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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>24 March 2020</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/31/20/AP/LA</b>
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<b>Subject:</b>	<b>Welfare Reform Update</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on various matters relating to welfare reforms and associated issues.

## 2.0 SUMMARY

- 2.1 The DWP's latest published UC caseload data reports that 6,188 people in Inverclyde claim Universal Credit and of those 29% had earnings in the assessment of their entitlement. The Minister for Welfare Delivery announced that from April 2020, the 5 year freeze on working age benefits including Universal Credit and Employment Support Allowance will be lifted with an inflationary increase of 1.7% in line with wider benefit uprating.
- 2.2 Appendix 2 shows a projected underspend of £23k in the DHP budget allocation from the Scottish Government. Any underspend will be offset against the projected overspend in the social sector size criteria provision. Latest projections indicate the Council will marginally overspend against Government Scottish Welfare Fund grant.
- 2.3 Section 7 provides an update on uptake relating to Education Benefits which is projected to cost £141,000 in 2019/20. Section 8 provides a comprehensive update on progress and uptake within Inverclyde of the various grants now delivered by the SSSA. Uptake within Inverclyde is in line with or exceeds the expected national share.
- 2.4 Advice services provide an update in Section 9 whilst there is a detailed update as requested by the Committee regarding Home-Start Renfrewshire & Inverclyde.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the updates contained in this report.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 The Committee receives regular updates from officers on the various matters arising from Welfare Reform including the devolution of certain powers to the Scottish Government. Officers meet with partners at the Welfare Reform Board and the outputs from these meetings contribute to the updates provided.

## **5.0 UNIVERSAL CREDIT**

- 5.1 The DWP's latest published UC caseload data reports that 6,188 people in Inverclyde claim Universal Credit and of those 29% had earnings in the assessment of their entitlement. The Minister for Welfare Delivery announced that from April 2020, the 5 year freeze on working age benefits including Universal Credit and Employment Support Allowance will be lifted with an inflationary increase of 1.7% in line with wider benefit uprating.
- 5.2 The Citizens Advice Scotland's Universal Credit "Help to Claim" contract with DWP ends on 31 March 2020. An evaluation of the service has begun which will inform future provision. The DWP will notify the Financial Inclusion Partnership of any changes.

## **6.0 DISCRETIONARY HOUSING PAYMENTS/SCOTTISH WELFARE FUND**

- 6.1 The change to the DHP policy agreed by the Committee in February 2020 has resulted in an additional £30.6k being awarded to those affected by the Benefit Cap and those whose applications are considered under Financial Hardship criteria. Appendix 2 shows a projected underspend of £23k of the DHP budget allocation from the Scottish Government. Any underspend will be offset against the projected overspend in the social sector size criteria provision.
- 6.2 Appendix 3 shows projected expenditure of £566,000 by 31 January 2020 resulting in a projected spend of £680,000, exceeding the Scottish Government allocation by £9,000. The underutilisation of the Council's contribution to the SWF will be transferred to the Welfare Reform Operational Reserve.

## **7.0 EDUCATION BENEFITS**

- 7.1 The Council agreed to expand the means tested entitlement to free school meals (FSM) and the school clothing grant (SCG) from August 2019 to include those with net earnings of £915/month, an increase of £300 on the statutory earnings limit. The result of the increased earnings threshold is that by February 2020, 499 additional pupils received a school clothing grant of £145 and an extra 359 children in Primary 5 and above now have free school meals as a result of the enhanced policy. The latest projected annual cost of the policy is £141,000.
- 7.2 Officers continue to support COSLA's efforts with the Scottish Government to enable the re-use of existing data feeds for the purposes of Free School Meals, School Clothing Grant and to support Educational Maintenance Allowance.

## **8.0 SOCIAL SECURITY SCOTLAND UPDATE**

- 8.1 The Best Start Grant launched in December 2018 with qualifying families receiving £600 at the birth of their first child and £300 for subsequent babies. This was followed by the Best Start Grant Early Learning Payment in April 2019 when a grant of £250 was launched to help with the costs of early learning when a child is between 2 and 3½ years old, around the time when the child is at nursery. The Best Start Grant School Age Payment, a £250 payment to help with the costs of preparing for school around the time a child might start Primary 1 launched in June 2019. The latest grant for low income families is Best Start Foods which launched in August 2019 with £17.00 being paid every four weeks during pregnancy and for every child under three to spend on a range of health foods and £34.00 for children under one.

