

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 28 AUGUST 2018

WELFARE REFORM UPDATE

REPORT BY IAN LORIMER, HEAD OF FINANCE AND LEGAL

ABSTRACT

This report provides members with updates on welfare reform including implementing Universal Credit and on the use of the Welfare Reform Fund created in the 2014/15 financial year.

1. RECOMMENDATION(S)

It is recommended that the Committee note:

- (i) That from 07 November 2017 the Department for Work & Pensions (DWP) rolled out their Full Service programme for Universal Credit across the three Angus Jobcentre sites.
- (ii) That the migration of qualifying adult Disability Living Allowance claimants over to Personal Independence Payment is due to be completed by the end of 2018.
- (iii) The significant work which has been undertaken to date by Angus Council staff and partner organisations to support claimants impacted by Welfare Reform changes and that they will continue to do so.
- (iv) The use made so far of the Council's Welfare Reform Fund as outlined in the report.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report contributes to the following local outcome(s) contained within the Angus Local Outcomes Improvement Plan and Locality Plans:

- Tackling inequalities
- Building Services around people and communities
- Focusing on prevention
- Working together effectively

3. BACKGROUND

3.1 This report provides a further update on the actions agreed in Report No 51/16 which was submitted to the Council in February 2016. The Angus Welfare Reform Group (AWRG) was set up in 2014, followed by the Angus Financial Inclusion Partnership (AFIP) which developed a financial inclusion strategy, all of which has resulted in work being undertaken over the last 4 years to continue to inform, advise and help citizens prepare for various changes in welfare arrangements.

3.2 The report also provides updates on a number of activities which are either under way or planned to assist Angus citizens with the expansion of Universal Credit, ongoing welfare reform changes and the introduction of new devolved benefits which will be delivered by the new Scottish Social Security Agency. The report also provides information on the use of the Councils Welfare Reform Fund under officer delegation covering the period 1 January 2016 to 31 March 2018.

4. CURRENT POSITION

Update from recommendations of Report No 51/16

4.1 *CLD and libraries staff design and jointly deliver an IT skills training programme badged as the Angus Digital Skills Academy.*

The Angus Digital Skills Academy is now operated by the Council's Community team and they run regular free sessions at sites across Angus. Angus Alive also offer digital skills courses, some are free, some have a small charge.

4.2 *A financial inclusion strategy is developed in partnership with the third sector and the CPP.*

The 2015-2018 Angus Financial Inclusion Strategy was implemented and is now nearing its completion. Development of a 2019-2022 strategy is underway.

4.3 *A tool kit of resources is developed to assist all front facing staff to increase their ownership and resolution of service users' issues at an early stage.*

The 'Benefits & Money' pages on the main Council website contains information on relevant topics, it includes informative videos, a Universal Credit E-Learning module and self-help information. It is continually updated to reflect benefit changes brought about by new or amended legislation.

4.4 On the basis of the updates in paragraphs 4.1 to 4.3, the actions arising from Report 51/16 have been completed in full.

Expansion of Universal Credit (UC)

Background

4.5 As members may be aware the roll out of Universal Credit was subject to several delays since it was originally proposed but since 07 November 2017 the scheme is now operating a Full Service across Angus.

4.6 Since the previous Report, there have been amendments to the structure of UC, most notably the removal of the seven day waiting period which has reduced the period the claimant has to wait for a first payment and the introduction of Scottish Choices, i.e the option of having two payments per month and the provision of housing costs to be directed to the Landlord.

4.7 UC is a national benefit scheme which is the responsibility of the DWP. The Council previously accepted and administered Housing Benefit claims for all ages on behalf of the DWP but from 7 November 2017 new working age claimants now require to claim UC unless they are in temporary accommodation or another excluded group. The Council continues to accept and administer all new pension age Housing Benefit claims. Although UC is not a Local Authority responsibility the DWP relies on Councils to support them in helping local citizens claim UC and provide them with support where necessary, e.g. assisted digital support.

4.8 At the moment UC is only available to new claimants and for those with 2 or less children and for those who have a significant change in their circumstances, e.g where a new partner joins a household who is in receipt of tax credits. The DWP expect that planned migration of the remaining existing working age housing benefit claimants over to UC will begin in the later part of 2019 and that process will be completed by 2023.

