
Report To:	Policy & Resources Committee	Date: 3 rd February 2015
Report By:	Chief Financial Officer and Corporate Director Inverclyde CHCP	Report No: FIN/06/15/AP/LA
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	Welfare Reforms Update	

1.0 PURPOSE

- 1.1 The purpose of this report is to provide Committee with an update in respect of various aspects of the Welfare Reform Agenda.

2.0 SUMMARY

- 2.1 Overall there has been little in the way of new developments since the last report to the Policy & Resources Committee in November 2014.
- 2.2 Discretionary Housing Payment and Scottish Welfare Fund payments continue to operate well with spend in line with previous projections.
- 2.3 The DWP have yet to confirm when Inverclyde will begin to operate Universal Credit. The actual date will be confirmed by the DWP directly to the Council's Chief Executive. The Welfare Reform Officer Board is beginning to develop proposals as to how the Council will engage with the delivery of Universal Credit in the medium term.
- 2.4 Confirmation has been received from the Scottish Legal Aid Board which is funded by the Government that the two main projects currently funded by SLAB have progressed to the next stage for the continuation of funding post March 2015. Indications are that if formally approved funding will be extended to September 2016.
- 2.5 There remains a significant one off sum unallocated from the Welfare Reforms Earmarked Reserves. The Welfare Reform Officer Board in conjunction with the Financial Inclusion Partnership have reviewed those temporarily funded projects where funding is due to come to an end during 2015 and recommendations for the continuation of funding are contained in the body of the report. Further reports will be presented to Committee on this issue.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position in respect of Welfare Reforms and its impact on the Inverclyde Council area.
- 3.2 It is recommended that the Committee consider and approve the recommendations of the Welfare Reform Officer Board in relation to further one off funding to projects which are currently managing the impact of Welfare Reforms within Inverclyde and note that further proposals will be submitted to Committee in due course.

Alan Puckrin
Chief Financial Officer

Brian Moore
Corporate Director CHCP

4.0 BACKGROUND

- 4.1 Regular reports have been presented to Committee relating to the main Welfare Reform changes and policies have been approved and revised as guidance has developed.
- 4.2 The Financial Inclusion Partnership has coordinated funding applications and achieved considerable success in developing cross partner working to support those impacted by the Welfare Reform Agenda.
- 4.3 The Council allocated £3.2 million for the period 2013/16 to meet some of the costs caused by Welfare Reform changes. Additional sums have been allocated by the DWP and the Scottish Government to supplement the funding allocated by the Council.

5.0 SCOTTISH WELFARE FUND AND DISCRETIONARY HOUSING PAYMENTS

- 5.1 The processes for dealing with applications for the Scottish Welfare Fund and Discretionary Housing Payments (DHP) are now well established and operating well.
- 5.2 The latest position in respect of DHP is that over 95% of those entitled to support in relation to the Social Sector Size Criteria (SSSC) are now in receipt of DHP payments. The remaining 5% continue to be targeted by RSLs in order to provide assistance with the completion of the abridged application form.
- 5.3 Both DHP and Scottish Welfare Fund continue to operate within approved budgets with payments of £587,500 having been made to 31 December 2014 in respect of the Scottish Welfare Fund against a budget of £905,000 for 2014/15. The position is detailed in Appendix 1.
- 5.4 The Scottish Government have confirmed that it is now likely to be the case that Councils will not formally take on the responsibility for the Scottish Welfare Fund until April 2016 due to delays in the passage of the legislation.

6.0 UNIVERSAL CREDIT

- 6.1 As advised at the last Committee the DWP have announced an acceleration of their geographical roll out of Universal Credit with their aim that during 2015 the majority of Councils in Scotland will be implementing Universal Credit albeit for a very small number of potential claimants.
- 6.2 The Council has yet to have formal confirmation as to which wave of implementation it has been included within. This confirmation will be given to the Chief Executive by the DWP in coming weeks but it is not expected that the Council will be implementing Universal Credit until the summer of 2015 at the earliest.
- 6.3 Whilst the initial implementation of Universal Credit will only impact on very small numbers of claimants within Inverclyde it highlights the need for the Council to provide clarity in conjunction with the DWP as to its role in the implementation of the wider implementation of Universal Credit in the medium term. Proposals in this regard are being developed by the Welfare Reform Officer Board and will be presented to Committee after having been considered by the Corporate Management Team during 2015.

7.0 FINANCIAL INCLUSION UPDATE

- 7.1 Committee has previously been advised that there are a number of externally funded projects mitigating the impact of the Welfare Reform changes which are due to have their funding terminated during 2015. Two of the larger projects are currently funded by the Scottish Legal Aid Board via the Scottish Government (SLAB) and following an initial review by SLAB it has been confirmed that both the projects (Advice First led by the

Council and Extracare plus led by Riverclyde Homes) have passed the first hurdle in respect of continuation of funding beyond March 2015. Indications are that if continuation of funding is ultimately agreed then that this funding could be extended to September 2016 which will be good news for both organisations and the clients who use the services.

