

EAST RENFREWSHIRE COUNCILCABINET30 January 2020Report by Deputy Chief ExecutiveWelfare Contingency Fund Update**PURPOSE OF REPORT**

1. To seek Cabinet approval to use resources from the Welfare Reform contingency provision in order to support local residents through the Scottish Welfare Fund application process and to continue to mitigate the impact of welfare reform and ongoing rollout of Universal Credit over the next two years.
2. To bring forward a bid to the Welfare Contingency resources to fund a shortfall in external funding for East Renfrewshire Citizens Advice Bureau's Helping East Renfrewshire Online project.

**RECOMMENDATIONS**

3. It is recommended that Cabinet:
  - a. Approves the Scottish Welfare Fund team bid for a total of £110,858 over the next 2 years, to fund 2 Grade 5 posts to support increased demand in applications for the SWF;
  - b. Approves the Money Advice and Rights Team (MART)'s bid for £77,067 of welfare contingency provision to continue the Financial Wellbeing Project to build community capacity and resilience in the area of personal budgeting for a further 2 years;
  - c. Considers the East Renfrewshire Citizen Advice Bureau (ERCAB) bid for £40,000 to continue to fund one full time member of staff to undertake all aspects of benefit support work;
  - d. Considers the ERCAB bid for £11,500 of welfare contingency funding for 2020/21 to meet a shortfall in resources for their Helping East Renfrewshire Online (HERO) project; and
  - e. Notes that all bids for welfare contingency resources for 2021/22 are being requested in principle and are subject to budgetary provision being confirmed when the Council sets the 2021/22 budget early in 2021.

**BACKGROUND**

4. In June 2018 Cabinet considered a report which set out arrangements the Council was making to deal with the implications of the full roll out of Universal Credit (UC) by the Department of Work and Pensions (DWP) in East Renfrewshire from September 2018.

5. Since September 2018 all new applicants and those who report a change of circumstance have moved to UC. The transfer of people who are on existing benefits or tax credits will begin in 2020 and this is planned for completion by 2022 although this is nationally driven and out with our control.

6. The migration of existing legacy benefit claimants is a significant development which will affect a considerable number of our residents in East Renfrewshire, currently circa 3,500 DWP legacy benefit claimants. For residents this means that people on Employment and Support Allowance, Job Seekers Allowance, Housing Benefits, Tax Credits, Income Support will be transferred to UC.

7. There are many implications and risks associated with UC full service for social housing tenants and landlords as well as for private rented tenants and their landlords and experience suggests that rent arrears for tenants will increase.

8. In Scotland the implementation of UC will have some differences to the wider UK system. In particular The Scotland Act 2016 gave people the option to be paid twice monthly and to have their UC housing element paid directly to their landlords.

9. The Scotland Act 2016 also devolved new social security powers to Scotland, with the creation of the new Scottish Social Security Agency (SSSA). This agency will have responsibility for 10 social security powers including disability living allowance, personal independence payments, carer's allowance, winter fuel payments, attendance allowance industrial injuries disablement benefit, sure start maternity grant, funeral expenses, discretionary housing payments and some Universal Credit Powers. These benefits are being devolved on a planned roll out with completion expected 2023.

10. The premise of the new agency is a face to face service, with a presence in local areas which is a different delivery model from UC, which is very online focused. Both systems will eventually operate in tandem. The full impact of the new agency for East Renfrewshire is yet to be established. The new Agency will be based in Voluntary Action in East Renfrewshire and will begin a roll-out of benefits over the next few years..

11. Many aspects of UC implementation will be handled as business as usual by services, but the areas requiring the most co-ordination and joined up working across agencies (especially between Council, Culture and Leisure Trust and ERCAB) are around digital support and communication – to ensure clear customer pathways and a single message to signpost relevant services. This is because UC claims are entirely online. The extent to which clients are literate, numerate both generally and digitally is key to understanding the likely impact of the rollout on communities and service demand levels.

12. The caseload and experience of MART and ERCAB suggest that ongoing welfare reform and the full roll out of UC is impacting across East Renfrewshire and in particular affecting our most deprived communities. The day to day experience of these teams is that the local community is facing a number of issues with both MART and ERCAB experiencing significant increases in demand in recent years as detailed in paragraph 18, with further increases expected.

