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

1. 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?

2. The Council has experienced significant resource and budget pressures as a result of implementing aspects of the welfare reform agenda.

3. One of the main areas has been the administration and delivery of Discretionary Housing Payments (DHP). Significant Council resources were required to manage the revised DHP process, mainly as a result of the Under Occupancy rules. There was a marked increase in the volume of applications and appeals against decisions not to award DHP. The late confirmation of the pre-1996 tenancy exemptions caused additional resource issues.

4. The DHP process impacted on the normal resources available to deal with the processing of Housing Benefit claims. This resulted in processing delays which impacted on customers and led to additional phone calls and e-mails to the Council regarding these delays. The resultant increase in complaints also generated resource pressures.

5. A new DHP Policy was adopted by the Council in early 2013 in response to the Government’s Welfare Reform programme. This had to be subsequently amended when additional funding was provided by Scottish Government from September 2013. Whilst this extra money was welcome this caused a considerable amount of additional work as previous decisions not to award DHP due to limited funds had to be revisited in light of this additional funding.

6. A huge amount of resource was needed to effectively engage with tenants/claimants and encourage them to apply for DHP (it cannot be awarded automatically without an application). A special team was set up to deal with this difficult area and it has successfully increased the take-up of DHP. However, there are still considerable numbers of tenants/claimants who have yet to apply for DHP, particularly where they have been affected by the “Bedroom Tax”.

7. The Council has also undertaken joint working with DWP to support take-up of DHP and help tenants with employability.

8. The setting up and ongoing administration of the Scottish Welfare Fund (SWF) was a major task. The timescale for setting up the scheme was extremely tight but the Council was ready by the “go-live” date of 1 April 2013. Again cases had to be revisited which had been previously refused a SWF payment, as the Scottish Government issued revised guidance part way through the first year. This led to additional administrative burdens on the Council for Community Care Grants. Crisis Grants requests could not be revisited as there would have been an immediate need for a Crisis Grant.
9. The Council has also supported various other welfare reform initiatives and again these have impacted on already limited resources e.g. pilots, fraud activities, frameworks etc

**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?**

10. 2013/14 Budget £385,891
Spend £282,486 or 73.2% budget,
Original CG budget was £757,891 but funds transferred to CCG to address demand.

<table>
<thead>
<tr>
<th>Crisis Grant Allocation 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
</tr>
<tr>
<td>Total fund</td>
</tr>
<tr>
<td>CG Monthly Spend</td>
</tr>
<tr>
<td>30/04/2013</td>
</tr>
<tr>
<td>31/05/2013</td>
</tr>
<tr>
<td>30/06/2013</td>
</tr>
<tr>
<td>31/07/2013</td>
</tr>
<tr>
<td>31/08/2013</td>
</tr>
<tr>
<td>30/09/2013</td>
</tr>
<tr>
<td>31/10/2013</td>
</tr>
<tr>
<td>30/11/2013</td>
</tr>
<tr>
<td>31/12/2013</td>
</tr>
<tr>
<td>31/01/2014</td>
</tr>
<tr>
<td>28/02/2014</td>
</tr>
<tr>
<td>31/03/2014</td>
</tr>
</tbody>
</table>

Total 282484
Budget 385891
Budget % 73.20%
(Scottish average was 71%)

There has been an upward trend in monthly spend and the number of Crisis Grants paid:

- Jan 433, Feb 370, Mar 463. (Full year is 355)

Crisis Grants average payout trend:
- Jan £75, Feb £101, Mar £88. (Full year is £66)

11. Trend information over the last 3 years is not held by the Council. This information is held by the DWP and it is unlikely that it would be broken down by council. The information they have would be for their areas, which does not correspond with LA boundaries.

**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?**

12. Social Work services report that the main pressures are in Kinship Carers, Transport and NRPF services.
13. Disabled Services noted that they are not experiencing identifiable demand caused by benefit changes, but third sector mental health and well being services are spending considerably more time on welfare benefits issues than previously. Work is ongoing to quantify this issue but much of the activity centres on supporting people who had been "sanctioned" because they had not completed forms properly or responded to correspondence. This often resulted in the automatic loss of housing benefit thereby putting them in arrears.

14. Over the last year there has been a significant increase in demand for housing and rent advice from Council tenants. This has been largely managed within existing resources, however, a dedicated Welfare Reform Team was established to work directly with tenants and homeless households in temporary accommodation affected by under-occupation and the Benefits Cap.

15. The number of households presenting as homeless has been decreasing year on year in Edinburgh as a result of our preventative approach. This decline continued in 2013/14 with the number of homeless presentations having dropped from 5,148 in 2007/08 to 4,065 in 2013/14. Of 4065 homeless presentations during 2013/14 1887 (46%) were affected in some way by welfare reform, though this may not have been the cause of their homelessness risk.

16. Increased prevention work is required to ensure that there is no increased requirement for temporary accommodation during 2014/15. The Council's homelessness services and commissioned services are being reshaped to deliver this alongside the additional targeted resource of the welfare reform team.

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?

17. The Council has undertaken a range of co-ordination and engagement activities to ensure that its response to welfare reform is effective and appropriate. Various Working Groups were set up in September 2012. These groups include representatives from within the Council (Revenues & Benefits, Housing, Health & Social Care professionals, Children & Families officers, the Council's own Advice Shop, Temporary, Homeless and Supported Accommodation Teams, elected members etc) and various relevant organisations

- Citizens Advice Edinburgh
- Housing Associations
- Private Landlords
18. Regular reports have been submitted to Council Committees to provide two-monthly updates on the Government’s Welfare Reform Programme. This has provided appropriate scrutiny and direction.

19. Presentations have been given to a wide range of organisations as well as Elected Members to provide information on the impacts of Welfare Reform. Submissions have also been made to Central Government, The Scottish Government and COSLA on the effects of Welfare Reform.

20. Additional funding was identified by the Council to increase the level of advice and support available to customers potentially affected by Welfare Reform. This has proved very effective and the team will continue to operate in 2014/5.

21. A dedicated DHP Team was set up to ensure that applications were given priority and also to ensure a consistent approach to decision making. The Council is also looking at ways to simplify the application process for DHP to make it easier for tenants/claimants to apply.

22. The Council is developing a strategic response to welfare reform in Edinburgh. The strategic objectives are:

- prevention of hardship and worsening inequality;
- effective response to crisis needs for housing, heat and food;
- effective support for vulnerable individuals and families; and
- partnership action to sustain Edinburgh’s social security.