage, which in turn is embedded in the way we organise our society and our economy. The group recommend implementing more widely the Living Wage as defined by the Living Wage Foundation, together with better working conditions and a reduction in exploitative zero-hours contracts. They also propose that the Scottish Government uses its new powers to fund an increase in the value of social security benefits, specifically Child Benefit.

7.5 Nationally, the Scottish Welfare Fund has provided an additional safety net for numerous households in the last two years, and the group recommend this as the first point of call for people with an income crisis which leaves them unable to afford food.

7.6 Since the introduction of the Scottish Welfare Fund on 1<sup>st</sup> April 2013, the Council has awarded £454,530 specifically for food:

<b>Period</b>	<b>Amount</b>
• 01/04/2013 – 31/12/2013	£47,156
• 01/01/2014 – 31/12/2014	£174,202
• 01/01/2015 – 31/12/2015	£156,244
• 01/01/2016 – 30/06/2016	£76,928

## 8. Earnings in the Highlands

8.1 In a recently published report by the Scottish Government *The Poverty and Income Inequality in Scotland 2014-15*, figures show 18% of people in Scotland were living in poverty.

8.2 15 per cent of working age adults in Scotland (470,000) were living in relative poverty\* before housing costs in 2014/15, an increase from 13 per cent

(+40,000) the previous year 2013/14.

\* **Relative poverty** - individuals living in households whose equivalised income is below 60 per cent of **median income** in the same year. This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the economy as a whole.

8.3 Absolute poverty\* for working age adults before housing costs was 14 per cent in 2014/15, unchanged from the previous year. In 2014/15, there were 460,000 working age adults living in absolute poverty before housing costs, 10,000 more than the previous year.

\***Absolute poverty** - individuals living in households whose equivalised income is below 60 per cent of **inflation adjusted median income** in 2010/11. This is a measure of whether those in the lowest income households are seeing their incomes rise in real terms.

8.4 The increase in relative poverty before housing costs in the latest year reflects movement in employment across the income distribution but with those on low income more likely to move into part-time employment. This, combined with the withdrawal of means tested benefits and a one per cent cap on benefit up-rating, means those on a low income saw smaller increases in income, and therefore remained in poverty, than middle income households,.

8.5 Income for middle income households increased by more than that for low income households. For households not in receipt of benefit income, increases in earnings were greater than inflation, and household income increased. For households with a mixture of earnings and benefit income, there were some increases in household income, but smaller than households with earnings only. Households with children were likely to be in receipt of benefit income, and so increases in household income were smaller than those in employment and without children. Those not in employment, and wholly in receipt of benefit income saw the smallest increases in household income in 2014/15.

8.6 The following figures detail the median earnings in pounds for employees living in the local, national and wider UK areas:

*average	Highland*	Scotland*	Great Britain*
Gross weekly pay	£488.90	£527.00	£529.60
Hourly pay exc overtime	£12.31	£13.37	£13.33

The earnings information collected relates to gross pay before tax, national insurance or other deductions, and excludes payments in kind. Source: ONS annual survey of hours and earnings - resident analysis.

8.7 Members will be aware the Council is pro-active in funding and supporting both in and out of work anti-poverty measures. Further details of some initiatives including the Midwifery, Mental Health and Maximising Benefit take up projects can be found in item 18 of today's agenda. In addition, Members may wish to note Appendix 4 which details a good news story from the Maximising Benefit take up project.

## **9. Housing Benefit backdates (temporary absence cases)**

- 9.1 In the February 2016 report to this Committee, it was highlighted that new rules, restricting housing benefit and pension credit entitlement from the current 13 weeks to 4 weeks in the event of temporary absence from Great Britain were changing from April 2016.
- 9.2 The new rules were originally due to be introduced in April 2016, then May 2016 with a further delay until summer 2016.
- 9.3 The new legislation came into effect on 28 July 2016. This aligns the temporary absence rules in Housing Benefit and Pension Credit with Universal Credit (UC). This means that absences from GB where entitlement to HB continues, will, for most cases, be reduced from 13 weeks to 4 weeks.

