Questionnaire to Scottish local authorities on impact of welfare reforms on 2014/15 and 2015/16 spending plans and resources

As part of our scrutiny of local government budgets the Local Government and Regeneration Committee is seeking the following information from your council on the financial and resource impact of UK Government welfare reforms, for the period 2012/13 to 2014/15—

• Q1 – In what areas of (a) work and (b) costs and resources has the ongoing programme of UK welfare reforms affected your council?

In terms of work, Aberdeenshire Council saw an increase of 892% in discretionary housing payment applications during 2013/2014 compared to the previous financial year. It is also the case that a significant amount of re-work was required due to the funding changes announced part way through the year. There was also a significant amount of take-up work required amongst social sector tenants in Aberdeenshire as approximately one-third of those affected by the social sector size criteria had not applied for discretionary housing payments.

The Council has also seen a 24% increase in the number of changes in circumstances it has processed, which is in some measure due to the emphasis of getting claimants into work. In many cases this reflects people moving into and out of work but continuing to receive housing benefit, in other cases it involves claimants moving off and on housing benefit depending on the level of their income.

The welfare reform programme has also increased the training workload for the Council as it endeavours to ensure that Council staff, our various partners and stakeholders are aware of the reforms and their implications.

There have been increased costs related to the development and provision of leaflets and communications media such as the production of DVD’s aimed at council tenants and animated film clips for use on the Council’s website, and revisions to existing forms.

There has also been increased customer contact, particularly for housing staff, who work extensively with tenants to resolve arrears issues at an early stage. Social work colleagues have had to provide support to clients affected by the welfare reforms.

In terms of cost it is almost impossible to quantify the additional costs associated with welfare reform because for example social work may already be providing support to a client affected by welfare reform or housing staff may already be dealing with a tenant affected by the size criteria because of pre-existing rent arrears or as a result of the legislation in respect of pre-action requirements.

In April 2013 the Council appointed 3 full-time Project Officers to work on the impact of the reforms across all services and with the local community planning partnerships, to provide training and communication materials and to generally engage with the wider stakeholders. These three fixed term posts will result in additional costs to the authority of £236,210 over two years, which includes the employer’s pension and national insurance contributions. These posts will be required for longer than was originally anticipated because of the changes to the
implementation timetable for universal credit and because of the need to consider the implications for the authority of the local support services framework.

The Council also employed 3 officers to administer the Scottish Welfare Fund at a cost the authority of £83,655 per annum. The administration grant for the Scottish Welfare Fund in 2013/2014 for Aberdeenshire amounted to £75,370, leaving a shortfall of £8,285.

**Q2 – What was the level of actual or budgeted crisis grants made by your council in the period 2012/13 to 2014/15? What percentage increase/decrease did this represent over the previous three financial years?**

Aberdeenshire Council’s Social Work service made the following emergency payments under Section 12 and 22 from 2010/2011 to 2013/2014:

<table>
<thead>
<tr>
<th>Year</th>
<th>Emergency Payments</th>
<th>Percentage Increase/Decrease</th>
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<tbody>
<tr>
<td>2010/2011</td>
<td>£4,598</td>
<td></td>
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<tr>
<td>2011/2012</td>
<td>£8,308</td>
<td>81%</td>
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<tr>
<td>2012/2013</td>
<td>£4,514</td>
<td>-46%</td>
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<tr>
<td>2013/2014</td>
<td>£4,869</td>
<td>8%</td>
</tr>
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Given the relatively low level of spending on Section 12 and 22 emergency payments there is no specific provision within the social work budget for these payments.

It is anticipated that the national roll-out of Personal Independence Payments (PIP) will have an impact on social work services both in terms of resources and cost. This is expected to be particularly acute for rural authorities given the lack of assessment centres at a local level and the lack of any data sharing arrangements during the migration phase.

It is estimated that 6,000 working age claimants in Aberdeenshire will have to go through the migration phase of PIP, of which approximately one-third are social work clients. Some of these clients live more than 1½ hours travel time from the assessment centre in Aberdeen, which they have to attend as part of the migration process. This means that the authority will potentially have to pay staff time and expenses to support clients who have to go through the assessment. However the lack of any data sharing arrangement in relation to the migration phase means that there is a risk that social work staff will not know when their clients are invited to claim PIP, increasing the risk of a failed claim and loss of disability living allowance to which social work staff will then have to react.

