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?

Response

In December 2012 Renfrewshire Council approved recurring resources over a two year period of £3.5 million to support welfare reform mitigation activity and develop enhanced services to meet the needs of the community. The resources have been deployed to support citizens of Renfrewshire affected by the welfare reforms through a number of areas, including the provision of advice and information services, communications channels and material, resources to support the administration arrangements of the housing benefit changes, the introduction of the Scottish Welfare Fund and increased resources to respond the increased requirements in relation to Discretionary Housing Payments.

During 2013/14 the council committed resources to the DHP fund by topping up the fund to the maximum allowable ahead of the Scottish Government decision to provide additional resources.

In February 2013 it was also agreed to earmark £5m of HRA reserves, 42% of the total HRA reserves, to support Council tenants impacted by welfare reform changes over the next 5 years.

More recently, the council further approved £6.5 million to be directed to tackle poverty and support the most vulnerable during 2014/15. Of this £3.5 million is allocated to the council’s Invest in Renfrewshire programme, with £3 million directed to tackling poverty and inequalities.

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 financial years?

Response

The council received Scottish Welfare Fund (SWF) resources from Scottish Government of £1,148,857 for 2013/14 (excluding administration resources), the first year of the Scottish Government scheme. The council fully utilised these SWF resources prior to the end of the financial year however the council had anticipated this and had allocated £150,000 of its own resources to the fund to ensure that the most vulnerable people in Renfrewshire were not disadvantaged.

Renfrewshire Council would draw the Committee’s attention to the emerging pattern of spend in relation to SWF spend across Scotland. Data collated by Scottish Government highlights the significant variation in spend patterns across Scotland, with Renfrewshire exceeding the allocation and
supplementing the fund from the council's own resources while others have declared an under spend that Scottish Government agreed can be carried forward into 2014/15. Renfrewshire Council continues to advocate for a distribution methodology more directly linked to evidence of spend and better able to meet the requirements of the communities most in need of support.

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?

Response

Social work

The council's advice works service is managed within Social Work services. The service received additional resources from those approved by the council in December 2012 and deployed eleven additional advisers to provide support to those in the community affected by welfare reform. The service has seen an increase in demand that has been met through the additional resources provided by the council and this resource has provided a range of enhanced anti-poverty and debt advice services aimed at the supporting families to cope with changing financial circumstances and where required, develop and enhance personal budgeting and financial capability skills.

Housing

The gross level of rent arrears at the end of 2013/14 is c£1.890m however this gross figure is offset by awards of Discretionary Housing Payment awards and the write off of arrears with no prospect of recovery resulting in the year end reported rent arrears figure of £1.250m, slight increase on the previous year end position. It is of concern that without funds to mitigate the impact of the removal of the spare room subsidy, rents arrears would have risen by over £0.600m.

The level of resources deployed in support of housing services from the Housing Revenue Account, as approved by the council in December 2012 for 2013/14 and moving forward was £0.331 million. This accounts for twelve posts. The underlying objective of this investment is to both, support tenants and their families manage the change but also to seek to pro-actively protect the HRA rental stream during this transition. There is concern that as Universal Credit is rolled out that this represents a major challenge to the ongoing viability of the HRA.

£0.850 million of Housing Revenue Account (HRA) resources was set aside for 2013/14 to help mitigate the impacts of welfare reform on Council tenants, part of which will be targeted at providing a scheme of financial support for tenants experiencing hardship and to implement employment initiatives for unemployed Council tenants.

There were 976 homeless applications in 2013/14, of which 812 were provided with temporary accommodation.

The level of activity next year is expected to be about the same although the proportion of homeless applications as a result of financial difficulties or unemployment is expected to increase.

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?
Response

Renfrewshire Council has developed and implemented a wide ranging corporate wide programme of work also involving key partners to ensure the Council is effectively mobilised and plans to manage as far as possible the impact of the changes.

Programme activities through 2012/13 and 2013/14 focused on raising awareness of the changes and engaging directly with those affected, in particularly with tenants. A corporate training programme was developed and delivered to staff and partner organisations. The Council and partner Registered Social Landlords have engaged directly with tenants with 85% of council tenants receiving direct contact prior to 1 April 2013.

A communications strategy was developed and continues to be deployed, with communications tools such as video and a range of print materials developed and shared with partner organisations across Renfrewshire.

Housing options advice has been extended to include employment sign posting and relevant housing staff have been trained with an employment adviser deployed to provide dedicated support to unemployed tenants.

In November 2014 the council committed up to £0.500 million of resources to support credit union development in Renfrewshire. A proportion of these resources will be directed to support proposals being developed by one of the Credit Unions operating in Renfrewshire to accelerate the delivery of a banking platform as part of their core operations and integrating this facility with their existing development of budgeting accounts. In addition to developing these enhanced facilities to the residents of Renfrewshire, the Credit Union proposals also involve the development of new quick loan facilities to provide members with a trusted and low cost alternative to commercial pay day lending companies. The council has also committed resources to the provision of a £10 Credit Union account for every S1 pupil in Renfrewshire from August 2014.

Work is ongoing to look at the current modelling of temporary and supported accommodation to determine the future viability of the current model of service delivery, which at present proves to be highly effective at meeting the immediate needs of vulnerable individuals and families. The Council is also looking at developing other options within the private sector to ensure single households have sustainable and affordable temporary housing options in accommodation that is the correct size and meets their needs.

Third Sector events with a focus on raising awareness of the reforms and the support available locally through the council (DHP and SWF) as well as through advice services and other local agencies.

An Employability Conference was held in June 2013 targeting employability and business development practitioners from across Renfrewshire, with information on Welfare Reform shared and in order to focus on planning and partnership working.

Invest in Renfrewshire is the Council’s flagship programme to tackle unemployment and improve employability with in Renfrewshire. Over 500 companies have signed up to support the Invest programme in delivering economic development activity across Renfrewshire with the programme resulting 1000 people being helped into employment. The Invest programme has also provided 115 firms with business support grants, to facilitate company growth and greater employment creation. A specific Welfare Reform project has supported a Welfare Reform training programme within Housing Services for young people between the ages of 16 and 25. The programme funded the recruitment and supported the training of a team of unemployed to support the initial phases of the contact with tenants affected by the under occupancy reduction, a second programme is currently underway with the team.
focusing on a wider group of council tenants and their households. The first programme resulted in all but one of the young participants progressing to employment or further education.

As referenced under the response to Q1 the council resources approved in February 2014 includes investment in digital services for local communities. The council is developing a programme of activity to in order to support people living in more deprived areas to access on line and digital services.