

EAST RENFREWSHIRE COUNCIL

CABINET

4 September 2014

Report by Deputy Chief Executive

Welfare Reform

PURPOSE OF REPORT

1. This report provides an update on progress of the work which has been undertaken to evaluate and mitigate the impact of welfare reforms on East Renfrewshire Council and its customers and to prepare for the impact of future reforms.

RECOMMENDATION

2. It is recommended that the Cabinet notes the progress which has been made in mitigating and preparing for the impacts of Welfare Reform and approves an allocation of £281,000 to be drawn from the Welfare Reform contingency sum provided in the 2014/15 Council estimates. Cabinet may also wish to consider continuing financial provision by way of a contingency sum for 2015/16. This will allow continued provision of successful arrangements which Cabinet approved last June alongside enhanced arrangements which will assist vulnerable residents in preparing for the challenges ahead.

BACKGROUND

3. In June 2013, Cabinet noted the progress which had made at that date to mitigate the impacts of Welfare Reform and approved an initial allocation of £189,000 to be drawn from the Welfare Reform contingency sum provided in the 2013/14 Council estimates. This sum financed the appointment of 6.5 fte members of staff in services which were already feeling pressure in supporting residents who had been adversely affected by welfare reforms. Also included in this sum was £40,000 of additional grant funding to East Renfrewshire Citizens Advice Bureau which was awarded for the same reason. The funding approved was in respect of expenditure to be incurred up to 31st March 2014 only. Although staff members were in the main appointed for up to a year and as a result their contracts extended into 2014/15, it was not possible to commit funds for that year in advance of 2014/15 budget approval.

REPORT

4. An update on each of the work streams undertaken by the Welfare Reform Planning Group is detailed below:

- All council and housing association tenants who have to pay extra rent due to the under occupancy changes have been informed and have been encouraged to apply for Discretionary Housing Payments. Although the application process has been made as easy as the law allows there are still a number of tenants who have refused to apply. Rents team members and staff members from other Council departments are continuing to try to make contact with this group to point out the benefits of making applications.

- A number of grant applications, which have sought assistance in trialling responses to welfare reforms, have been made to a range of funding bodies on behalf of the Council and partners. Those which are led by Council services have all so far been unsuccessful but DWP has recently agreed to match fund a project whose funding bid was previously rejected by Scottish Government's Welfare Reform Resilience Fund. This project and the funding bid were developed jointly by a number of Council services and voluntary sector partners.
- The Project which is to be located in Voluntary Action, will provide advice and referral to specialist advisers on issues relating to housing, financial inclusion, benefits sanctions, further education and employment opportunities. It will also signpost residents to agencies which can provide assistance in crises. The project is planned to run for one year and costs are estimated to be £100,000 with £45,000 to be provided by DWP, £5,000 from Voluntary Action and £50,000 by the Council if Cabinet agrees to this proposal. The outcomes obtained will inform the Council's future plans and responses.
- Arrangements have been made to ensure appropriate residents who have contacted the Council for assistance with financial affairs are signposted to smoking cessation advice arranged through CHCP.
- Council services and partners continue to work closely with East Renfrewshire Disability Action to prepare for various changes to disability benefits and to offer assistance to those who may be adversely affected by changes.
- Council Welfare rights staff and ERCAB continue to assist residents to raise appropriate appeals against adverse DWP decisions.
- Scottish Welfare Fund grants continue to provide assistance to tenants to live independently and to provide funds at times of crisis.
- Arrangements have also been made with East Renfrewshire Credit Union which will assist tenants to pay rent and other bills once Universal Credit is implemented.
- A core services directory has been produced for use of council staff, partner agencies and members. This shows what assistance is provided by Council services, CAB, Voluntary Action etc. and will allow signposting for the most appropriate assistance to residents affected by welfare changes.

5. The funding which Cabinet agreed to provide in June 2013 and the resulting 6.5 fte staff has allowed

- Customer First to deal with 1,237 contacts regarding welfare reforms, 37% of these contacts were passed to the Scottish Welfare Fund team, Money Advice Service or the Welfare team within Revenue Services.
- Because of changes to the Library service, public access PCs have been installed in Barrhead office and customers have been supported by Customer First staff to gain online access to DWP applications.

