
Report To:	Policy & Resources Committee	Date:	4th February 2014
Report By:	Acting Corporate Director, Environment, Regeneration & Resources	Report No:	2014/P&R/02/AP
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Subject:	Welfare Reforms Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update Committee in respect of the latest progress and developments relating to the Welfare Reform agenda and to seek Committee approvals where required.

2.0 SUMMARY

- 2.1 Appendix 1 give updates in respect of the Scottish Welfare Fund budget position. From this it can be seen that there is a projected underspend within the Scottish Welfare Fund wholly attributable to the initial slower uptake of Crisis Grants and Community Care Grants. This underspend will be carried forward in line with Scottish Government guidance into 2014/15.
- 2.2 Appendix 2 shows the latest budget position in respect of Discretionary Housing Payments. In December 2013, the Council was successful in securing a further £60,000 from the DWP for Discretionary Housing Payments. It should be noted that this funding is one-off and has increased the ceiling which the Council can spend up to in respect of Discretionary Housing Payments to £443,000. The latest projections are that this sum will be fully utilised. Committee are asked to note that the ceiling to which the Council can spend in 2014/15 is likely to be lower than this although figures are not due to be confirmed until early February.
- 2.3 Appendix 3 gives an update in respect of the various extra funding initiatives agreed by the November meeting of the Policy & Resources Committee. Appendix 4 gives an update of the successful Financial Inclusion Partnership funding bids submitted within Inverclyde. The amount secured of £1.34m is an excellent achievement and will help support individuals within Inverclyde better manage the impact of Welfare Reform.
- 2.4 Indications are from the DWP that there will be little progress at a local level during 2014 regarding the move to Local Support Services / Universal Credit. Committee will continue to be kept abreast of any developments at a local level as they arise.
- 2.5 Matters are progressing in respect of the creation of a Single Fraud Investigation Service and the latest timescale is that this matter will be fully implemented by March 2016. This is expected to impact on a maximum of two employees and Officers will require to develop proposals as to how the Council will address its non-welfare benefits fraud investigation responsibilities following the creation of the SFIS.
- 2.6 At its meeting in November, the Policy & Resources Committee requested that Officers progress a piece of work in respect of child poverty. It is proposed that this matter be reported to the Alliance Board as part of SOA 6 and, given the cross-cutting nature of this issue, the Full Council.

- 2.7 At the last meeting of the Inverclyde Council, it was agreed that the Council Leader would be the Council's Welfare Reform Champion. At the Council, it was also agreed that Officers develop a draft remit for this role. Appendix 5 outlines a suggested list of responsibilities.
- 2.8 Much of the work carried out twelve months ago relating to the development of policies and processes to support the implementation of the Scottish Welfare Fund and Discretionary Housing Payments process is now embedded and operating well. Focus now will begin to shift to ongoing development of the Financial Inclusion agenda and the impact in the medium term of the move towards Universal Credit.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position in respect of the Scottish Welfare Fund, Discretionary Housing Payments and specific projects funded from the Welfare Reforms Earmarked Reserves.
- 3.2 It is recommended that the Committee welcome the significant sums of external funding attracted by the Financial Inclusion Partnership to support work in mitigating the impact of Welfare Reform.
- 3.3 It is recommended that the Committee consider and approve the draft remit of the Welfare & Financial Inclusion Champion.
- 3.4 It is recommended that the Committee agree that updates in respect of Child Poverty be reported via SOA 6 to the Council and Alliance Board.

Alan Puckrin
Acting Corporate Director Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 The Committee has received regular reports for the last twelve months on the impact and implementation of the Welfare Reform Agenda.
- 4.2 Approvals have been given for policies for the Scottish Welfare Fund and the application of Discretionary Housing Payments.
- 4.3 At the last meeting of the Policy & Resources Committee, approval was given to allocate funds to specific initiatives to support the Council's response to the Welfare Reform Agenda.

