Submission from Orkney Islands 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?

Q1 Response – the ongoing programme of UK welfare reforms has affected the work of Orkney Islands Council predominantly within the workload of the Council’s Revenues Section in the following areas:

- The Scottish Welfare Fund.
- Council Tax Reduction.
- Effects of the reduction in Housing Benefit due to the introduction of the spare room subsidy – workload affected by administering reductions and then also a significant increased workload in Discretionary Housing Payments and tenant interaction.
- Benefits Cap implementation.
- Personal Independence Payments – mainly affecting advice and financial assessments of clients.
- Preparation for the Single Fraud Investigation Service.
- Preparation for the introduction of Universal Credit
- The resources required engage with community partners to plan and prepare for welfare reforms.

In 2012/13 the uncertainties of the welfare reform programmes meant that the resources required were mainly in the planning and preparation processes with most costs and workload taking place in 2013/14; which will continue into 2014/15.

In 2013/14 - there have been the following main additional costs;

- employing an additional temporary member of staff to assist with the additional new burdens (approx. £23k to continue into 2014/15);
- Software costs to develop Council Tax Reduction (approx. £70k (one-off 2013/14 cost) plus shortfall between awards and government funding of approx. £50k in 2013/14 and 2014/15);
- Discretionary Housing Payment (DHP) awards £67k 2013/14 and £70k in 2014/15;
- Scottish Welfare Fund - cost of awards in 2013/14 and 2014/15 of £56k.

- 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?

Q2 response – the Council has only become responsible for Crisis Grants as part of the Scottish Welfare Fund since 2013/14 - £3k has been awarded during 2013/14 and expected to continue for 2014/15.
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?

Q3 response – there were 107 homeless applications in Orkney during 2012/13, which only slightly increased to 108 in 2013/14. The number of homeless applications can vary from year to year in any case but the effects of the welfare reforms on homelessness has been reduced by the fact that Orkney received sufficient Discretionary Housing Payment funding to ensure that all tenants affected by the spare room subsidy could receive an award of DHP. This is expected to continue into 2014/15. The DHP awards have reduced the additional burden on social services and housing services that might have been expected if DHP funding had not been made available.

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?

Q4 response – co-ordination of the welfare reform changes has been undertaken under the auspices of the Orkney Community Planning Partnership which involves the organisations with Orkney from the voluntary and statutory sectors. A Welfare Reform Working Group of these organisations meets to co-ordinate effort, provide advice, training and planning for the future need to those affected by welfare reforms in Orkney.