
Report To:	Policy & Resources Committee	Date: 26 March 2013
Report By:	Chief Financial Officer	Report No: FIN/27/13/AP/LA
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Subject:	Welfare Reforms Update	

1.0 PURPOSE

- 1.1 The purpose of this report is to update Committee on the Council's preparations for the imminent introduction of the major Welfare Reforms and to seek Committee approval as appropriate.

2.0 SUMMARY

- 2.1 Officers continue to invest significant resources in ensuring that the Council is appropriately placed to respond to the challenges arising from Welfare Reforms most of which are due to be implemented in April this year.
- 2.2 Council Tax bills reflecting the implementation of the Council Tax Reduction Scheme were issued week commencing the 4th March in line with previous years. This was a tremendous achievement by the Revenues Team and was in spite of last minute changes to the software application made by the supplier.
- 2.3 The financial implications of the Council Tax Reductions Scheme are not fully clarified however it is still anticipated that costs will be able to be contained in 2013/14 funding.
- 2.4 The Government has indicated its intention to continue the Council Tax Reduction Scheme in its current format for 2014/15 albeit there is no clarification at this point in time regarding who will pick up the expected £40 million (plus) funding shortfall.
- 2.5 A separate report on this agenda seeks approval of the Discretionary Housing Payment prioritisation proposals. The report confirms that there will be significant pressure on the £212,068 budget and that regular reports on the use of this budget will be presented to Committee and the policy may require to be adjusted in light of actual demand and available resources.
- 2.6 Latest assessment indicates that there are approximately 10 households which will be impacted by the benefit cap which is due to be implemented no later than September 2013. The loss of income to these 10 households is estimated to be just under £500 per week giving a total cost over the 10 households of approximately £25,000 per year. Officers continue to liaise with DWP in assisting these households to mitigate the impact.
- 2.7 Significant progress has been made in respect of the implementation of the Scottish Welfare Fund with 7 Discretionary Payments employees now in place and training under way. In addition arrangements have been entered in to with Paypoint and Allpay regarding the payment of Crisis Grants and Community Care Grants to enable the £732,000 worth of grants to be distributed in 2013/14.
- 2.8 An 01475 telephone number has been agreed to enable claimants to contact the Council and 3 "warm phones" are being installed in locations within Greenock and Port Glasgow to enable some clients to contact the Council on an internal phone. Utilisation of these phones will be monitored to assess their effectiveness.

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- 2.9 Other SWF developments have included the need for the Council to undertake home visits for certain applications, developing a referrals process between the Discretionary Payments Team and the CHCP, plus the DWP and the creation of an internal review process.
 - 2.10 Appendix 1 provides detail to the Committee of the proposed Scottish Welfare Fund and Application process whilst Appendix 2 provides more detail around assessing priorities.
 - 2.11 The Council does not intend to provide an out of hours service and this is in line with neighbouring Councils and after considering demand levels based on the Government's statistics in Appendix 4.
 - 2.12 A report elsewhere on the agenda details proposals for extra resources for advice Financial Advice Services within Inverclyde. These proposals have been endorsed by the Corporate Management Team.
 - 2.13 There have been no new developments in respect of Universal Credit but Committee will be kept informed of developments in this area.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the significant progress achieved by Officers in preparing for the implementation of Welfare Reform changes in April 2013.
- 3.2 It is recommended that the Committee note that a report elsewhere on the agenda seeks Committee approval for the Discretionary Housing Payments priorities.
- 3.3 It is recommended that the Committee approve the proposals for the Scottish Welfare Fund implementation in Appendix 1 and 2 and agree that the Council will as a minimum make payments to all High Priority cases.
- 3.4 It is recommended that Committee agree that an out of hours service not be provided for the Scottish Welfare Fund but note that the situation will be kept under review.
- 3.5 It is recommended that the Committee note that reports in respect of the implementation of Welfare Reforms will continue to be brought back to each meeting of the Policy & Resources Committee until further notice.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 Significant changes are being made to the Welfare Benefits system with the bulk of these being implemented in 2013/14.
- 4.2 Regular reports have been presented to the Policy & Resources Committee in respect of these impacts and preparations by the Council.
- 4.3 As part of the 2013/16 Revenue Budget £1.3 million was set aside by 2015/16 for the Council to alleviate some of the impacts on the Inverclyde community. £800,000 of this sum is available in 2013/14.