4.9 Based on the above Angus Council will continue to have responsibility for administering Housing Benefit (on the DWPs behalf) for working age claimants for a number of years albeit with a gradually reducing caseload. Based on current information the Council will still have a caseload of housing benefit claims for pension age claimants, it is understood that the intention of the DWP is to eventually include housing costs for pensioners within pension credit but this will not commence until 2023 at the earliest.

4.10 Engagement with local DWP colleagues is good and continues to develop. Site visits by Local Authority staff to the UC Service Centre have recently taken place. Local Job Centre

Plus (JCP) staff have had a site visit to the Council's Revenues & Benefits office. The local DWP Partnership Manager is the Council's initial point of contact for resolving any issues.

Universal Credit – Universal Support agreement with DWP

4.11 DWP recognise that they need support from local authorities to make UC work in practice especially around making digital claims and providing budgeting advice and they formalise these support arrangements through a partnership agreement. The agreement makes various "asks" of the Council including:-

- Provide support to UC Service Centre staff around housing cost issues that may arise.
- Support for claimants to get on-line and stay on line through identifying PC/public internet sites; identifying which of these locations will have trained staff present to provide 'supported access'; and publicising these services to residents
- Support for claimants with complex needs and in particular those who require personal budgeting support
- Referring claimants to the Department who may need an alternative payment arrangement e.g. because of rent arrears or vulnerability

4.12 Some additional funding has been made available to the Council to provide the services being requested. This is being carried out by two new temporary Welfare Rights Assistant (UC Support) posts which have been created specifically to support UC claimants with digital support and budgeting support. The posts are initially for 1 year and fully funded from DWP funding. These post-holders will be co-located in Jobcentres and Libraries in the first instance.

4.13 Actions to support citizens

In addition to the activity mentioned in paragraphs 4.1 to 4.3 above other main activity undertaken to support local citizens since the last update report to the Committee includes:-

- publication of a UC and local support information pocket-guide. 5000 of these guides were published and distributed to various sites across Angus. These guides have local support information about several frontline services as well as a map of Angus indicating where and when citizens can access public computers.
- The Welfare Rights Service undertook a series of UC Awareness sessions and lunchtime learning sessions for frontline staff.
- The Angus Financial Inclusion Partnership delivered two UC Full Service presentations to 150 frontline staff from a variety of organisations.
- The Welfare Rights Service continue to help reduce inequalities by supporting citizens with income maximisation, benefit enquiries, benefit appeals, homelessness prevention and debt advice. During 2017/18 they helped secure £7,039,353 of financial gains for Angus residents, dealt with 3184 Enquiries and assisted with 284 benefit appeals.
- The Scottish Welfare Fund is administered by the Revenues and Benefits Service supporting citizens with Crisis Grants and Community Care Grants. During 2017/18 1,596 Crisis Grants were approved totalling £112,714 and 468 community care grants were approved totalling £350,620
- Discretionary Housing Payments (DHP) are also administered by the Revenues and Benefits Service to provide additional support to tenants to help pay their rent. In 2017/18 1,488 DHP's were approved totalling £609,268 the vast majority of which were to mitigate the continuing impact of the so called "bedroom tax" which is funded by the Scottish Government.
- Establishment of an Angus Registered Social Landlords group (RSL's). This group, chaired by the Council, brings together the Council, RSL's and the DWP to discuss and where possible resolve any issues arising from UC or other welfare reforms. The group meets 3 to 4 times each year.
- The Angus Welfare Reform Group (AWRG) is made up of members from the Council, NHS Tayside, Dundee & Angus College, RSL's and the third sector. The group continues to meet four times each year and they also monitor and respond to the impacts of welfare reform at local level.

- The role of temporary Welfare Reform Officer was extended by 3 months until 31 December 2017. A new permanent Welfare Reform and Financial Inclusion Lead Officer post was created in early 2018 as part of the Welfare Rights service review and the post-holder now sits within the Welfare Rights Service.