**Q3 – What has been the financial and resource implication of the welfare reforms for your social work and housing services in the period 2013/14 to 2014/15? What has been the level of emergency housing applications your council has dealt with in 2013/14? What level do you expect to deal with in 2014/15?**

In 2012/13 Aberdeenshire Council introduced a new homelessness prevention approach, which involved a team of dedicated officers (7) acting as the first point of contact for all potential homeless applicants. The sole objective of the Team was to
try and avoid a homelessness situation occurring by providing advice and assistance to sustain existing housing arrangements or to secure alternative accommodation.

The overall aim of the introduction of our new prevention approach in September 2012 was to reduce homeless presentations and the subsequent reliance on and use of bed and breakfast accommodation. It was also in advance of an increase in our duty to provide accommodation due to the abolition of priority need, which was required by December 2012. Aberdeenshire Council removed the use of priority need from November 2012. There was also an expectation that welfare reform agenda might result in a higher level of homelessness.

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Homeless Presentations</th>
<th>Target for Prevention Team</th>
<th>Actual Homeless Presentations</th>
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</thead>
<tbody>
<tr>
<td>2011/2012</td>
<td></td>
<td></td>
<td>1,607</td>
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<tr>
<td>2012/2013</td>
<td>1,878</td>
<td>1.685</td>
<td>1,409</td>
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<tr>
<td>2013/2014</td>
<td>2,160</td>
<td>1,586</td>
<td>1,227</td>
</tr>
<tr>
<td>2014/2015</td>
<td>2,484</td>
<td>1,488</td>
<td>1,488</td>
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In 2013/2014 the Homelessness Prevention Team had 2,640 approaches of whom only 940 (35%) went on to make a homeless presentation. In 2012/13 the Council budgeted to spend £2.4 million on bed and breakfast provision. The actual spending was £1.4 million, a reduction against budget of £1 million. In 2013/14 we budgeted to spend £1.9 million on bed and breakfast accommodation and current estimates show we are on track to spend £1 million, a reduction of £900,000.

In 2014/15 it is estimated the Council will deal with 1,488 homeless presentations and we have budgeted to spend £1.4 million on bed and breakfast accommodation.

**Q4 – What actions has your council taken to coordinate its efforts and responses to the welfare reform changes to ensure the most needy/vulnerable people in your council area receive the support and assistance they require?**

Aberdeenshire Council set up a Cross-Service Working Group in January 2012, led by the Council’s Benefits Manager, specifically to look at the impact of the Welfare Reforms from a corporate perspective, to identify the actions that could be taken to mitigate those impacts and to co-ordinate the response from the local authority and its various partners to avoid duplication of effort and resources.

The Group developed a risk register with mitigating actions identified for each risk associated with the welfare reform programme and then used this information to prioritise the activities around the welfare reform agenda.

These activities were focussed on 6 Priority Areas and the attached Appendix provides details of the work undertaken in relation to these priority areas:

- Communication Strategy
- Training for council staff and various stakeholders and partners
- Money Advice and Education
- Preparing benefit claimants for digital claiming
- Review of Council policies affected by welfare reform
- Implementing the legislation
Regular reports have been provided to the Council’s Management Team, various Policy Committees and to Full Council. There have also been regular updates on ward pages for elected members. In addition there have also been updates to the Community Planning Partnership Executive and Board.

The 3 Project Officers have service-specific lead roles in relation to welfare reform and link in to the Welfare Reform sub-groups set up by the Local Community Planning Partnerships.

The Council developed a specific page on its website related to welfare reform and issues a monthly Welfare Reform Newsletter to staff, partners and stakeholders, which is also available on the Council’s website.