13. It was noted in the same Cabinet report in June 2018 that £200,000 of welfare contingency funding had been made available in the revenue estimates for the three financial years 2018/19, 2019/20 and 2020/21. Proposals from the SWF teams and MART were considered and approved at that time and in November 2018 welfare contingency funding was also approved to support resourcing of the ERCAB HERO project.

## SCOTTISH WELFARE FUND TEAM RESOURCE

14. The Scottish Welfare Fund (SWF) comprises of Community Care Grants, which help set people up to live independently, and Crisis Grants, which provide a safety net in a disaster or emergency. The SWF is part of the Scottish Government's effort to mitigate some of the impact of welfare reform on the country's most vulnerable residents.

15. Demand for SWF grants has increased in the last 18 months with 2 primary reasons for the increased demand. UC is increasing the number of people who pass the Stage 1 low income assessment so more people are meeting the initial criteria for SWF success. Secondly the emerging impact of new affordable housing developments and new builds has resulted in more eligible tenants approaching the Council for Community Care grants for essential items and furnishings, carpets etc. to get them set up in their new homes.

16. Applications to the SWF have increased significantly from 2017/18 into 2018/19 and this demand has continued into 2019/20 (see table below). The SWF team are required to assess every application and determine an outcome within specified guidelines and timelines. There are 3.5 permanent FTEs (Full Time Equivalent) within the SWF team, with funding for an additional temporary resource provided from the Welfare Contingency Fund until March 2020. In addition, 1 FTE from the Benefits team has been supporting the workload however this is impacting overall performance and cannot be sustained going forward. The increased demand has resulted in additional workload for the team, with difficulty at times meeting the response times expected by the Scottish Government (next working day for a Crisis Grant and 15 working days for a Community Care Grant). On reviewing our resource levels, current demand and benchmarking with similar councils we have established that East Renfrewshire Council is less resourced than other equivalent councils, which typically have 5-7 FTEs.

Year	2017/18	2018/19	2019/20 to December
<b>Crisis Grants:</b>			
Applications	488	680	480
Successful	366	456	286
<b>Community Care Grants</b>			
Applications	456	476	369
Successful	287	301	263

17. Additional funding from the Welfare Contingency Fund is requested for 2 Grade 5 SWF team posts from April 2020 to March 2022, the first is to continue an existing temporary position, and the second is an additional post to augment capacity. This will cost £110,858 over the two years and the breakdown is shown in the summary table below.

### Money Advice & Rights Team (MART)

18. In 2018/19 MART achieved £5,926,172 in financial gains for local residents, with more clients than ever before being seen. In 2018/19, the team dealt with 3527 cases, this represents a 24% increase on the previous year and a 12% increase in money advice cases alone. CAB has also experienced a growing demand and increased financial gains for clients. Together these teams provide a vital service for local communities.

19. MART is currently using welfare contingency funding to fund a Financial Wellbeing post working with residents to secure benefit entitlement, with a focus on UC and to build community capacity and resilience in the area of personal budgeting.

20. The Financial Wellbeing post has assisted with 237 UC claimants generating an income for local residents of £331,266.24. This has included increased financial stability and resilience, development of budgeting and life skills, exploration of savings options and cheaper alternatives, fast-track referrals to mainstream MART services, removal of barriers and referrals to appropriate services, delivery of financial capacity training and provision of more secure Council tenancies and prevention of reoccurring rent arrears.

21. As a result of the ongoing rollout of welfare reform the team have identified a need for continued welfare contingency funding to continue to deliver this preventative budgeting advice in East Renfrewshire for a further 2 years. No other organisation is delivering an education and practical package of advice and support for claims and budgeting in the local area.

22. Funding is sought to retain the Financial Wellbeing post until September 2022 and limited supporting promotional materials at a total cost of £77,067.

#### Citizens Advice Bureau

23. There is a Service Level Agreement in place between the Council and ERCAB which outlines the three main funding streams that are paid to ERCAB:

- £102,500 Grant from the Voluntary and Community Grants fund which relates to general service provision delivered by CAB offering free, independent, confidential and impartial advice;
- £42,000 funded to provide advice in relation to housing related matters; and
- £12,500 funded to support the provision of money advice services.

24. In addition Cabinet has supplemented this by approving additional grant funding of £40,000 since 2014 to fund one full time member of staff who undertakes all aspects of benefit support work. Alongside MART, CAB is a key partner in the provision of local support to mitigate the impacts of welfare reform ensuring local residents are accessing their rightful entitlement to their benefits. In addition funding from the Welfare Contingency Fund also supported a shortfall in resources of £22,288 over two years for CAB's Helping East Renfrewshire Online (HERO) project.

