Submission from Highland Council

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?**

The main services impacted by welfare reform during the specified period as are follows:

- **Money Advice and Customer Income Maximisation**
  The Council has invested additional year-on-year funding of £125k in our in-house provision plus £100k across the Highland Citizens Advice Bureaux.

  This additional investment increases the Council’s total investment in Money Advice, etc to **£1.76m** per annum.

  The Council was also successful in obtaining Scottish Legal Aid Board funding of **£149k** over 2 years to employ 2 Money Advisers for clients with high rent arrears that are at the risk of eviction. Positive outcomes are being delivered with this funding.

  Demand for Money Advice services has significantly increased during Q4 2013/14 as detailed in **Appendix 1**.

- **Employability**
  The Council’s Employability team supports a number of community-run Work Clubs across the Highland Council area. While resources have not yet been increased, demand has increased.

  The combination of Universal Job Match and the new JSA Claimant Commitment has had a major impact on the work of the Employability Team and the community organisations they work with. Numbers do vary over time but there are some 30 known Work Clubs in Highland with 15 currently receiving direct financial support from the Council for premises, IT and in some cases staffing costs using the Preventative spend (**£140k**) funding allocated by Council for 2013/14.

  Work Clubs normally open for one or two 2 hour sessions per week with a combination of volunteers, some sessional staffing and attendance at some from Council Employability Advisers. The activity has generally involved advising and assisting people with individual self-assessment and planning, CV preparation and job search – often leading to a voluntary engagement in literacy and adult learning activity.

  Over the past year that activity has had to be ramped up considerably as the numbers of attenders has more than doubled in some cases and is now running at
over 250 attendances a week in the 15 Clubs where the Service has direct engagement. Some Centres have doubled their opening hours in the past year and many now provide additional IT literacy sessions at different times. There are a number of issues arising from these changes –

- The nature of the provision has also changed in character from being a voluntary engagement in learning activity to one of making sure that individuals are assisted to meet their conditionality requirements and are not subject to conditionality sanctions of loss of Benefit, often meaning clients come with a different approach and attitude;
- Work Clubs are becoming a necessity and not just an “aid” to job seekers – with consequent access demands – opening times, holiday closures need for relief and contingency arrangements;
- Advisers are becoming more engaged in assisting people manage the sanctions regime rather than pre-employment and job seeking activity;
- There is increasing demand for more opening hours, additional days, employing sessional workers within a specialist service, IT equipment, IT, numeracy and literacy training;
- The conditionality requirements may inhibit people from undertaking other learning or voluntary activity that would assist with their morale, wellbeing and employment prospects;
- Assisting people to deal with sanctions issues can lead to a need for more specialised money or welfare rights advice.

Meetings and briefings are being arranged with DWP on how claimant commitments and action plans are arrived at and to ensure any sanctions employed are understood and proportionate. Advisers and Work Clubs are also collating individual case studies.

- **Housing Services**

  2 additional Housing Management posts, funded from the Housing Revenue Account, have been introduced as a result of the impact of Welfare Reform.

  As at 25 March 2014, 2,537 Council tenants were affected by the under occupancy rules, broken down as follows:

  - 1,409 tenants: 14% reduction; and
  - 315 tenants: 25% reduction.

  In preparation for the introduction of the under occupancy rules, the Council’s Housing and Finance teams undertook to survey all Council tenants potentially impacted. While this was a fairly labour intensive exercise at a cost of circa £50k, the intelligence gathered has been extremely useful for future planning. This also provided an effective way to increase awareness of the Discretionary Housing Payment scheme and to assist with the application process.

  The impact on the Council’s rent arrears is provided in Appendix 2.
- **Revenues & Benefits (Finance Service)**
  Just less than 9,000 DHP awards were made during 2013-14, which was a significant increase on the 458 awards made during 2012-13. Rather than increasing resources in this area, funding challenges meant that increased demand was absorbed within existing resources.

- **Scottish Welfare Fund**
  Scottish Government administration funding was used to create a decision-making team, and with a small revenue contribution from the Council's General Fund, enabled the Council to employ 5 FTEs. This funding has proven to be inadequate as the Council has had to fund IT procurement costs, IT implementation and ongoing maintenance costs and other support costs, including reconciliation and reporting costs.

- **Health and Social Care**
  These teams have not yet been impacted as significantly as others although there has been an overall increase in Section 22 payments. The nature of these payments is such that it is difficult to attribute the reason for increased demand to one single cause, eg Welfare Reform, as clients accessing these funds are often dealing with a number of issues which impact the individual or family unit.

- **Foodbanks**
  All Council teams report an increase in the number of referrals to foodbanks. Please see Appendix 3 for further information.

- **Universal Credit**
  Inverness is the only live Universal Credit site in Scotland. This has required training and ensuring that the Council’s IT systems are updated to enable Council Tax Reduction claims from Universal Credit claimants to be processed. A fairly significant commitment to partnership engagement has been necessary, in particular with social landlords. A single point of contact has been created from within existing Council resources for all landlord queries.

- 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?
  The Highland Council assumed responsibility for the administration of the Scottish Welfare Fund (Crisis Grants and Community Care Grants) from 1 April 2013. Although performance information has yet to be finalised, the Council allocated around 85% of total programme funding (£800,673) during 2013/14. Although initial take-up was relatively low, a notable increase in demand can be demonstrated for Quarters 3 and 4.
- Health and Social Care teams are reporting slight increases in Section 12 and 22 payments.

- **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?*

  - Please see responses to Questions 1 and 2 above.

- We have been able to reduce the number of people in temporary accommodation through the success of our homeless prevention team from 575 in March 2012 to 477 in March 2013. This represents a 17% reduction which compares well against the Scottish reduction of 3% over the same period. However, the continuing high level of demand for affordable homes in Highland means we cannot currently meet all our temporary accommodation needs from current housing stock.

- **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?*

  - A Member/Officer Welfare Reform Working Group has been established to set the strategic direction for the Council. Regular Welfare Reform Updates are also provided to Members of the Council's Resources Committee. The latest report is available at the following link:


  - Reporting to the Working Group is a Multi-agency Delivery Group which comprises representatives from Council Services and partners from DWP, NHS and the Drug & Alcohol Partnership.

  - A pro-active approach has been taken to communications with a number of Quick Guides developed to assist professionals and customers alike to navigate through the changes arising from Reforms. These have been widely circulated in paper form and via Twitter and are published on the Council’s website.

  - Training has been delivered by the Council to key Council personnel (eg Revenues & Benefits, Housing, Employability and Health & Social Care), social landlords and other partners.

  - The Council produces an Essential Guide to Benefits, Money Advice, Energy Advice and other Entitlements. This is an extremely popular publication with around 10k copies in circulation at a cost of £10k per annum. This is funded from the Council’s General Fund.
The Council continues to have an excellent working relationship with counterparts in the Department for Work and Pensions, particularly in relation to Universal Credit. This has ensured that there is a shared and clear understanding of these new processes with the main focus being on providing a quality customer journey.

An on-line referral form has been implemented in respect of the Council’s Money Advice and Customer Income Maximisation services and is available on the Council’s website.

A number of meetings with MPs (Danny Alexander; John Thurso; Charles Kennedy; David Mundell) has been undertaken to discuss the issues arising from Reform and how these are impacting on Highland residents. These meetings have also been used to lobby the UK Government for changes, including additional DHP funding.

Elected Members and Officers make a positive contribution at various meetings with Scottish Government and CoSLA on Reform-related matters.