5.0 COUNCIL TAX REDUCTION

- 5.1 The current Council Tax Benefit Scheme has been replaced by a Council Tax Reduction Scheme from the 1st April 2013. It is estimated that the cost to the Council arising from reductions in funding from the UK Government will be between £350,000 and £500,000 in 2013/14.
- 5.2 Following the implementation of a Council Tax Reduction Module annual billing was achieved in the usual timescales. This is significant achievement by the Revenues Team and was achieved despite last minute changes to the software module by the supplier.
- 5.3 The Scottish Government has given an early indication that it intends to continue the current Council Tax Reduction Scheme for at least a further year i.e. to 2014/15. Discussions have now commenced between Cosla and the Scottish Government regarding funding of the £40 million (plus) shortfall in funding provided by the UK Government. For 2013/14 Local Government picked up £17 million of this sum and Inverclyde Councils share was approximately £340,000. Further updates will be provided to Committee as these discussions develop.
- 5.4 It had been envisaged that any appeals against Council Tax Reduction would be heard by the Valuation Appeals Committee. However agreement was unable to be reached between the Government and the Valuation Appeals Committees and as such the Government now advise that there will be an independent review process and the details of this are now awaited. The fact that this is not in place by the 1st April will not be an issue however it is important that clarity on the Independent Reviews is given sooner rather than later.

6.0 HOUSING BENEFITS

- 6.1 The major change in respect of Housing Benefits is the social size criterion/bedroom tax implementation. It has previously been estimated that approximately 1600 households in Inverclyde will be adversely affected by this change with an approximate overall cost of £1 million.
- 6.2 The Government via the DWP has allocated £212,068 to Inverclyde Council to offset this cost pressure and the impact of the Benefit Cap in 2013/14. A separate report on the agenda seeks Committee approval for the DHP prioritisation within Inverclyde.
- 6.3 The Discretionary Housing Payment Grant will be administered by the Discretionary Payments Team within Finance Services and is important that there are clear criteria which are transparent but also able to be delivered within the allocated resources.
- 6.4 Regular reports will update the Policy & Resources Committee in respect of the utilisation of this sum. Committee should note that priorities may require to be adjusted in the event that demand significantly outstrips available resources.

- 6.5 Latest assessment is that approximately 10 households within Inverclyde will be adversely impacted by the benefit cap which is due to be implemented in September 2013. The benefit cap applies to those households who receive over £25,000 per year in benefits. It is estimated that the weekly loss of income to the 10 households is just under £500 giving an overall loss of income to the 10 households of approximately £25,000.
- 6.6 Officers are liaising with DWP to support these households and progress in this regard will continue to be monitored in the lead up to September 2013.

7.0 SCOTTISH WELFARE FUND

- 7.1 The Scottish Welfare Fund (SWF) will provide Crisis Grants and Community Care Grants to some of the most vulnerable members of our community from the 1st April 2013. The Scottish Government has provided an Administration Grant of approximately £130,000 and Ringfenced Grants of £732,000 in 2013/14.
- 7.2 The Council has created a team of a Supervisor and 6 Discretionary Payment Assessors to deliver the Scottish Welfare Fund (SWF) and the Discretionary Housing Payments (DHP). Once the costs of telephones, payment charges and other administrative costs are taken into account then the annual administration cost of implementing these schemes will exceed Government funding by approximately £85,000 in 2013/14. This excess cost will be contained within the £800,000 Welfare Reform Fund agreed by the Council as part of the 2013/14 Budget.
- 7.3 Applications for the Scottish Welfare Fund will initially be accepted by telephone and by post with the intention being that as soon as is practicable, online applications will also be accepted. In order to take the telephone applications the Council has created an 01475 number which can be used by claimants. A copy of the leaflet publicising the SWF is shown as Appendix 3.
- 7.4 It is intended that after an initial eligibility check, the Council will call individuals back in order to save costs for the claimants prior to completing the application form which could take 40 to 60 minutes.
- 7.5 In addition it has been agreed by the Corporate Management Team that 3 “warm phones” will be installed at locations within Greenock and Port Glasgow to enable claimants to call the Council on the internal telephone system. The locations for the warm phones have been agreed as the Homelessness Centre, the Wellpark Centre and Scarlow Street Office in Port Glasgow Town Centre. The success of these warm phones will be monitored and a decision can thereafter be taken whether to expand the phones or whether to withdraw them.
- 7.6 It should be noted that it is estimated the cost of telephone calls will be approximately £20,000 in 2013/14.
- 7.7 The Council proposal is to operate a telephony answering service for the SWF Monday to Friday 9am to 3pm. The reason for the 3pm closure is to allow any calls received at around about that time to be adequately dealt with and thereafter for officers to complete the necessary paperwork and process the necessary payments prior to finishing for the day. There will be no service provided over the weekend or out of hours.
- 7.8 The decision not to provide an out of hours service is based on information from DWP, Cosla and Scottish Government. The latest statistics for the demand for Out of Hours payments are shown in Appendix 4 where it can be seen that awards in Inverclyde were under £1000 for the full year.