## **10. Welfare Officer posts – Kingussie, Portree and Dingwall**

- 10.1 As discussed at previous Committees, the Head of Revenues and Business Support has entered into a District Partnership agreement with the DWP for the provision of personal budgeting support for Universal Credit claimants. This service is being effectively provided by the council's Welfare Support Team.
- 10.2 The partnership funding provided by DWP is being used to create 3 additional and permanent Welfare Officer posts in Kingussie, Portree and Dingwall. This approach ensures that services are delivered locally in a manner that is both convenient and effective for customers. It also creates local employment opportunities and aligns with the localism agenda.
- 10.3 These new posts will complement the existing Welfare Support team with officers currently based in Wick, Golspie, Dingwall, Inverness and Fort William. In addition to providing a home visiting service, the welfare officers regularly provide advice and information services in various locations including Thurso, Nairn and Invergordon to enhance the opportunities for residents to access local support.
- 10.4 Members are also advised that, led by the Business Development & Support Manager, the Council has recently successfully secured DWP funding for 3fte Revenues Assistant. These posts are based in Inverness, Nairn and Fort William and support a national initiative looking to introduce innovative working practices and support existing initiatives.

## **11. Apply Once – Single online application form**

- 11.1 As part of the Council's Digital First project, effective cross-Service working has enabled the Council to launch an on-line application form which enables customers to identify the council entitlements that they may be eligible for and to apply using a single form.
- 11.2 The innovative design of this "Apply Once" online form captures relevant information from the customer and calculates their potential entitlement to the

following council entitlements:

✓ Housing Benefit	✓ Free School Meals
✓ Council Tax Reduction	✓ School Clothing Grant
✓ Second Adult Rebate	✓ Discretionary Housing Payments
✓ Council Tax discounts and exemptions	✓ Garden Aid
✓ Disabled Band Reduction	✓ Free Parking Permit

- 11.3 The entitlements are administrated by Revenues & Business Support (with the exception of free parking permits by Corporate Development (Customer Services)). This has been a complex but ground breaking development which also has the facilities to save and return and to upload evidence. It went “live” on 8 August 2016.
- 11.4 In order to authenticate identity, before completing the application form, customers will be invited to create a customer account. This ensures that customers are required to evidence their identity only once rather than each time they wish to make an application for one of the above entitlements.
- 11.5 The “Apply Once” online form can be accessed on the Council’s website at [www.highland.gov.uk/applyonce](http://www.highland.gov.uk/applyonce) and select Apply Once. A briefing has been circulated to Services to ensure that staff can promote the benefits of the form to their customers. For example, members of the Welfare Support team will utilise this form when supporting customers to apply for council entitlements and supports the Council’s overall efforts to maximise benefit take-up including utilising digital services. Links to this form are also available on the webpages relating to housing benefit and council tax discounts and exemptions.
- 11.6 Once submitted, customers receive an immediate confirmation of receipt. Smart use of data workflow is then used to direct the form to relevant teams for processing. This single entitlements application form further supports the model of a single financial assessment unit which has already been established within the Revenues and Business Support Section.
- 11.7 Officers will continue to develop this intuitive form to capture any further council entitlements that may be available.

## **12. Financial Monitoring Report**

- 12.1 The financial monitoring report can be found at Appendix 1. At this stage of the financial year, the budget is currently predicted to come in £30k under budget due to a predicted underspend at School Clothing Grants.
- 12.2 As reported earlier in this report, following a policy review in 2015/16, the Council increased spend for hard pressed families from £199k in 2014/15 to £301k in 2015/16. Should Members approve the recommendation to increase the payment per application from £81 to £90 with effect from 2016/17, then the

predicted spend will come in on-budget at £331k.

- 12.3 Members will note that, compared to 2015/16, there are 2 new budget headings reported at as part of the Council's overall Welfare Budget. These are: School Clothing Grants and Educational Maintenance Allowance (EMA). They were previously reported as part of the overall Care & Learning Service budget; this change enables a single view of Welfare spend to be reported.

### **13. Implications**

- 13.1 Resource and Risk implications are set out in the paper. There are no legal; climate change/Carbon Clever; Gaelic implications.
- 13.2 Rural Implications – the report highlights a range of issues that particularly impact on rural areas.
- 13.3 Equalities – the whole report seeks to consider and address the issues arising from welfare reforms that impact on poverty and vulnerability.
- 13.4 Poverty – the whole report aims to acknowledge current welfare issues which exacerbate the causes of debt and poverty within the Highlands.