4.14 Upcoming changes

- Following the introduction of The Scotland Act 2016 a new Scottish Social Security Agency (SSSA) was established. They are responsible for the introduction of new benefits and the devolution of some UK benefits to the SSSA which will occur over the next five years. The first of the new benefits they will deliver is the introduction of a Carers Allowance Supplement in summer 2018.
- The SSSA headquarters will be based in Dundee, they also plan to have a small number of staff in each Council area to help with pre-claims support. It is likely that these staff will be co-located in Council premises through a Service Level Agreement.
- A new Child Poverty Act (Scotland) was introduced in 2018. The Scottish Government aim to eradicate child poverty in Scotland by 2030. From June 2019 the Council has a statutory duty to jointly produce Child Poverty reports along with the local health board. Planning for this is underway. Funding to support activities which will help reduce and eradicate child poverty will be made available and these are outlined in the Scottish Government 'Every Child Every Chance' report which was published earlier this year.

4.15 Briefing for elected members

In November 2017 a briefing was delivered to elected members on UC and welfare reform changes, the role of the Welfare Rights Service and the role of Revenues & Benefits Service including Discretionary Housing Payments and the Scottish Welfare Fund. The briefing was well attended.

5. **PROPOSALS**

5.1 Preparing for the migration of legacy benefit claimants over to UC.

During the later part of 2019 the DWP will begin a programme of migrating legacy benefit claimants over to UC, this process is expected to take four years. Exact numbers of Angus citizens affected is not known, but it is expected to impact on 7,000 – 10,000 households.

5.2 A number of actions have already been implemented to support those currently affected by UC and other welfare reform changes, these are detailed above and support will continue to be provided within the limitations of the resources available to the Council and partners..

5.3 Use of the Council's Welfare Reform Fund

Report 273/14 gave delegated authority to the Head of Corporate Improvement & Finance to operate the Welfare Reform Fund on the basis:-

- Projects or initiatives with a total cost over their lifetime exceeding £100,000 would require prior approval by the Policy & Resources Committee
- Projects or initiatives will only be supported if they will reduce or eliminate the impact of Welfare Reform or otherwise alleviate poverty in disadvantage in Angus communities
- Projects or initiatives will be developed to be complimentary to the emerging DWP Local Support Services Framework (LSSF) expected to roll out nationally in 2016
- Expenditure will be limited to that of a one-off or time limited nature – any proposals which would add to the Council's cost base on an ongoing basis would require prior approval by the Policy & Resources Committee
- Expenditure agreed under delegated powers will be reported at least annually to elected members (this would probably be via budget monitoring or Annual Accounts reports).

It is important to note this fund was created from excess Discretionary Housing Payments funding provided by the DWP and Scottish Government in 2013 and 2014. At present the Scottish Government continues to mitigate the impact of the "bedroom tax" through DHP funding. Any excess DHP spending, e.g. to support benefit cap claimants, beyond each year's DHP budget is drawn from the Welfare Reform Fund. The likelihood is that should the "bedroom tax" funding element be withdrawn as the Scottish Government devise an

alternative way of mitigating this that the balance of the Welfare Reform Fund would indeed be utilised for the original intention of the funding which was as Discretionary Housing Payments until it is exhausted.

- 5.4 The table below shows how the Welfare Reform Fund has been utilised during the period March 2015 to March 2018.

	£000
Fund Balance at 31 December 2015 (Report 51/16)	469
<u>Contributions to/(from) the Fund:-</u>	
Angus Digital Skills Academy (funded through other means)	37
Welfare Reform Officer post (saving against original estimate)	3
Angus Citizens Advice – additional benefit advisors (Note 1)	(54)
Fund Balance at 31 March 2018 (earmarked within General Fund Balances)	455

Note 1 – this funding was provided to CAB to employ 2 additional temporary specialist benefit advisors whose purpose was to support Angus citizens affected by welfare changes. Funding was provided over a 2 year period up to March 2017 to enable CAB to find alternative long term funding for this work.

- 5.5 No additional resources to increase the balance on the Welfare Reform Fund are currently available so the Fund will eventually be exhausted unless alternative sources of funding are found. This will be kept under review. It is likely that further use of the Fund will be required in 2018/19 to support Discretionary Housing Payments beyond the grant monies made available from Scottish Government.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no additional financial implications arising from this report. Funding for the work involved is funded through existing budgets, DWP funding or through use of the Welfare Reform Fund as described in Section 5.3 of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: Grahame Conning, Welfare Reform & Financial Inclusion Lead Officer
EMAIL DETAILS: FINANCE@angus.gov.uk