- The Welfare Rights team has been able to provide a more customer focussed service and to provide interventions at an earlier stage which has had a significant impact in reversing decisions prior to appeal. The team has also been able to provide drop in clinics both in conjunction with Money Advice and on its own at a range of venues. A rapid response service is now provided to residents whose benefit level has been reduced because of DWP sanctions. There has been a marked increase in case loads of each member of staff.
- The Money advice caseload has also increased by 1,500 activities on the previous year and utilising additional staffing, has allowed the team to become more accessible to residents requiring emergency assistance, while it continues to provide the same range of detailed assistance by appointment. The team has also been able to produce a number of self help resource packs and training courses.
- ERCAB has used the additional £40,000 provided to increase its resources in Welfare Rights and this has benefited clients with financial gains totalling around £300,000 from appeals and other reconsiderations. Survival guides for clients subject to sanctions have also been produced.

WELFARE REFORM NATIONAL TIMETABLE AND IMPACT

6. Although the roll out of Universal Credit nationally appears to be taking place at a far slower pace than originally planned, DWP is indicating that each area of the country will experience some UC cases in 2016 and national roll out will be complete in 2017. The lack of a clear timetable makes planning very difficult and increases uncertainty for staff members whose roles may transfer to DWP e.g. housing benefit staff members.

7. DWP has announced a phased integration of council counter fraud teams with in its own investigative services. East Renfrewshire's counter fraud function is due to transfer to DWP towards the end of the process, in December 2015. A number of issues regarding staff transfer and their conditions of service have still be resolved. In addition COSLA is seeking clarity regarding funding for residual fraud activity in areas such as council tax reductions and further reports to Cabinet will hopefully clarify these issues before the date of transfer.

8. Personal Independence Payments which replaced Disability Living Allowance for working age claimants are also being rolled out more slowly than intended. This benefit provides support to disabled people with the extra costs of living so that they can live independently and in some cases, work. By October 2013, the DWP had only made 16% of the decisions it had expected to have made by that time. The assessment process has been widely criticised for the length of time decisions on applications have taken, with residents commonly waiting around six months for decisions.

9. A recent report published by Scottish Government suggests that once the current programme of welfare reforms is implemented the loss of resource in East Renfrewshire will be £20m p.a., equivalent to £350 p.a. for each working age adult resident in the area.

FINANCE & EFFICIENCY

10. A summary of what makes up the additional 2014/15 cost of £281,000 is attached to this report as Appendix 1. As temporary staffing contracts are now due for renewal these will be rearranged for a further period of a year up until September 2015. The resulting cost of £160,000 plus £40,000 grant to ERCAB would require to be built into a Welfare Reform contingency sum for 2015/16 if Cabinet chooses to continue to support arrangements to mitigate the impacts of Welfare Reforms.

CONCLUSION

11. Council departments and partners continue to make good progress in mitigating the impacts of welfare reforms which are currently being experienced. The additional funding which Cabinet approved in June 2013 is having a beneficial impact in this regard and Cabinet is being asked to approve the drawdown of funds for the full 2014/15 year to allow existing staffing arrangements to be extended. It would also be useful if Cabinet were prepared to allow some medium term planning by provisional commitment of financial support in 2015/16. In preparing for the challenges that Universal Credit will bring the Welfare Reform Planning Group considers that it would be useful to trial approaches to prepare residents who are likely to be affected. DWP has agreed to provide match funding to enable a project designed by Economic Development and Council partners to be trialled.

RECOMMENDATION

12. It is recommended that the Cabinet notes the progress which has been made in mitigating and preparing for the impacts of Welfare Reform and approves an allocation of £281,000 to be drawn from the Welfare Reform contingency sum provided in the 2014/15 Council estimates. Cabinet may also wish to consider continuing financial provision by way of a contingency sum for 2015/16. This will allow continued provision of successful arrangements which Cabinet approved last June alongside enhanced arrangements which will assist vulnerable residents in preparing for the challenges ahead.

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KEY WORDS

Welfare reform, Scottish Welfare Fund, Universal Credit , Welfare Reform Planning Group.

Appendix 1

Financial Support Services Increased Costs (Welfare Reform)

BACKGROUND PAPER

Welfare Reform Report to Cabinet 17 January 2013
Welfare Reform Report to Cabinet 21 June 2012

APPENDIX 1

Financial Support Services Increased costs.(Welfare Reform)

	<u>£,000</u>
Money Advice	
Additional Money Adviser	32,244
Trainee Money Adviser	26,755
Income Maximisation	
Additional Officer	29,611
Welfare Rights	
2 Additional Officers	73,109
Customer Services	
1.5 Additional Officers	28,845
Resilience Project	50,000
Total ERC Additional Costs (Full Year)	<u>240,564</u>
East Renfrewshire CAB	40,000
<u>TOTAL ADDITIONAL COSTS 2013/14</u>	<u>280,564</u>