## **Recommendation**

The Committee is asked to:

### **Consider:**

- the significant increase in the spend of school clothing grants from £199k in 2014/15 to £297k in 2015/16
- the successful uptake of electronic payment, via PayPoint, and the availability of an online form in respect of school clothing grants
- the findings of the research undertaken about the impact of low and falling incomes on households' abilities to manage their household bills
- Universal Credit (UC) Full Service rollout in Inverness Job Centre on 29 June 2016
- the ongoing impact that Universal Credit is having on rent arrears and the positive reduction in the average rent arrear per UC household
- the majority of devolved social security powers will transfer on 5 September 2016; discretionary housing payments will transfer on 1 April 2017.
- the Council's submission to the Scottish Governments Consultation on social security legislation will be approved by the Welfare Reform Working Group and a copy of the response included in the November Resources Committee paper.
- the gross weekly and hourly pays in Highland are below the Scottish and Great Britain averages
- the innovative Apply Once online application form for council entitlements

### **Agree:**

- To increase the school clothing grant from £81 to £90 per application from 2016/17 which will increase the total spend by £30k to £331k and will mean that the Welfare Budget is predicted to come in on budget

Designation: Director of Finance and Director of Community Services

Date: 11 August 2016

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

Background Papers:

*The Poverty and Income Inequality in Scotland 2014-15*

<http://www.gov.scot/Publications/2016/06/3468>

*Dignity – Ending hunger together in Scotland*

<http://www.gov.scot/Resource/0050/00502395.pdf>

*Managing household bills on a low and falling income*

<http://npi.org.uk/publications/social-security-and-welfare-reform/managing-household-bills-low-and-falling-income/>

Welfare Reform Report – August 2016Under occupation rules - 25/06/16

Summary – 14% reduction	
	No of Properties
Council tenants	1,354 (67%)
HA tenants	681 (33%)
Total	2,035

Summary – 25% reduction	
	No of Properties
Council tenants	311 (77%)
HA tenants	92 (23%)
Total	403

Summary – combined	
	No of Properties
Council tenants	1,665 (68%)
HA tenants	773 (32%)
Total	2,438

Number of transfer applicants affected and movement in quarterly periods – for Highland Housing Register: Jul 16		
Number of applicants	% Movement since Qtr. 4 14/15	Number +
226	6%	0

Housing Benefit Appeals

Number of appeals received with a comparison to the previous financial year			
April 2015 Appeals/Reconsiderations	0 / 47	April 2016 Appeals/Reconsiderations	0 / 40
May 2015 Appeals/Reconsiderations	0 / 32	May 2016 Appeals/Reconsiderations	0 / 31
June 2015 Appeals/Reconsiderations	0 / 46	June 2016 Appeals/Reconsiderations	0 / 44

### **Benefit Cap at 24/07/16**

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	1	1		2	2		1
Housing Association	2	2		1			1
Private rent	1						

### **Discretionary Housing Payments**

	Qtr 1 2016/17 spend
Number of awards	4,572
<b>Award Reasons</b>	
Under Occupation:	4,451
Benefit Cap:	0
Other:	121
<b>Total amount paid and committed</b>	£1,446,154



### Scottish Welfare Fund

	Apr-16	May-16	Jun-16	Year to date
<b>Crisis Grant</b>				
<b>Application Approved</b>	289	275	279	843
<b>In month award total</b>	£14,946	£15,566	£15,913	£46,425
<b>Average CG award</b>	£52	£57	£57	£55
<b>Community Care Grant</b>				
<b>Application Approved</b>	143	172	143	458
<b>In month award</b>	£46,264	£56,032	£49,826	£152,122
<b>Average CCG award</b>	£324	£326	£348	£332

### FoodBank MI

Inverness & Nairn

Vouchers issued	Adults fed	Children fed	Total fed
508	598	194	792
Top 3 reasons why voucher issued: 1. Benefit delay 2. Low income 3. Other			

Data taken from Distributor report 1 January 2016 - 31 March 2016

Highland foodbanks (exc Inverness & Nairn)

Vouchers issued	Adults fed	Children fed	Total fed
361	514	203	717
Top 3 reasons why voucher issued: 1. Benefit delay 2. Low income 3. Other			

Data taken from available Distributors report 1 January 2016 - 31 March 2016

## Appendix 2

<b>WELFARE BUDGET</b> <b>1 April to 30 Jun 2016</b>	ACTUAL YTD £000	ANNUAL BUDGET £000	ESTIMATED OUTTURN £000	VARIANCE
<b>Housing Benefits</b>	13,460	52,417	52,417	0
<b>Council Tax Reduction Scheme</b>	11,373	11,400	11,400	0
<b>Scottish Welfare Fund</b>				
- Community Care Grants	136	555	555	0
- Crisis Grants	38	246	246	0
	174	801	801	0
<b>Discretionary Housing Payments</b>	295	1,466	1,466	0
<b>Educational Maintenance Allowances</b>	231	850	850	0
<b>School Clothing Grants</b>	6	331	301	(30)
<b>Advice Services</b>				
- Citizens Advice Bureau	347	1,175	1,175	0
	347	1,175	1,175	0
<b>GROSS WELFARE BUDGET</b>	25,886	68,439	68,409	(30)
<b>Income</b>				
DWP – HB Subsidy	(12,298)	(52,295)	(52,295)	-
DWP - Discretionary Housing Payments	326	(1,190)	(1,190)	-
Educational Maintenance Allowances	(168)	(850)	(850)	-
Advice & Information Services	-	(126)	(126)	-
	(12,140)	(54,460)	(54,460)	-
<b>NET WELFARE BUDGET</b>	<b>13,746</b>	<b>13,979</b>	<b>13,949</b>	<b>(30)</b>