- 7.9 Good progress has been made in respect of discussions with Paypoint and Allpay regarding payment methods for the SWF. As previously advised, Paypoint payments will be delivered by transmitting a bar code either to the claimant's mobile phone or by printing off a bar code which can be then taken to a Paypoint outlet and exchanged for cash. The Allpay solution involves the issuing of a card which effectively can be used as a debit card in certain locations for the procurement goods (but not cash).
- 7.10 Other developments include the recognition that in a number of cases home visits will be required to claimants' households in order to confirm the detail of certain claims. Training in this regard is ongoing, supported by the DWP. Other developments include agreement of a referral process both within the Council and with colleagues in the DWP and the creation of a review process which will be overseen initially by 6 officers within the Council who are not directly connected to the Benefits and Customer Services Team.
- 7.11 Appendix 1 contains the proposed Scottish Welfare Fund application and assessment process which will be utilised by the Discretionary Payments Team to assess the eligibility of applications to the fund. It is important that the Council concentrates the resources on supporting the high priority cases as no further funding will be available once the £732,000 grant is spent.
- 7.12 In line with all other Councils in Scotland the implementation of the SWF does involve a "leap in the dark" and policies will require to be modified depending on the level of demand and level of awards given. Regular updates on this matter will be provided to Committee.

8.0 UNIVERSAL CREDIT

- 8.1 There have been no developments in respect of the implantation of Universal Credit since the last report but this matter will become increasingly important later in 2013/14.

9.0 FINANCIAL ADVICE SERVICES

- 10.1 There is a report elsewhere on the agenda by the Corporate Director Community Health and Care Partnership regarding proposals to enhance Financial Advice Services within Inverclyde to meet increased demand. Any proposals will be contained within the £1.3 million sum agreed by Members as part of the 2013/16 Revenue Budget and have been endorsed by the Corporate Management Team.

10.0 FINANCIAL IMPLICATIONS

10.1 Recurring Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Other Comments
SWF	Grants	2013/14	£732,000	Ringfenced by the Government
DHP	Grants	2013/14	£212,068	Ringfenced by the DWP
SWF	Various	2013/14	£215,000	£130,000 funded by the Government. Balance funded from Council approved budget.

- 10.2 There are no HR Implications arising from this report.
- 10.3 There are no Legal Implications arising from this report.
- 10.4 An Equalities Impact Assessment in respect of the Scottish Welfare Fund proposals has been prepared by Officers.

11.0 REPOPULATION

- 11.1 It is important that the Council has a robust and transparent response to the changes brought about by Welfare Reform in order to give confidence to Inverclyde residents that the Council is meeting the challenges appropriately.
- 11.2 Given that the most significant impacts at this point in time relate Housing Benefit it is inevitable that there will be some movement of individuals and families from their current households and it is important that the Council works with its partners to ensure that individuals remain in appropriate accommodation within Inverclyde.

Scottish Welfare Fund **High Level Process**

1.0 Making An Application

- Applications made by the person themselves or support services
- Preferred application route – by telephone or by post
- Phone tariff will be at min cost to applicant with call back offered
- Pilot of 'Warm Phones' located in CHCP public offices being trialled (Homeless Centre & Wellpark Centre and Scarlow Street, Port Glasgow)
- Usually apply to the LA where the person resides
- Prisoners should apply to LA where they intend to reside
- Discretionary Payments Team receive applications
- Crisis Grants – aim to process in maximum of 2 working days
- Community Care Grants – aim to process in 15 working days
- The applicant should be notified of the decision by phone/SMS or in writing
- Signposting where appropriate.

Application

- Telephone, online and paper application accepted
- Details of previous grant applications required including other Council areas
- DLA, PIP AA, War Pensions are disregarded as income
- Any representative must provide their details and reasons for completing

Evidence Requirements

Evidence may be requested to support application

- Applicant responsible for proof
- Third party evidence eg social worker, police report
- Clarification with applicant usually by phone
- Reason for evidence request will be given
- Consequences of late response - decision made without evidence

Receiving An Award

- Crisis Grants – Default position is Pay Point
- Applicant will receive text with payment details to present at an outlet
- Arrangement in place if unable to receive text – collect print at agreed appointment at Inverclyde Council Customer Service Centre

