Local Government and Regeneration Committee
Inquiry into the Impact of Welfare Reforms on 2014/15 and 2015/16 Spending Plans and Resources

Submission from South Ayrshire 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?

a) Welfare reform related work continues to impact significantly across a number of council services as clients affected by the welfare changes already introduced seek advice through customer contact centres. There has been a significant increase in the workload of the the Councils benefits service, due to residents seeking benefits advice with requests for assistance through Housing Benefit/Council Tax Reduction, Discretionary Housing Payments (DHP), and Scottish Welfare Fund (SWF) and changes in circumstances.

In 2013/14, benefits have processed over 60,000 amendments to almost 23,000 claimants. In relation to DHP awards there has been a 105% increase in 2013/14 compared with the previous year. In respect of SWF staff have dealt with in excess of 18,000 enquiries and made 2635 awards. Ongoing demands for welfare reform related advice etc are expected to increase during 2014/15, and 2015/16.

b) The Council have sustained existing staffing levels and supported overtime working in benefits during 2013/14 at a cost of an additional £81,000 despite funding pressures due to reduced funding,..

In addition five additional temporary staff at a cost of £113,000 have been recruited from March 2014 to assist with general benefits work, DHP and SWF

Additional funding of £500,000 has been set aside to meet anticipated additional costs

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?

- As at 31 March 2014: 578 Community care grants totalling £423,424 (79.3% of CCG budget) awarded.
- As at 31 March 2014: 2057 crisis grants awarded totalling £136,721 (76.27% of crisis grants budget).
- The under-spend for 2014/15 has been carried forward as approved by the Scottish Government and will be used with the 2014/15 SWF budget of £712,905 to cater for increased take up.
It is expected that through improved Scottish Government publicity/ and amendment of qualifying guidance, demand for SWF will continue in 2014/15, and 2015/16, without any increase in administration funding from the Scottish Government.

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?

**Housing Services**

2013/14

The welfare reforms to date have resulted in an increased workload for housing staff, who are required to carry out additional contact and follow up action to affected tenants who do not pay the shortfall and start to accrue arrears. In addition to this housing staff are required to increase proactive prevention work through the provision of advice and information and identify any new or additional housing support needs for individual tenants affected by aspects of welfare reform.

There has been additional staff time dedicated to housing arrears at a cost of £4,246. This work will continue in to 2014/15.

Despite this the level of rent arrears has risen as follows:

<table>
<thead>
<tr>
<th>Rent Arrears</th>
<th>2012/13 Year End</th>
<th>2013/14 Period 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tenants – Mainstream</td>
<td>487</td>
<td>657</td>
</tr>
<tr>
<td>Current Tenants – Homeless</td>
<td>15</td>
<td>57</td>
</tr>
<tr>
<td>Former Tenants – Mainstream</td>
<td>124</td>
<td>239</td>
</tr>
<tr>
<td>Former Tenants – Homeless</td>
<td>59</td>
<td>125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>685</strong></td>
<td><strong>1,078</strong></td>
</tr>
</tbody>
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The level of emergency housing applications in 2013/14 was 734 and for 2014/15 the estimate is 740. Note that these are the overall presentations to the Council and are not specifically as a result of the consequences of welfare reform as we did not record this in 2013/14. However, from 1 April 2014, (2014/15) onwards we will record if the homeless presentation is a result of welfare reforms.

2014/15

The housing revenue account has set aside £400,000 non recurring funding to mitigate the risks associated with the impact of Welfare Reform.
It is anticipated that approximately £210,000 will be used to employ additional temporary staff to manage and mitigate the risks of welfare reform and to increase activity to support tenants and manage rent arrears activity.

In addition, the Council has agreed to award funding of £28,000 to a 3rd Sector Partner who will undertake specific targeted work with Tenants Groups to increase knowledge and skills amongst tenant representatives and to assist in creating opportunities for tenants to be more digitally inclusive through the use of an ICT Hub.

Other areas under consideration at the present time include consideration of the feasibility to work with a Credit Union to improve tenants financial capacity and budgeting skills in order that they can effectively manage the transition to Universal Credit.

The provision for bad debts budget has been increased from £461,967 to £987,940

**Social Work Services**

**Mental Health Services** – there is an increased demand for food parcels which are redirected to soup kitchens and food banks.

**Learning Disability Service** – there is an increase in demand from service users for support to complete benefit forms. Older Carers and service users are struggling to complete due to the complexity of information and not understanding the new benefits system. Clients also require support to attend the new medical assessments and reviews without this Support they would not understand the questions asked. Increased demand for support is anticipated when service users are re-assessed for PIP (Personal Independent Payment). As there is only standard and Enhanced rates those people on DLA low rate Care and Mobility will probably lose benefit.

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?

The Council is developing a partnership which will bring together a wide range of public, voluntary, and community sector organisations covering health, social care, and welfare functions to deliver improved and more integrated services in South Ayrshire. The object of the partnership is to work with other organisations to provide more comprehensive, holistic support in order to achieve better results for residents.

The Council are also funding the creation of Hybrid posts to specifically cover initial welfare reform triage, housing advice and Housing benefit/council tax reduction pre-assessment. The additional cost of these posts in 2014/15 is £74,000