5.0 SCOTTISH WELFARE FUND

- 5.1 Appendix 1 shows the latest position of the Scottish Welfare Fund which is administered by the Council and funded through ringfenced grants by the Scottish Government.
- 5.2 It can be seen that, as at 31st December, grants totalling £374,000 had been paid which equates to 51.1% of the annual budget. It should be noted that since October 2013, there has been a significant uplift in the volume of payments made following refreshed guidance from the Scottish Government.
- 5.3 Details of the reasons for refusals, reviews and successful review requests are shown in Appendix 1.
- 5.4 As it is likely that there will be an underspend on the Scottish Welfare Fund at the year end then, in line with Scottish Government Guidance, any underspend will be carried forward to 2014/15.
- 5.5 At the time of writing the report, there has been no confirmation from the Scottish Government as to the amount of Scottish Welfare Fund Grants which the Council will receive in 2014/15, however, indications are that this figure should be in line with 2013/14 and figures are due to be received in early February.

6.0 DISCRETIONARY HOUSING PAYMENTS

- 6.1 At its meeting on 19th November 2013, the Council approved a revised Policy to ensure that the Council spent up to its ceiling for Discretionary Housing Payments in 2013/14.
- 6.2 The official ceiling for Discretionary Housing Payments was £383,000, however, subsequent to the report being approved the Council received confirmation from the DWP that its application for further DHP was approved and the ceiling has now been increased to £443,000.
- 6.3 Appendix 2 shows the latest position in respect of Discretionary Housing Payments and it can be seen that, based on current volumes and the new Policy approved in November, spend is expected to be very much in line with budget.
- 6.4 There is no facility for the Council to overspend against its ceiling of £443,000 and Officers will manage the situation extremely closely to ensure that the Council spends as close to its ceiling as possible.
- 6.5 On 18th December a letter was received from David Mundell MP confirming that in the Autumn statement an extra £40m had been made available across the United Kingdom for Discretionary Housing Payments in both 2014/15 and 2015/16. It is not clear whether this extra funding will form part of a Challenge Fund. Based on the Council's approximate share of this sum, then this helps mitigate but not eliminate the reduction in DHP ceiling in 2014/15. CoSLA are pressing the DWP for clarity on this matter. 2014/15 DHP figures are expected in early February.

- 6.6 It should be noted that in 2014/15 it is likely that the Council's DHP ceiling will be lower than £443,000 and if this is the case then a report to the next meeting of the Committee may seek approval for a revised DHP Policy.
- 6.7 Finally, Committee are asked to note that the Council is running a small pilot in respect of supporting homeless clients to be placed in private accommodation supported by DHP. In this case the DHP will be used to pay the first months advanced rent. Depending on the success of this initiative, then this potentially could be expanded subject to available budget in 2014/15.

7.0 EXTRA FUNDS ALLOCATED

- 7.1 At its meeting on 19th November 2013, the Committee approved various initiatives funded from resources allocated to Welfare Reform by the Council and the Scottish Government. An update in respect of these matters is included in Appendix 3.
- 7.2 One specific issue raised as part of that report was for Officers to progress a piece of work in respect of child poverty. Following discussion, Officers would recommend that it would be appropriate that this matter be reported to the Alliance Board via Single Outcome Agreement Group 6 and, given the cross-cutting nature of this piece of work, the matter also be reported to the Inverclyde Council. Committee are asked to consider and approve this proposal.

8.0 FINANCIAL INCLUSION

- 8.1 Appendix 4 provides a list of successful funding bids submitted by the Financial Inclusion Partnership which totals approximately £1.34m. These schemes have recently been approved and are in the process of being implemented and will provide much needed support to clients within Inverclyde.
- 8.2 Specifically the SLAB Making Advice Work funding for Inverclyde Advice First to provide a generic telephone advice helpline is due to become operational in the next month. This initiative will operate from the Customer Service Centre at Greenock Municipal Buildings.
- 8.3 A key development in improving the quality of financial advice services provided will be the implementation of the Financial Advice Case Management system. Acceptance of the tender is imminent and once operational the system will allow partners to access common information in respect of clients and help streamline processes and improve the advice provided.

9.0 LOCAL SUPPORT SERVICES / UNIVERSAL CREDIT

- 9.1 The UK pilots in respect of local support services / universal credit are continuing with the Scottish pilot taking place in Inverness. It is clear from discussions with the DWP and also confirmed by information received from CoSLA that there is likely to be very little activity at a local level during 2014 on this area. The priority at present is to further roll out developments within Inverness in order to create a critical mass prior to expanding the number of local authorities involved in Scotland.
- 9.2 Indications from the DWP are that Councils are envisaged to have a role in the delivery of local support services / universal credit until at least 2020. These matters continue to be co-ordinated by CoSLA.
- 9.3 Greater progress is being made in respect of the creation of a Single Fraud Investigation Service and the latest timescale indicated by the DWP is that full implementation of this matter will take place by 31st March 2016.