- 7.2 Over and above these 2 projects there has been an assessment by the Financial Inclusion Partnership and the Welfare Reform Project Board. In order to ascertain which projects receive funding on a temporary basis it was agreed that an evaluation of the current projects and funding situation was essential to understand the impact of these projects if withdrawn. A self-assessment questionnaire requesting information on current funding secured was sent to all members of the partnership in October 2014.
- 7.3 Responses were received from 8 organisations/partners out of a potential 20: Inverclyde CHCP Advice Service, Financial Fitness, IHeat, Starterpacks, RCH, IHAF, ICOD, LSA. All of these organisations are currently funded either by Big Lottery Support and Connect or SLAB in addition to other external funders. All the projects are proving successful in over achieving on their intended outcomes.
- 7.4 Indications from the Big Lottery regarding the Support and Connect funding stream are that this will not be extended past June 2015. A small number of projects also have funding applications into a range of potential funders with anticipated outcome to be known over the next few months.
- 7.5 Following assessment by members of the Welfare Reform Project Board it was agreed to seek approval from Committee for the following 12 month funding allocations:
 - £30,000 to Financial Fitness for general welfare benefits and money advice subject to a SLA being agreed.
 - £20,000 to Starterpacks Inverclyde for the provision of approximately 140 individual packs at £145 per pack. This is in addition to the £7,000 recurring allocation already agreed towards running costs.
- 7.6 Officers recognise the importance of the support given to the very vulnerable members of the community who are affected by welfare reform changes. Further funding allocation recommendations will be submitted to Committee for some of the projects delivered through external funding, once further information is received regarding costs, outcomes and successful funding applications.
- 7.7 Positive discussions have taken place with Tail O' Bank Credit Union with a view to expanding the services that they currently offer including delivering "jam jar" type accounts. The Credit Union is keen to progress however this may take 6-12 months to develop and may require some development funding. A future report regarding this will be presented to the May Committee.
- 7.8 The Smarterbuys schemes is progressing with Oaktree Housing now as the franchise lead on behalf of the Financial Inclusion partners. Discussions are on-going between Oaktree's legal advisors and Smarterbuys to agree the Service Level Agreement. The roll out of this scheme will initially be to RSL tenants.
- 7.9 DWP locally are still in discussion with Citizen Advice (CAB) at a national level to try to progress suitable use of the funding allocated to CAB for Inverclyde.

8.0 FINANCIAL IMPLICATIONS

8.1 Financial Implications:

The latest position is summarised in Appendix 2.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Earmarked Reserves	Welfare Reform	2015/16	50		Will leave a balance of £483,000 to be allocated

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

8.2 Legal

There are no legal implications arising from this report.

8.3 Human Resources

There are no HR implications arising from this report.

8.4 Equalities

There are no equalities implications arising from this report.

8.5 Repopulation

The Council and its partners continue to work hard to mitigate the impacts of Welfare Reform on the local community. This action will assist in retaining individuals within the area.

9.0 CONSULTATION

- 9.1 This report has been produced in consultation with Officers from Finance and the CHCP and is based on discussions with the Welfare Reforms Officer Board which is also attended by the DWP and Riverclyde Homes.

10.0 BACKGROUND PAPERS

- 10.1 None

Scottish Welfare Fund
31st December 2014

Calls Answered	8885		
Applications	2775		
Applications Granted	2200	79.28%	
Applications Refused	439	15.82%	Note 3
Applications Withdrawn	86	3.10%	
In Progress	50	1.80%	
Referrals to DWP	225		Note 2

		Budget £000		Spend %
Crisis Grants Paid (1420)	£108.60	208		52.21%
Community Care Grants Paid (846) (includes 66 applications paying both CCG & CG)	£478.90	697		68.71%
	<u>£587.50</u>	<u>905</u>	Note 4	<u>64.85%</u>

Note 1 - 1st Tier Reviews = 54 (1.98%)

1st Tier Reviews Upheld in Customer Favour = 9 (16.67%) with 2 awaiting decision

2nd Tier Reviews = 7 (16.28%) out of 43 reviews refused

2nd Tier Reviews in Customer Favour = 0 (0%) with 2 waiting decision

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 being in receipt of a qualifying benefit or incomplete evidence provided.

Note 4 - Budget includes £173,000 carried over from 2013/14.

Welfare Reform - Use of Recurring Budget

	2014/15 £000	2015/16 £000	Future Years £000	
Available	(1,100)	(1,300)	(1,300)	Note 1
DHP - Assume all funded	-	-	-	
SWF - Administration Shortfall	79	79	79	Note 1
Council Tax Reduction Shortfall	533	533	533	
Benefit Administration Grant Cut	80	160	220	Estimate Only
Financial Advice - Initial Allocation	200	200	200	
- Triage Service	-	62	62	Note 2
Temp Accommodation Subsidy Reduction	-	-	115	Note 3
P&R Approval Projects -				
Clothing Grants	45	45	45	
Food Bank	12	12	12	
Starter Packs	7	7	7	
iHeat	40	40	40	
Balance Available	<u>(104)</u>	<u>(162)</u>	<u>13</u>	

Notes:

- 1/ Will be reduced by £24k budget saving from 2016/17. Assume no further Government cuts in Administration Grant.
- 2/ Approved November 2014. Funding requirement 2015/16 depends on current SLAB review.
- 3/ Depends on timing of Universal Credit Roll Out.
- 4/ Excludes impact of SFIS transfer currently estimated as:
Excess Administration Grant Cut £40,000
Creation of Corporate Fraud Post £35,000
Transfer due February 2016

Earmarked Reserve

	£000
Balance 31.3.14	613
Less: Money Advice Management Software	(40)
: One Off payment to Foodbank	(6)
: 2013/14 iHeat allocation carried forward	(34)
Balance as at 31.12.14	<u>533</u>

AP/CM
16/01/2015