- 8.2 By 31 December 2019, 2,135 applications had been made for Best Start Grant and Best Start Foods, representing 2% of Scotland's applications. 1,500 applications were authorised for either Best Start Foods or at least one Best Start Grant payment. 570 applications were denied and 65 were withdrawn.

Best Start Grant and Best Start Foods		Total*
Pregnancy and Baby Payment	(£600 or £300 per child)	£156,600
Early Learning Payment	(£250 per child)	£127,750
School Age Payment	(£250 per child)	£ 79,250
Best Start Foods	(£17 or £34 per child/ every 4 weeks)	£ 32,300

\* Payments made to families in Inverclyde up to 31 December 2019

- 8.3 The Young Carers' Grant, an annual payment of £300 for young carers in Scotland, launched in October 2019 and by 30 November 2019 £4,500 had been awarded to young people in Inverclyde, representing 7% of all grants in Scotland.
- 8.4 Funeral Expense Assistance launched in September 2019 and by 31 October 2019 20 applications had been approved, 2% of all grants in Scotland.
- 8.5 The Carer's Allowance Supplement is an extra payment of £226.20, paid twice yearly for carers in Scotland who are receiving Carer's Allowance from the DWP. It has been in place since September 2018 and helps 1,550 Inverclyde carers, 2% of all carers in Scotland.
- 8.6 The Scottish Government released information on 16 January 2020 that applications will be taken in advance for the new Scottish Child Payment to help with the anticipated high level of demand, with an estimated 170,000 children (410,000 when rollout is complete) eligible for the £10 weekly payment when it goes live. Families will be invited to apply in the autumn with applications assessed in time for the first payments to be delivered by Christmas. This will be the first 'high volume recurring' benefit to be delivered by Social Security Scotland.
- 8.7 2 Client Support Advisors have been recruited, and their Client Support team leader will be in post by March, all based in the Customer Service Centre. The advisors will provide one-to-one support and help clients understand what devolved benefits they are entitled to, help them complete applications, support people through the process and any follow up actions relating to their case. Further vacancies in Inverclyde are to be filled and workshops were organised by the Local Partnership Lead to support applicants.

## 9.0 ADVICE SERVICES UPDATE

- 9.1 'The Impact of Welfare Reforms on Disabled People' was published by the Scottish Government, 23 January 2020. Key findings include:  
 Since the UK Government replaced Disability Living Allowance (DLA) with Personal Independence Payment (PIP) in 2013, 167,000 new claims in Scotland have been unsuccessful (54 per cent of all applications);  
 39,000 people in Scotland have lost all their DLA entitlements when they were reassessed and did not qualify for PIP (25 per cent of all those reassessed). The loss per person is calculated at between £1,200 and £7,740 per year.
- 9.2 In relation to challenges to DWP decision making, of the 355,000 PIP decisions made in Scotland between April 2013 and June 2019:  
 78,000 proceeded to the Mandatory Reconsideration (MR) stage where DWP reviews its initial decision. DWP upheld its original decision in 88% of the MR cases with only 9,000 (12 per cent) successful challenges;  
 38,000 cases progressed to the appeal stage at First-tier Tribunal following refusal of the MR, with 56 per cent of cases being overturned in favour of the claimant.
- 9.3 On 7 February 2020 the Scottish Government released a policy position paper, 'Disability Assistance: Child Disability Payment'. The paper details the first claims will be accepted from this summer and confirms no child will be required to attend a face-to-face assessment. Whilst this is undoubtedly welcome it should be noted that it may have an impact on the workload of HSCP Advice Services, Support Workers, and other Health and Social Care professionals.

- 9.4 Advice Services will seek to provide assistance to service users to ensure any application accurately transcribes and reflects the full extent of care and mobility needs. In addition, however, if information from a Health or Social Care professional is pivotal to the determination of entitlement it is essential that the Health or Social Care professional has an understanding of the eligibility criteria for Disability Assistance and knowledge of the test that has to be satisfied to secure an award. The regulations will be finalised in the spring in advance of claims being accepted in the summer. Welfare Rights will look to deliver training for HSCP employees who will provide assistance with the claims process or who could reasonably be expected to be contacted by Social Security Scotland as a 'source of information'.
- 9.5 On 19 February 2020 the Scottish Government announced that it has accredited the Motability Scheme to provide vehicles to people in receipt of the mobility element of Disability Assistance Child Disability and Disability Assistance for Working Age People which will be introduced early in 2021. The Motability Scheme is delivered by Motability, a national charity set up with all party parliamentary support in 1977. The Motability Scheme enables disabled people to use their social security entitlement to a mobility element to lease a new car, scooter or powered wheelchair.