- 9.4 Confirmation of any TUPE implications is awaited, however, if TUPE is applied then it is anticipated that this will impact on a very small number of staff within the Finance Service.
- 9.5 Committee is asked to note that in the event that the SFIS is created, then consideration will need to be given as to how the Council will fulfil any fraud investigation responsibilities for those areas outwith universal credit.

10.0 WELFARE REFORM CHAMPION

- 10.1 At the last meeting of the Inverclyde Council, it was agreed that Councillor McCabe would be the Welfare Reform Champion for Inverclyde Council. At the same meeting, a request was made that Officers develop a list of duties / responsibilities for the role.
- 10.2 Appendix 5 contains proposals for the Champion's role and also proposes that the role be defined as the Welfare & Financial Inclusion Champion.

11.0 OTHER MATTERS FOR CONSIDERATION

- 11.1 Just prior to New Year, the NHS (Dr Harry Burns) issued a document to the CHCP entitled "Response to Impacts on Health & Welfare Benefit Reform" which highlights the negative impacts of those who lose out on the Welfare Reforms. An outcome focused plan has been provided which identifies the actions and measures that NHS Boards should be undertaking.
- 11.2 The Welfare Reform Project Board continues to meet and at its last meeting it was agreed that now that processes and policies have been in place for almost twelve months, it would be appropriate for the focus to move more towards working with partners to develop longer term solutions to address the challenges raised by Welfare Reform. In light of this, it is hoped that a Senior Officer from River Clyde Homes will now join the Welfare Reforms Project Board to complement the attendance by the DWP and Senior Council Officers.

12.0 IMPLICATIONS

12.1 Financial Implications

As highlighted in the report, any underspend in the Scottish Welfare Fund will be carried forward to 2014/15. In addition, any unspent monies allocated by the Government or the Council towards Welfare Reforms will be gathered within an earmarked reserve and be carried forward for use in future years.

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					

12.2 Legal Implications

There are no direct legal implications arising from the contents of this report.

12.3 HR Implications

Any TUPE implications arising from the implementation of the SFIS will be managed by OD & HR.

12.4 Equalities

The development of policies and practices in relation to Welfare Reform will take account of the equalities agenda. There are no specific equalities issues arising from this report.

12.5 Repopulation

A robust and sympathetic response to the impacts of Welfare Reform on the community will help stabilise the population and provide solutions which enable individuals to stay within Inverclyde. This will have a positive impact on the Council's repopulation agenda.

13.0 BACKGROUND PAPERS

13.1 Welfare Reform Outcome Focus Plan – NHS Scotland.

Scottish Welfare Fund
31/12/2013

Calls Answered	7896		
Applications	2257		
Applications Granted	1362	61%	
Applications Refused	774	34%	Note 3
Applications Withdrawn	78	3%	
In Progress	43	2%	
Referrals to DWP	767		Note 2
		<u>Budget</u>	<u>Spend</u>
		<u>£000</u>	<u>%</u>
Crisis Grant paid (799) =	£73.6k	158	46.58%
Community Care Grants (583) =	£300.1k	574	52.28%
	<u>£373.7k</u>	<u>732</u>	51.1%

Note 1 1st Tier Reviews = 79 (3.5%)
 1st Tier Reviews Upheld = 31 (40%)
 2nd Tier Review = 5
 2nd Tier Reviews Upheld = 1 (20%)
 Reasons for upholding 1st Tier Reviews were – 80% : Provision of additional information by the claimant / change of circumstances
 - 20% : Interpretation of guidance / circumstances

Note 2 Referrals to DWP relates to customers who are awaiting payment of a new claim for JSA / ESA from DWP. In these circumstances a Short Term Benefit Advance (STBA) can be paid by DWP.

