

EAST RENFREWSHIRE COUNCIL

CABINET

29 January 2015

Report by Deputy Chief Executive

WELFARE REFORM

**PURPOSE OF REPORT**

1. This report provides an update on progress with preparations for the Council's response to Welfare Reforms

**RECOMMENDATION**

2. It is recommended that the Cabinet notes both the progress which has been made in mitigating and preparing for the impacts of Welfare Reform and DWP's plans for the further roll out of Universal Credit.

**BACKGROUND**

3. In September 2014, Cabinet noted the progress which had made at that date to mitigate the impacts of Welfare Reform in particular areas including the provision of Discretionary Housing Payments for social sector tenants who were affected by the removal of the spare room subsidy. It also noted the most up to date information available regarding DWP plans for the roll out of Universal Credit.

**REPORT**

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

- So far during the current year 553 awards of discretionary housing payments have been made to tenants within East Renfrewshire who are in receipt of Housing Benefit. Of those 483 have received an award due to removal of the spare room subsidy. As at the end of December only four Council tenants who are likely to be eligible for DHP for this reason have not submitted an application. Awards at this date total £245,000 out of a total DHP budget of £261,000 (£68,000 provided by DWP and £193,000 from Scottish Government). Revenues staff will continue working to ensure that applications from eligible tenants are maximised.
- Despite the recommendations of the Smith Commission and requests to delay the roll out of Universal Credit being made by both Scottish Government and COSLA, DWP has announced plans to roll out UC to all areas of Britain during 2015 and 2016. In Scotland DWP has allocated each Council area to one of four tranches and has announced that Job Centres in tranche 1 Councils will commence UC provision for single applicants from next month. ERC is not included in tranche 1 and at this time information regarding the timetable for roll out of UC within East Renfrewshire and the majority of Scottish Councils who are not included in tranche 1 is not

available. It is possible that a resident of a neighbouring Council which is in the first tranche such as North Ayrshire Council could move into East Renfrewshire and would continue to receive UC. We will have to prepare for the implications of this. Cross border movement of UC claimants will become more likely as UC is implemented more widely across the country.

- DWP plans to start to transfer existing working age benefit cases to UC from 2016 as claimant circumstances change. By the end of 2017 Universal Credit will be established for all claimant types across the UK and further managed migration will follow thereafter closing access to legacy benefits including Housing Benefit for working age claimants.
- A project to assist in preparing arrangements to assist claimants to prepare for Universal Credit which is to be jointly funded by ERC and DWP and which was reported to Cabinet in September has not yet commenced as DWP has been seeking further detail regarding operational matters prior to fully committing its share of the expected funding. It is hoped that these issues can be resolved in time to allow the project to commence in March. Cabinet has already approved funding for this project.
- An exercise which plans to map provision of advice and assistance services across East Renfrewshire should be complete by the end of February. This should highlight any gaps in provisions currently made by Council and its partners in the voluntary sector.
- Council staff members are working with DWP and staff from the voluntary sector to agree arrangements for sharing client information which are as effective as possible but allow for the degree of confidentiality which attaches to this information.
- Scottish Welfare Fund grants during the current year indicate that projected expenditure will be around £275,000 against an annual budget of £258,000. Any overspend in the current year can be offset against an underspend from 2013/14. Although the volume of Crisis Grants remains low and is projected to outturn around £25k, this is compensated by a higher uptake of Community Care Grants whose expenditure is projected at around £250k in the current year. The local press recently publicised the availability of this fund and a further press release will be issued next month.
- A survey has recently been completed by most Council departments which indicated the gaps in service preparations for UC roll out on which the Welfare Reform Planning Group will concentrate its efforts during 2015. The main issues highlighted were in respect of information sharing between services. Advice will be provided by Legal Services regarding data protection issues and data security advice will be provided by the Head of ICT. Other issues raised showed gaps in support for residents who require support to access digital services and potential difficulties some residents may have in budgeting because of changed payment frequencies and responsibilities. These are areas where negotiation of financial support from DWP will be required. COSLA's intended policy of seeking a national agreement regarding financial support to be provided by DWP seems to have been replaced by individual arrangements for each local authority which will required to be negotiated and agreed on an individual Council basis.
- The transfer of Council's Housing Benefit Fraud teams to the Single Fraud Investigation Service within DWP has commenced and a review of the Council's ongoing Counter Fraud arrangements will be completed over the next few months.

This review will determine what counter fraud arrangements the Council will need to put in place after transfer of benefit fraud responsibilities to SFIS and what the resulting staffing implications will be. ERC's HB fraud arrangements are due to transfer to SFIS during December 2015.

## **FINANCE & EFFICIENCY**

5. There are no finance or efficiency issues as a result of the contents of this report.

## **CONCLUSION**

6. Council departments and partners continue to make good progress in mitigating the impacts of welfare reforms which are currently being experienced. Preparations for the roll out of Universal Credit are now becoming more focussed although timetable information released by DWP still lacks detail particularly to allow planning of an appropriate response for ERC and other Scottish Councils. A Universal Credit Timeline which incorporates the best information currently available is attached to this report. Members will note the lack of concrete information provided by DWP which makes planning of services to be delivered very difficult.

## **RECOMMENDATION**

7. It is recommended that the Cabinet notes both the progress which has been made in mitigating and preparing for the impacts of Welfare Reform and DWP's plans for the further roll out of Universal Credit.

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## **KEY WORDS**

Welfare reform, Scottish Welfare Fund, Universal Credit, Welfare Reform Planning Group, Discretionary Housing Payment.

## **BACKGROUND PAPER**

Welfare Reform Report to Cabinet 4<sup>th</sup> September 2014.

Welfare Reform Report to Cabinet 17 January 2013

Welfare Reform Report to Cabinet 21 June 2012

Letter to Local Government Associations from Neil Couling of DWP dated 11<sup>th</sup> December 2014.

## Universal Credit Timeline.

	Begin	End	Notes
Extended Roll out across Britain.	Feb-15	Spring 2016	Specific timetable for ERC unknown
Extension to all claimant types	spring 2014	end of 2017	UC is currently only available to single people and couples in some Job Centres
Transition of existing claims.	2016	2020 possibly.	Conflicting information provided by ministers and DWP.
End of HB for working age claimants	2016	2020 possibly	Conflicting information provided by ministers and DWP.
End of HB for pensioner age households.	Unknown	Unknown	Councils will continue to administer HB for pensioners to possibly 2020 and beyond.