Prepared by: Susan Donald, Benefits Manager
Date: 22 April 2014
<table>
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<tr>
<th>Priority Areas for Action</th>
<th>Activities</th>
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| Communication Strategy   | • All council tenants of working age affected by the social sector size criteria have been sent a letter advising them of the financial impact on their households.  
• All council tenants were sent a copy of the leaflet about the social sector size criteria with the Tenants Newsletter  
• There have been a number of press releases in relation to different aspects of the UK Government’s welfare reform programme.  
• The Chief Executive included welfare reform in his blog.  
• One telephone number with automated call distribution was set up to make it easier for tenants concerned about welfare reform to contact the benefits or housing teams  
• There was a facebook question and answer session on welfare reform on 27 February for one hour which received 1,032 hits within the space of 48 hours.  
• Council tenants who are facing a reduction in housing benefit as a result of the social sector size criteria and who are under-occupying by two or more bedrooms are being visited by Housing Officers with a view to providing appropriate advice and support.  
• An animated film about welfare reform in general has been produced and placed on the website and You Tube channel  
• A “live action” film about the impact of the social sector size criteria has been produced and placed on the website and You Tube channel  
• A number of presentations on welfare reform have been given to various management team meetings, full council, workshops, seminars, conferences, and partnership bodies.  
• An insert on welfare reform will be included in the payslips in March.  
• Letters, visits and phone calls to tenants affected by the benefit cap who have not yet applied for DHP  
• Posters and leaflets have been designed and distributed in relation to a range of welfare reform issues |
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| Training for council staff and various stakeholders and partners | • During the autumn of 2012 5 seminars were held for council staff, advice agencies, housing associations, NHS support staff and the voluntary sector detailing the UK Government’s welfare reform programme, its implications for claimants, landlords, support organisations, the wider community and the actions that the Council were taking to mitigate the impact. Over 140 people from a wide range of organisations attended these seminars.  
• Presentations have been given at a number of council meetings, management team meetings, landlords events, professional meetings, conferences and seminars  
• Training is currently underway in relation to the Scottish Welfare Fund for benefit staff and this will be extended to include housing, social work, advice agencies, housing associations and Jobcentre plus staff in April/May.  
• 297 individuals attended the training on the Scottish Welfare Fund, Discretionary Housing Payments and the online housing benefit and council tax reduction scheme form  
• 233 individuals from across the Council, housing associations, advice agencies, voluntary organisations and the NHS have attended universal credit awareness training. |
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| Money Advice and Education                | • Advice agency staff and volunteers attended welfare reform seminars developed and run by the Benefits Manager in conjunction with Annette Johnston, Tackling Poverties and Inequalities team Leader and Ewen Allardice, Chief Executive, North East of Scotland Credit Union  
• Following the 5 welfare reform training sessions a number of Local Workshops were held aimed at developing local strategies for welfare reform. These highlighted that advice agency and third sector volunteers lacked the necessary skills and confidence to provide mediated support to claimants when universal credit begins.  
• An online Regional Selector is currently being developed, which will provide local detail on a range of advice and support services such as housing, food banks, money and debt advice available to residents in a particular locality. This will also be useful information for council staff when it comes to signposting customers to appropriate support agencies.  
• Council tenants who are facing a reduction in housing benefit as a result of the social sector size criteria and who are in rent arrears have been identified and are being visited by Housing Officers with a view to providing appropriate advice and support. |
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| Preparing benefit claimants for digital claiming | • Aberdeenashire Council was successful in securing funding for a Scottish Government pilot project aimed at preparing housing benefit recipients for the online claim process under universal credit and the issues around a digital claim process for claimants in a rural area.  
• In April 2013 we will be launching a combined digital claim form for housing benefit, council tax reduction scheme, free school meals and school clothing grants. This form will be available on the Council’s website, making it accessible to claimants’, advice agencies, housing associations and private landlords. In addition mediated support will be available at benefit and housing offices, starting with Gordon House, Inverurie and Baltic House, Peterhead.  
• The on-line housing benefit and council tax reduction scheme claim form went live on 21 May 2013 and since then we have dispensed with the manuscript signature and introduced a customer survey.  
• Mediated support for claimants wishing to apply for housing benefit and council tax reduction on-line is available from Gordon House, Inverurie.  
• A Digital Access Information leaflet has been produced and this is available on-line and in hard copy. |
| Review of Council policies affected by welfare reform | • The Housing Allocations Policy has been reviewed and was approved by Social Work and Housing Committee on  
• The Discretionary Housing Payment Policy was amended and underwent an equalities impact assessment.  
• The Discretionary Housing Payment Policy was subsequently revised in August 2013 to take account of the increase in funding that had been made available. |
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| Implementing the legislation | • April 2011  
  o Local housing allowance rate – 4 bedroom maximum  
  o Local housing allowance rate – removal of £15 excess  
  o Local housing allowance rate – reduction of 30th percentile  
  o Local housing allowance rate – introduction of bedroom for an overnight carer  
  • January 2012  
  o Extension of shared room rate under the local housing allowance to 25 to 34 year old single claimants  
  • April 2012  
  o Council Tax Reduction Scheme  
  o Social Sector Size Criteria  
  o Private Sector – Local housing allowance increased by CPI  
  o Scottish Welfare Fund |