Submission from Stirling 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?

Welfare reform has had numerous affects for Stirling Council in these areas:

(a) Work

In relation to work, there has been:

• Additional work involved in understanding the implications of welfare reforms and planning to adapt services to deal with these implications.
• Staff training.
• Additional work keeping up-to-date with welfare reform changes and time-lines.
• Recording and analysing local data in relation to welfare reform, especially the Removal of the Spare Room Subsidy and Benefit Cap.
• Additional requests for information relating to welfare reform.
• An increase in workloads surrounding Discretionary Housing Payments – for the Revenue and Benefits teams who have to administer the scheme and for Housing staff and other services who help affected tenants apply for DHP’s.
• An Increase in workload for services offering welfare rights and money advice.
• Extensive door-to-door visits of Stirling Council tenants informing them of the changes taking place under the welfare reforms and encouraging take-up of DHP’s.
• Additional work involved in amending Stirling Council’s allocation policy to give additional points and priority to those affected by the Removal of the Spare Room Subsidy.

(b) Costs and Resources

It is difficult to quantify the exact cost implications as a direct result of welfare reform. However, the welfare reforms have been extremely resource intensive – the above, non-exhaustive list of additional work has been generally carried out with very few or no additional staff, leading to greater pressures placed on the existing workforce. For example, there was no additional staff available to the revenue and benefits team to help with the administration of the DHP scheme, yet the number of applications awarded rose by 715% from 165 to 1179 from 2012/13 to 2013/14.

• 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?
Stirling Council has only administered crisis grants under the Scottish Welfare Fund since 2013/14, they were previously administered by the DWP under the crisis loan scheme. The estimated final spend for crisis grants in 2013/14 is £93,397.25. The crisis grant budget for 2014/15 is £136,831.00.

- 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?

With regard to Social Services there is work underway in relation to S12, S27 and S22 with a view to rationalising practice across Clackmannanshire and Stirling Councils. S12 and S27 guidance relate to adults and adult offenders respectively and provides emergency loans or assistance in kind to those presenting in need. S22 guidance relates to children.

To date there has been no noticeable impact on Social Service’s workload that is directly attributable to Welfare Reform. However, the changes are being introduced gradually and it may take longer for related requests for service to filter through.

In relation to Housing Services again the financial implications are difficult to quantify. The Removal of the Spare Room Subsidy is estimated to result in a loss of housing benefit for council tenants of around £360,000 per annum. Discretionary Housing Payments however, have paid this additional rent charge for almost all council tenants in 2013/14 and this situation is expected to continue in 2014/15. The change to direct payment of housing benefit as part of Universal Credit will also have financial implications for the Housing service though it is unclear if significant numbers of tenants will start to receive Universal credit in 2014/15.

In relation to resource implications, these are covered in Q1. Also, ‘emergency housing applications’ is not defined for the purposes of this response. However, Stirling Council has not evicted any of its tenants for arrears accrued solely as a result of welfare reform. Housing Services have also attempted to help those tenants who wish to downsize as much as possible though there are limitations due to a lack of available smaller properties. Anyone affected by The Removal of the Spare Room Subsidy wishing to move to a smaller property is awarded an additional 500 points as part of the allocations process. There are currently 38 applicants on the housing list who have been awarded these 500 additional points and in 2013/14 42 tenants were housed who were affected by the Removal of the Spare Room Subsidy.

- 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 you council area receive the support and assistance they require?

The response to welfare reform is co-ordinated in Stirling at a CPP level through the Tackling Poverty and Inequalities Group which draws its’ membership from across the public and third sectors. This group’s action plan has two linked priorities: community-led
regeneration and financial inclusion. Activity to support people through Welfare Reform changes includes advice and financial capacity building and increasing digital inclusion.

Stirling Council co-ordinates its’ response through a corporate Welfare Reform Group. This group has representation from a range of key services. It develops annual workplans and has a welfare reform risk register. The group reports regularly to the Council’s Community Planning and Regeneration Committee. Links to the CPP Group are maintained through common membership.

Both group’s activities have been informed by national and local data analysis of the impact of welfare reform. This includes analysis of impact on particular communities and groups of people.

At an operational level, a Welfare Reform Working group was set up in 2011 with representatives from Stirling Council’s Housing, Homeless, Revenue and Benefits and Social Work departments. This group developed an action plan to co-ordinate and inform the front line work of these services initially in response to the Removal of the Spare Room Subsidy, though the group also considered other aspects of welfare reform.