## **10.0 HOME-START INVERCLYDE**

- 10.1 At the last meeting it was agreed that a more comprehensive update be provided into the work of Home-Start in Inverclyde. In addition to the information below, the Home-Start annual report is available as a Background paper.
- 10.2 Home-Start received £5,000 for 2 blocks of Chef School sessions for 2 groups of 8 parents from the Council in 2019/20. These cooking sessions have been delivered through Stepwell and have proved extremely popular with parents not only in terms of healthy eating, but also in budgeting, reducing social isolation and increasing their self-confidence; 3 parents have as a direct result joined Stepwell's Employability and Life Skills Programmes.
- 10.3 The Chef School is one aspect of a larger body of work which Home-Start Renfrewshire and Inverclyde has been delivering to the most vulnerable families in Inverclyde for the past 4 years.
- 10.4 Home-Start's core service is home-visits to families with children from pregnancy to 5 years of age. This is a proven method of support where volunteers visit families in the home to provide emotional and practical support for 2-3 hours every week. The reasons are multiple - social isolation, loneliness, poor role-modelling, difficulties with children, lone parents, perinatal mental health problems and child/ adult disabilities including autism. These are compounded by financial worries, housing problems and discrimination. Most of the families helped by Home-Start are in a negative cycle of unemployment, deprivation, addiction and low aspiration.
- 10.5 Volunteers are parents themselves and after training offer weekly support with families at home and outside, helping parents to keep appointments, attend groups and visits take place during the day and on evenings and weekends. Home-Start work flexibly around what and when the family need help.
- 10.6 There have been 88 referrals to the Inverclyde service between November 2015 and February 2020 with 88.5% of these being from statutory sector agencies:
- 65% Health Visitors
  - 12% other Health professionals
  - 6% Social Work
  - 6% Early Years / Education
  - 11% Self-referrals

10.7 Home-Start have been working with a high number of younger, complex families involving Children in Need assessments (70%), Social Work (68%), and in some cases Child Protection involvement. This is a significantly higher figure than Renfrewshire, where only 38% of supported families are involved with Social Work.

Reasons given by referrers:

- Poor Mental Health (including perinatal) 71%
- Lone Parent 52%
- Domestic Abuse 10%
- Learning and physical disabilities 16%
- Substance abuse 8%
- Teenage Pregnancies 10%

10.8 Although Home-Start is a service for all families regardless of income, most live in areas of deprivation:

- 31% of supported families live in the 7 data zones of Greenock Town Centre and East Central or in adjoining areas.
- 70% of supported families live in the 5% most deprived areas of Scotland, with most living in deprived areas of South West Greenock (37%), East and Central Greenock (34%) or Port Glasgow (21%).
- 90% of the families in Inverclyde live in social housing, private rent or temporary accommodation.

10.9 An external evaluation of the Inverclyde service in May 2019 found that there was strong demand for the service and a good capacity to deliver. Home-Start have 2 coordinating staff (24 hrs pw) who are operating at full capacity, but with a high demand from statutory referrers and an over-supply of local volunteers ready to be trained, Home-Start requires more funding to maintain the momentum of core service delivery.

10.10 Home-Start have received small grants from Inverclyde Council's GTVO and Poverty funding streams for specific projects including perinatal training and the Chef School.

Funding for the Inverclyde service is from 3 principal sources:

- 5 year National Lottery Community Fund (November 2015 - November 2020)
- 2 years RS MacDonald Charitable Trust Fund (February 2019 - February 2021)
- 1 year STV Children's Lottery Chance to Flourish (January 2019 - January 2020)

Home -Start has reapplied to the National Lottery Community Fund for another 4 years funding and have reached stage 2 in the process. The funders are keen to see more "matched funding" from other sources.

## 11.0 IMPLICATIONS

### 11.1 Finance

There are no financial implications arising from this report.

#### Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

11.2 **Legal**

There are no legal implications arising from this report.

11.3 **Human Resources**

There are no HR implications arising from this report.