- Community Care Grants & payments over £100 – All Pay visa debit card
- Supervised payments for CCG by BACS
- Visits may be conducted before award made
- Where appropriate use the suggested price list from Scottish Government which may be adapted for local variances

Application Process Summary

- Application phone line: 714444
- Phone tariff will be at minimal cost to applicant
- Customer can be offered a call back immediately after eligibility check is carried out.
- Online supported applications – available as soon as possible after 1 April 2013 – to be confirmed and detail to follow
- Supervised applications for CCG will be communicated to the Support Worker
- Decision maker will call customer with outcome – followed up in writing
- Advised of appeal rights and further signposting
- Pilot of 'Warm Phones' located in CHCP public offices being trialled (Homeless Centre & Wellpark Centre and Scarlow Street PG)

Process subject to review

2.0 Decision Making

Decision Making - 4 stages

Stage 1 -

Eligibility – i.e. qualifying benefits, no more than 3 applications in rolling 12 month period or within 28 days of the last application unless there has been a relevant change in circumstances

Stage 2 –

Meet the requirements – personal/family circumstances

Stage 3 –

Priority – High/Medium/Low

high priority should be given to an application if an award for the item or money requested will have a substantial and immediate effect in resolving or improving the health and wellbeing of the applicant;

medium priority should be given to an application, if an award for the item requested will have a noticeable effect, although not substantial and immediate, in resolving or improving the health and wellbeing of the applicant;

low priority should be given to an application, if an award for the item requested will have only a minor effect in resolving or improving the applicant's health and wellbeing.

It will be the assessment of priority for individual items that may vary dependent on to what extent awarding a particular item will assist the applicant to improve their situation / overcome their difficulties. Vulnerabilities will also influence a decision maker in reaching a priority assessment.

Firstly consider a priority assessment based on the importance of the item(s) being applied for in the context of the applicant's individual circumstances taking account of on vulnerability, nature, extent and urgency also considering the likely consequences of refusal.

Stage 4 –

Budget - Sufficient money available in the budget

Decision Review Process

- Request review in writing outlining grounds
- First tier review within Discretionary Payment Team
- Second Tier by a Panel within Inverclyde Council
- Panel of 6 Senior Council Officers, with no responsibility for Scottish Welfare Fund who will be trained in this area
- Ombudsman can review for maladministration

Scottish Welfare Fund Assessing Priority

The Scottish Welfare Fund is cash limited so even if someone is eligible and meets the qualifying conditions, they may not get a grant. To decide who gets a grant and who doesn't, you need to allocate each item or expense requested a priority level of high, medium or low.

You consider each expense according to

- the nature, extent, severity and urgency of the need and the impact of an award on applicant;
- the vulnerability of the applicant and the likely consequences of refusal. (Multiple reasons may lead to higher priority.)

The three priority ratings are based on the effect an award would have in resolving or improving the health and wellbeing of the applicant.

- High priority if
 - the nature of the need is *immediate and severe*,
 - they are *highly vulnerable*,
 - an award for the item or money requested will have a substantial or immediate sustained effect in resolving or improving the health and wellbeing of them or their family, and
 - there will be significant adverse consequences if the item or money is not provided
- Medium priority if
 - the nature of the need is *less immediate or severe*,
 - they are *moderately vulnerable*,
 - an award for the item requested will have a noticeable effect, although not substantial or immediate, in resolving or improving health and wellbeing, and
 - there will be moderate adverse consequences if the item or money is not provided
- Low priority if
 - the nature of the need is not time critical,
 - they have a degree of personal resilience,
 - an award for the item requested will have only a minor effect in resolving or improving health and wellbeing and
 - there will not be identifiable adverse consequences if the item or money is not provided.

What about other welfare benefits?

Other benefits will stay the same and will still be dealt with by the Department for Work and Pensions.

This includes:

- Sure Start Maternity Grants
- Funeral Payments
- Cold Weather Payments
- Winter Fuel Payments
- Job Seekers Allowance
- Income Support

The Department for Work and Pensions will also continue to offer support if you're waiting for your first benefit payment and need an advance to help tide you over until the benefit is paid to you in full. First though, you need to be able to show you are entitled to benefit and that you will be able to repay the advance within three months. You will also have to show that you don't have any other source of financial help.

The new Scottish Welfare Fund. Help when you need it most.

You can contact your local Council about a Crisis Grant or Community Care Grant in a number of ways:

Online

Click www.inverclyde.gov.uk/scottishwelfarefund

By phone

Call 01475 714 444

Introducing The Scottish WELFARE FUND


Starting from April 2013 there will be important changes to the Social Fund scheme.