## Appendix 3

### School Clothing Grants paid by local authority

Council	2014/15			2015/16		
	Primary School	Secondary School	Primary/ Secondary School	Primary School	Secondary School	Primary/ Secondary School
Aberdeen	£55	£60		£55	£60	
Aberdeenshire			£50			£50
Angus			£35			£20
Argyll & Bute			£50			£50
Clackmannanshire			£55			£55
Dumfries & Galloway			£80			£80
Dundee City	£45	£50				£81
East Ayrshire			£50			£75
East Dunbartonshire			£50			£50
East Lothian	£60	£65		£60	£65	
East Renfrewshire			£50			£75
Edinburgh City	£43	£50		£43	£50	
Falkirk			£50			£50
Fife			£55			£55
Glasgow			£47			£47
Highland			£50 (Jul-Dec) £25 (Jan-Jun)			£81
Inverclyde			£80			£90
Midlothian	£60	£65		£60	£65	
Moray			£45			£45
North Ayrshire			£40			£40
North Lanarkshire			£70			£70
Perth & Kinross	£45	£50		£45	£50	
Renfrewshire			£55			£55
Scottish Borders			£45			£45
South Ayrshire			£50			£50
South Lanarkshire			£50			£50
Stirling			£50			£50
West Dunbartonshire			£100			£100
West Lothian	£94	£110		£94	£110	
Eilean Siar	£50 (Age 5-8) £55 (Age 9-12)	£60 (Age 13-14) £65 (Age 15-18)		£50 (Age 5-8) £55 (Age 9-12)	£60 (Age 13-14) £65 (Age 15-18)	
Orkney Islands			£55			£56
Shetland Islands	£45	£50		£45	£50	

## Appendix 4

### Welfare Support Team case study

<b>Health Issues</b>	Mr & Mrs S live in the Highland area and have resided in the property since 2007 whereby they were allocated the house due to their illnesses and mobility issues. The couple are both in receipt of Disability Living Allowance (care and mobility components).	
<b>Support Needs Identified</b>	<p>The Maximising Benefit take up project identified Mr and Mrs S as being under the Applicable Amount for benefit entitlement. Following a benefit check including Pension Credit entitlement our Welfare Team Adviser identified the couple were not getting the Severe Disability Premium in their Pension Credit award.</p> <p>Our adviser contacted Mrs S and explained about their potential entitlement to the Severe Disability Premium. The Welfare Support officer completed the appropriate Pension Credit form including requesting consideration of a backdate and any underlying entitlement by a DWP Decision Maker and this should be longer than the standard 12 month period. At the time of submitting this form Mr &amp; Mrs S were in receipt of Housing Benefit and Council Tax Reduction, DLA and a small amount of Pension Credit Savings Credit.</p>	
<b>Support Provided</b>	Mr & Mrs S found it difficult to understand why they were entitled to the Severe Disability Premium and would not have completed the form without the support of our experienced adviser who explained the premium, their entitlement and the process involved to ensure their understanding.	
<b>Health and Wellbeing</b>	Pension Credit <b>before</b> support	<b>£1.66 weekly</b>
	Pension Credit <b>after</b> support	<b>£105.71 weekly</b>
	Total Benefit <b>before</b> support	<b>£323.91 weekly</b>
	Total Benefit <b>after</b> support	<b>£427.96 weekly</b>
	Backdate award amount	<b>£36,653.07 lump sum</b>
	<p>Mrs S phoned the Welfare Support adviser when she received a phone call from the DWP, as she was worried she was not entitled to the money. The Welfare Support Adviser explained and reassured her that the backdate amount awarded was correct.</p> <p>The support from the Welfare Support Team to claim the additional Severe Disability Premium and backdated award has made a significant difference to this couple. Mrs S was able to buy an electric wheelchair to enable her to get out and about independently. In addition, the couple were able to pay back money to their son and daughters who had all helped out financially over the years.</p>	