11.4 **Equalities**

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

11.5 **Repopulation**

There are no repopulation issues arising from this report.

## **12.0 CONSULTATIONS**

12.1 None.

## **13.0 BACKGROUND PAPERS**

13.1 Home-Start Renfrewshire and Inverclyde Annual Report 2018-19.

Appendix 1

Universal Credit - Inverclyde Council

	No. of UC claimants	% of UC claimants with earnings	No. of UC claimants with Council Tax Reduction	No. of UC claimants awarded SWF Crisis Grants
<b>Jun-18</b>	5240	32%	2408	135
<b>Jul-18</b>	5397	32%	2526	125
<b>Aug-18</b>	5527	32%	2607	176
<b>Sep-18</b>	5640	33%	2647	156
<b>Oct-18</b>	5718	33%	2657	127
<b>Nov-18</b>	5804	34%	2690	172
<b>Dec-18</b>	5753	35%	2725	118
<b>Jan-19</b>	5768	34%	2800	198
<b>Feb-19</b>	5597	29%	2823	151
<b>Mar-19</b>	5611	28%	2969	148
<b>Apr-19</b>	5680	28%	3098	142
<b>May-19</b>	5707	28%	3155	153
<b>Jun-19</b>	5749	27%	3134	130
<b>Jul-19</b>	5888	28%	3206	134
<b>Aug-19</b>	6021	25%	3316	169
<b>Sep-19</b>	6039	29%	3441	131
<b>Oct-19</b>	n/a	n/a	3491	145
<b>Nov-19</b>	6154	29%	3438	128
<b>Dec-19</b>	6188	29%	3464	142

Notes

1. No. of UC claimants is the number of individuals in receipt of Universal Credit either individually or as part of a couple



**Discretionary Housing Payments**  
**Position 21.02.20**

<u>1/ SSSC (Bedroom Tax)</u>		
Applications Approved	1618	91.05%
Applications Not Eligible/Refused	111	6.25%
Applications Being Assessed	48	2.70%
	<u>1777</u>	
	<u>£</u>	
Paid to Date	1118490	Note 1
2019/20 Budget	1031380	Note 2
(Under)/Overspend	<u>87110</u>	
<u>2/ Other DHP Cases</u>		
	<u>£</u>	
2019/20 Budget	218355	Note 3
less : Payments to 21/02/20	155149	Note 4
(Under)/Overspend	<u>(63206)</u>	

Notes

- 1/ Represents 99.13% of those households known to be affected by SSSC.
- 2/ Estimate of liability; Scottish Government will meet expenditure in full.
- 3/ Includes £40k Welfare Reform Recurring budget
- 4/ Includes £35k Benefit Cap

Finance Services  
21/02/2020

**Scottish Welfare Fund**  
**31<sup>st</sup> January 2020**

Calls Answered	8948		
Applications	5018		
Applications Granted	2778	55.36%	
Applications Refused	1196	23.83%	Note 3
Applications Withdrawn	961	19.15%	
In Progress	83	1.66%	
Referrals to DWP	139		Note 2
	<u>Spend</u>	<u>Budget</u>	<u>Spend</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>
Crisis Grant paid (2017)	183	264	69.32%
Community Care Grants paid (832) (includes 76 applications paying both CCG & CG)	383	507	75.54%
	<u>566</u>	<u>771</u>	73.41%

**Note 1** 1<sup>st</sup> Tier Reviews awaiting decision = 3  
 1<sup>st</sup> Tier Review decisions = 52 (1.31%)  
 1<sup>st</sup> Tier Reviews upheld in customer favour = 33 (63.46%)  
 2nd Tier Reviews = 6 (as % of 1<sup>st</sup> tier decisions: (11.54%)  
 2nd Tier Reviews upheld in customers favour by SPSO = 2 (33.33%) Note 5

**Note 2** Referrals to DWP are the number of customers who are awaiting payment of a new claim for Universal Credit from DWP. In these circumstances an application can be made for a UC advance, which is repayable to the DWP.

**Note 3** The most common reasons for refusal of claims are, applicants not meeting the eligibility criteria, not being in receipt of a low income or incomplete evidence provided.

**Note 4** Core Budget is £670,985 to which is added £100,000 allocation from the Anti-Poverty recurring budget.

**Note 5** Decisions were based on additional information sourced by SPSO which was not available to Discretionary Payments Team at the point of the original application or 1<sup>st</sup> tier review stage.