

EAST RENFREWSHIRE COUNCILCABINET25 November 2021Report 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; the Money Advice and Rights Team's (MART's) Financial Wellbeing Project and to support our partners in the local Citizen Advice Bureau.

RECOMMENDATIONS

2. It is recommended that Cabinet:
- a) Approves the Scottish Welfare Fund team bid for a total of £121,055 over the next 2 years, to fund 2 Grade 5 posts to support increased demand in applications for the SWF;
 - b) Approves that increased resiliency within the Revenues and Benefits Team is managed through an external contract up to a limit of £50,000 over 2 years, where processing resource can be called off and paid for as required;
 - c) Approves the Money Advice and Rights Team (MART)'s bid for £79,000 of welfare contingency provision to continue the Financial Wellbeing Project to build community capacity and resilience in the area of financial inclusion, and establish a welfare rights presence in GP practices and Schools for a further 2 years;
 - d) Considers the East Renfrewshire Citizen Advice Bureau (ERCAB) bid for £80,000 to continue to fund one full time member of staff to undertake all aspects of benefit support work for a further 2 years;
 - e) Notes that all bids for welfare contingency resources are being requested in principle and are subject to budgetary provision being confirmed when the Council sets the 2022/23 and 2023/24 budgets early in 2022 and 2023.

BACKGROUND

3. 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. A further report in January 2020 requested funding to support various teams through this transition period.

4. 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 was expected to begin in 2020, however this has been delayed and planned completion is now expected by 2024, although this is nationally driven and outwith our control.

5. The migration of existing legacy benefit claimants will affect a considerable number of our residents in East Renfrewshire, currently circa 2,700 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.

6. 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. The Act also devolved new social security powers to Scotland with the creation of the Scottish Security Agency (SSA).

7. The caseload and experience of MART, East Renfrewshire Citizen Advice Bureau (ERCAB) and the Scottish Welfare Fund Team (SWF) suggest that ongoing welfare reform and the full roll out of UC continues to impact across East Renfrewshire and in particular our most deprived communities. The day to day experience of these teams is that the local community is facing a number of issues with increases in demand in recent years and further increases are expected due to the economic and social impact of the COVID 19 pandemic.

8. 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

9. 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.

10. Demand for SWF grants has increased in the past 3-4 years. This trend, which was evident prior to Covid 19, has been exacerbated by the global pandemic. Demand was being driven by various factors, such as UC where more people meet the stage 1 low income assessment and the impact of new affordable housing developments/new builds resulting in more eligible tenants approaching the Council for Community Care grants for essential items and furnishings. Over the past 18 months, Covid 19 has generated further demand due to the economic and social impact of the global pandemic.

11. Applications to the SWF have increased significantly from 2017/18 to 2020/21 and this demand continues into 2021/22 (see table below). Over this period Crisis Grants applications have increased by 65% and Community Care Grants by 37%. 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 2 temporary resources provided from the Welfare Contingency Fund until March 2022. Benchmarking with similar councils established that East Renfrewshire Council is less resourced than other equivalent councils, which typically have 5-7 FTEs.

12. The success rate in 2021/22 for Crisis Grants increased to 77%, while the success rate for Community Care Grants reduced to 52%. The lower Community Care Grant success can be attributed to applicants moving house experiencing delays (particularly during Covid

19) and so withdrawing their application and reapplying later, and applicants withdrawing applications when asked for evidence of the requirement for this support.

Year	2017/18	2018/19	2019/20	2020/21	2021/22 6 months to September 21
Crisis Grants:					
Applications	488	680	689	807	440
Successful	366 (75%)	456 (67%)	429 (62%)	577 (71%)	337 (77%)
Community Care Grants:					
Applications	456	476	476	625	390
Successful	287 (63%)	301 (63%)	324 (68%)	364 (58%)	204 (52%)

13. In addition, 1 further temporary FTE has been recruited from Scottish Government COVID Humanitarian Support Funding to support Covid related demand. 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). This has been further exacerbated by the requirement for the SWF team to process Self Isolation Support Grants (SISGs) related to Covid 19. These demands have resulted in the Benefits Team (and, at times MART) supporting the SWF Team to ensure that urgent customer demands can be met (with implications for delivery of the Benefits service).

14. Additional funding from the Welfare Contingency Fund is requested to continue to fund 2 Grade 5 SWF team posts from April 2022 to March 2024. This will cost £121,055 over the two years and the breakdown is shown in the summary table below.

15. The ability to flex within the Benefits and SWF teams is critical to ensure there is continuity of service. Recent experience has shown that having increased resiliency is paramount to ensure that the Service can deliver against unexpected demand requirements or if there is reduced availability of staff. It has also become clear that finding appropriately skilled resource for these teams can be problematic. It is proposed that increased resiliency is managed through an external contract, where processing resource can be called off and paid for as required using Welfare Contingency funding where there is insufficient COVID or revenue funding in place. This would be up to a limit of £25,000 per annum.