This leaflet explains what the changes will mean and how they may affect you.

Inverclyde
council



The Scottish
Government
Riaghaltas na h-Alba



How changes to the Social Fund could affect you

From April 2013, changes to the Social Fund scheme mean that Crisis Loans for Living Expenses and Community Care Grants will stop. In their place will be a new scheme called the Scottish Welfare Fund mainly for people on benefits. It will provide two types of grant:

■ Crisis Grants

Providing you with a safety net in the event of a disaster or emergency

■ Community Care Grants

Helping you to leave care and live on your own, or to continue living in your own home.

Why the changes?

Unlike the Social Fund, which is managed by the Department for Work and Pensions, the new Scottish Welfare Fund will be managed by local Councils, based on guidance from the Scottish Government. This will mean national help being delivered locally to provide a broader range of services.

A Crisis Grant may help if...

you are

in crisis because of a disaster like a fire or flood, or an emergency such as losing all your money or having to visit a sick child in hospital.

you need

help with costs that have arisen as a result of the disaster or emergency, to keep you and your family safe from harm. If you qualify for a Crisis Grant, the help you receive will depend on the particular difficulties you face. You may be given money or another form of support, for example, a voucher, fuel card, travel ticket or furniture.

How to apply

To find out if you are able to get a Crisis Grant or make an application, contact your local Council. You'll find all the details you need on the back of this leaflet.

A Community Care Grant may help if...

you are

about to leave care to live on your own in the community, for example after being in hospital or in prison, or face going into care because you don't have the things you need to continue living at home.

A Community Care Grant may also be able to help if you are struggling to provide a safe and secure home for your family.

you need

help to get essential household items like a cooker or washing machine but don't have the money to buy it.

As with the Crisis Grant, if you qualify for a Community Care Grant the help you receive will depend on your circumstances. You may be given money or you may receive support another way, for example, a voucher, fuel card, travel ticket or furniture.

How to apply

To find out if you are able to get a Community Care Grant or to make an application, contact your local Council. You'll find all the details you need on the back of this leaflet.

**Approximation of Out of Hours Crisis Grant Activity Based on DWP Crisis Loan Activity
Scottish Government Analytical Services**

The table below shows the estimated number of referrals, visits and payments by the out of hours service by local authority.

The estimated total value of the payments is included – payments made by the out of hours service have an average value of £33 compared to £56 for an average Crisis Loan for Living Expenses award.

The estimated share of the admin costs is included, this is considerably greater than the value paid out. The admin costs per referral average at £49 in Scotland.

If the admin costs are divided only by the number of visits the estimated admin cost per visit is £162 in Scotland.

Local Authority	Estimated number of referrals	Estimated number of visits	Estimated number of payments	Estimated value of payments	Estimated Share of Admin Costs
Aberdeen City	162	49	48	£1,616	£7,930
Aberdeenshire	63	19	19	£630	£3,092
Angus	51	16	15	£513	£2,515
Argyll & Bute	39	12	12	£392	£1,921
Clackmannanshire	51	15	15	£507	£2,489
Dumfries & Galloway	67	20	20	£675	£3,310
Dundee City	126	38	38	£1,260	£6,184
East Ayrshire	90	27	27	£904	£4,437
East Dunbartonshire	32	10	10	£324	£1,590
East Lothian	40	12	12	£399	£1,956
East Renfrewshire	25	7	7	£246	£1,205
Edinburgh, City of	287	87	86	£2,869	£14,079
Eilean Siar	5	1	1	£46	£227
Falkirk	104	32	31	£1,043	£5,118
Fife	215	65	65	£2,152	£10,559
Glasgow City	702	213	210	£7,017	£34,429
Highland	105	32	32	£1,054	£5,170
Inverclyde	88	27	26	£881	£4,323
Midlothian	48	14	14	£475	£2,332
Moray	40	12	12	£399	£1,956
North Ayrshire	128	39	38	£1,283	£6,297
North Lanarkshire	291	88	87	£2,914	£14,297
Orkney Islands	2	1	1	£23	£114
Perth & Kinross	67	20	20	£666	£3,266
Renfrewshire	180	55	54	£1,800	£8,830
Scottish Borders	46	14	14	£456	£2,236
Shetland Islands	7	2	2	£73	£358
South Ayrshire	60	18	18	£598	£2,935
South Lanarkshire	201	61	60	£2,008	£9,852
Stirling	46	14	14	£463	£2,271
West Dunbartonshire	105	32	31	£1,047	£5,136
West Lothian	149	45	45	£1,493	£7,328
Scotland	3622	1098	1086	£36,225	£177,743