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

Discretionary Housing Payments			
31/12/2013			
Applications Received	1328		
Applications Approved*	852	(64%)	
Applications Refused	440	(33%)	Largely due to exceeding the financial threshold or ineligibility
Awaiting Supporting Evidence	14	(1%)	
To be Started	22	(2%)	
*518 (61%) of those approved relate to financial pressure			
	<u>£000</u>		
Paid to date	127		Paid to Landlords a month in arrears
Commitments	39		Assumes existing claims run their course
New/Replacement Claims	276		Estimate based on year to date experience
Available Budget	443		(increased from 214k due to additional funding)
Projected Spend	442		
Reviews requested = 80 (6%)			
Reviews Upheld = 34 (42%)			(47% due to revised financial information received 53% due to other new information received)
MB			
23/01/2014			

Welfare Reform – Additional Spend Update

No.	Approved Spend	Spend £000	Update – January 2014
1.	Pay for the New Money Advice Care Management software from Government Funding and carry forward freed up Council resource as an Earmarked Reserve.	40 (one-off)	Tenders returned and being assessed.
2.	Increase Clothing Grant from £62.50 to £80 from 2014.	45 (Recurring)	Vire funds to Education in 2014/15 and implement July 2014.
3.	Contribution to Oak Tree HA pilot to modify properties in the Maple Road area to reduce the number of bedrooms in order to stabilise population. (£1,000 per property for up to 10 properties).	10 (One-off)	Awaiting information from OTHA.
4.	Create supermarket account to allow local foodbank to procure food / goods to meet increased demand arising from Council referrals and to supplement donations.	20 (Recurring)	Discussions on going with the Foodbank on best way to allocate the funding.
5.	Vouchers targeted to vulnerable Older Persons to assist manage costs over the winter. Corporate Director CHCP to develop proposals for future years and to be brought back to CHCP Sub-Committee.	40 (Recurring)	Discussions taking place with Your Voice re. co-ordinating role.
6.	Assist Starter Packs with property costs and develop arrangements to support clients.	7 (One- Off)	Monies will be paid to Starter Packs before the end of the Financial Year.

Additional funding secured by Inverclyde Financial Inclusion Partnership for additional services to support the impact of Welfare Reform and hardship 2013/14

Lottery Support and Connect Funding

Starterpacks Inverclyde	£94,000	This project will allow additional capacity for equipment and also fund the coordinator post
Fuel poverty Project Inverclyde Council/Wise Group	£330,000	The project will provide energy and Advocacy advice for people struggling with Fuel poverty
Inverclyde Council on Disability Financial Fitness/ Inverclyde CHCP/IAERC	£279,437	This project will provide a welfare information and support project for 15 months and employ three Financial Inclusion Link Workers and one full time Administration and Monitoring Officer to support 250 individuals to receive mentoring support and benefits advice.
River Clyde Homes	£349,866	This project will increase local people's financial resilience to mitigate the impact of welfare reform. Using a partnership approach the project will provide supported ICT advice and training on the completion of on-line benefit forms, using the internet to source affordable products, and developing financial literacy and budgeting skills to manage on a reduced incomes.

SLAB Making Advice Work Funding

Inverclyde Advice First (CHCP/Financial Fitness/Legal Services Agency)	£184,000	To provide a generic telephone advice line; emergency advice worker support and additional legal support from Legal services agency to clients with housing issues
Riverclyde Homes	£104,000	To provide extra tenancy support to vulnerable tenants and also the development of a smart phone application

In addition to funding secured through the Partnership, Stepwell Consultancy received £157,500 from Lottery Support and Connect to address food poverty in the Inverclyde area and the hardship that individuals and families face by providing information events on food on a limited budget, a cooking programme, kitchen essentials, cupboard and shopping packs, and peer led support

Total £1.5million additional funding until March 2015.

Role of the Welfare & Financial Inclusion Champion

- To be the lead Elected Member for the Council's response to Welfare Reform and to promote Financial Inclusion for Inverclyde.
- To provide strategic liaison amongst the Council and its partner agencies with regard to the implications of Welfare Reform and the promotion of Financial Inclusion.
- To seek that the strategic decisions made by the relevant agencies in respect of Welfare Reform and the support and promotion of Financial Inclusion for all are based on the principles of impartiality and fairness.
- To represent the Council in liaising as appropriate with Government and MPs / MSPs on the implications of Welfare Reform and Financial Inclusion.
- To promote effective communication and positive working relationships both within the Council and amongst partners and other stakeholder groups in relation to the implications of Welfare Reform and Financial Inclusion
- To be the Elected Member spokesperson for press/media enquires relating to Welfare Reform and Financial Inclusion and to seek to ensure that communications are consistent and coordinated amongst the Council and its partners

January 2014