25. ERCAB continues to support residents during the UC full service roll-out. The additional grant funding has contributed towards increased client financial gains. The gains derived from benefits in ERCAB total £1.2 million, a portion of which has been achieved by this additional post with gains of approximately £245,000 from successfully representing clients through HM Courts and Tribunal Service.

26. The HERO project involves one-to-one and group support, providing advice on how to improve difficulties with areas such as literacy, numeracy, financial management and budgeting with all venues providing PC access so the team can focus on guiding clients with online claims. In the last year this project had 826 client contacts, an increase of 77 % on the previous year. Working in conjunction with specialist benefits advisers within East Renfrewshire CAB have secured £245,000 client financial gains through this project.

27. When the original HERO funding was approved by Cabinet no commitment was given for future additional funding and CAB believed at that time that they would be in a position to obtain funding from elsewhere for future years.

Whilst, CAB has secured additional funding streams out with the Council they have been unable to secure full funding and there is a still a shortfall required to keep the HERO

project running. Funding of £11,500 is sought from the Council to contribute towards the continuation of the HERO project for 2020/21.

28. The Service Level Agreement between the Council and ERCAB is due for review in March 2020. It is acknowledged that this agreement would benefit from improved data and evidence being collated and recorded from ERCAB and this will be implemented through an agreed template with data metrics reported on a six monthly basis.

## FINANCE AND EFFICIENCY

29. Cabinet approved a contingency welfare fund of £200,000 for 2020/21. The Head of Accountancy has confirmed that the additional resources proposed as detailed in the table can be met from the Welfare Reform contingency during 2020/21 and the funding for 2021/22 will be subject to onward budget approval. Cabinet decisions on funding for these years would be made in principle, subject to budget provision being agreed at Council.

	2020/21	2021/22	2022/23	Total
Total welfare contingency funding available (net previous commitments)	172,700	200,000		372,700
SWF team request	51,220	59,638		110,858
MART request	13,456	40,387	23,224	77,067
Contribution to CAB	40,000	40,000		80,000
Contribution to ERCAB HERO	11,500			11,500
<b>Total left in welfare contingency fund</b>	<b>56,524</b>	<b>59,975</b>		

## CONSULTATION AND PARTNERSHIP WORKING

30. The roll-out of UC in East Renfrewshire is being delivered in partnership across a range of agencies including the DWP, local job centres, CAB, Council services, HSCP and the Culture and Leisure Trust. There will also be wider links including to Voluntary Action, local Housing Associations, the Credit Union and the foodbank.

31. Consultation has taken place with the Head of Accountancy with regards to the funding and there is regular liaison with all partners who refer clients to the SWF.

## IMPLICATIONS OF THE PROPOSAL

32. There is potential for a considerable number of East Renfrewshire residents to be affected by the roll out of UC. It will be important for us to have sound projections on caseload and impact in order that we can plan services to best effect.

33. There are no implications in relation to IT, legal, property, equalities or sustainability.

## CONCLUSION

34. The full impact of Welfare Reform is now being realised across Scotland with the Scottish Welfare Fund becoming an increasingly important source of support for

vulnerable individuals.

35. The caseload seen by SWF team, MART and CAB teams continues to increase and they are all delivering valued and vital services to vulnerable local residents. This work links closely to the wider poverty agenda which is being pursued both nationally and locally through Fairer East Ren. Demand in all areas will continue to be carefully monitored.

## RECOMMENDATIONS

36. It is recommended that Cabinet:

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- e. Notes that all bids for welfare contingency resources for 2021/22 are being requested in principle and are subject to budgetary provision being confirmed when the Council sets the 2021/22 budget early in 2021.

Caroline Innes, Deputy Chief Executive  
January 2020

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## KEY WORDS

Welfare reform, Scottish Welfare Fund, Universal Credit

## BACKGROUND PAPERS

- Scottish Welfare Fund Statutory Guidance, May 2019
- Scottish Welfare Fund Update, Cabinet 14 February 2019
- Universal Credit Implementation, Cabinet 21 June 2018
- Support for East Renfrewshire Citizens Advice Bureau, Cabinet 15 March 2018