MONEY ADVICE & RIGHTS TEAM (MART)

16. In 2020/21 MART achieved £5,550,000 in financial gains for local residents; the team dealt with 4086 cases. The Financial Well-being post funded from Welfare Contingency contributed £215,000 to this. In addition the team was instrumental in East Renfrewshire Council's Humanitarian COVID response. The Financial Wellbeing Officer was used throughout the pandemic to issue COVID grants and work with shielders.

17. 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.

18. The focus from the Scottish Government and the Council's anti-poverty agenda is focused on early intervention. There is a desire to embed financial inclusion advice into GP

surgeries and schools. MART have been working towards this provision and working alongside the Improvement Service. Evidence has demonstrated an increase in patients presenting to GPs for socio-economic reasons, 85% of people in Greater Glasgow presenting to their GP have never accessed advice services¹. In order to pilot new initiatives and tests of change in this provision we are seeking the extension of this role.

19. The Financial Wellbeing post has assisted with 229 claimants, 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.

20. As a result of the ongoing national welfare reform the team have identified a need for continued welfare contingency funding to continue to deliver this preventative budgeting and benefit take up, particularly for the new devolved benefits in East Renfrewshire for a further 2 years, working in GP and education settings. No other organisation is delivering an education and practical packages of advice and support for claims and budgeting in these settings.

21. Funding is sought to retain the Financial Wellbeing post until 16 September 2024 and limited supporting promotional materials at a total cost of £79,000.

CITIZENS ADVICE BUREAU (CAB)

22. 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.

23. 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.

24. ERCAB continues to support residents during the UC full service roll-out and other welfare reforms. The additional grant funding has contributed towards increased client financial gains. The gains derived from benefits in ERCAB from 1st April 2021 to September 2021 total £1.3 million, a portion of which has been achieved by this additional post.

25. ERCAB's benefit advisor post is due to end 31st December 2021. It should be noted that during the pandemic ERCAB volunteers have been unable to return to the bureau and the service is reliant on paid staff to meet demand and provide support services. CAB have secured temporary funding from the Postcode Lottery which will keep this post active between December and April 2022. The proposal today is to use Welfare Contingency funding to grant ERCAB a further 2 years' funding to continue this post from April 2022.

26. 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. Due to the link with the Connecting Scotland digital inclusion programme, this will be

augmented on a one-off basis for 2022/23 using COVID Humanitarian Support funding rather than the Welfare Contingency Fund.

27. The Service Level Agreement between the Council and ERCAB is due for review in March 2022. This will be augmented with an agreement on data metrics reported on a six monthly basis. Both MART and CAB contribute towards the Council's statutory reporting to the Scottish Government for the Common Advice Framework and Local Child Anti-Poverty reports.

FINANCE AND EFFICIENCY

28. The current Council budget includes an annual Welfare Contingency Fund of £200,000. The Head of Accountancy has confirmed that the additional resources proposed as detailed in the table can be met from the Welfare Contingency Fund during 2022/23 and 2023/24, subject to the current level of budget provision being agreed at Council when setting the budget for these years.

	2022/23	2023/24	Total
Total welfare contingency funding available (net previous commitments)	176,776	200,000	376,776
SWF team request	59,928	61,127	121,055
Revenues and Benefits resiliency	25,000	25,000	50,000
MART request	39,500	39,500	79,000
Contribution to CAB (Benefits)	40,000	40,000	80,000
Total left in welfare contingency fund	12,348	34,373	46,721

CONSULTATION AND PARTNERSHIP WORKING

29. Anti-poverty work 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. CAB and MART work closely to ensure advice services are widely available across the authority and assist each other during periods of peak demands. There will also be wider links including to Voluntary Action, local Housing Associations, GPs and local schools and community groups.

30. 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

31. There is potential for a considerable number of East Renfrewshire residents to be affected by the economic impact of the pandemic. The need for these roles has never been greater and this pattern is reflected wider across Scotland in terms of increased caseload and greater financial insecurity.

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

CONCLUSION

33. The full impact of the COVID19 pandemic is yet to be realised across Scotland, with SWF and MART becoming an increasingly important source of support for vulnerable

individuals. Demand for all services will increase and it is important that there is appropriate resource within SWF to deliver timely financial support and a robust referral mechanism and MART presence for socio-economic referrals to be diverted to the team.

RECOMMENDATIONS

34. It is recommended that Cabinet:

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Caroline Innes, Deputy Chief Executive
November 2021

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KEY WORDS

Welfare reform, Scottish Welfare Fund, Universal Credit, financial insecurity

BACKGROUND PAPERS

- Universal Credit Implementation, Cabinet 21 June 2018
- Welfare Contingency Paper, Cabinet January 2020
- Scottish Welfare Fund Statutory Guidance, April 2021