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**Report to Clackmannanshire Council**

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**Date of Meeting: 15 August 2013**

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**Subject: Welfare Reform Update and Initial Impact Analysis**

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**Report by: Senior Support Services Manager**

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**1.0 Purpose**

- 1.1. The paper provides an update on the Social Welfare Fund, rent arrears, the Benefits Cap, Personal Independence Payments (PIP) and the introduction of Universal Credit.
- 1.2. It compares the experience in Clackmannanshire with the national picture.
- 1.3. It provides an update on actions taken to date and planned by Clackmannanshire Council, its partners and other local organisations.
- 1.4. It uses available data to monitor the financial impact for the Council in 2013/14.

**2.0 Recommendations**

It is recommended that Council:

- 2.1. Notes the continued impact of the Welfare Reform changes on Clackmannanshire communities.
- 2.2. Notes the forecast impact of the Welfare Reforms on the financial position of Clackmannanshire Council in 2013/14.
- 2.3. Notes the positive impact of the allocations of the Discretionary Housing Policy as agreed in May 2013.

**3.0 Introduction**

- 3.1. The Council received a full report detailing the changes in Welfare Reform on 16 May 2013. This paper identified the changes, forecast the impact of the changes and reported what action had been taken by the Council and its partners to mitigate the impact of the changes in local communities.
- 3.2. The changes implemented with effect from April 2013, included:

- The introduction of the local Scottish Welfare Fund
- The introduction of a reduction in housing benefit if the tenant's house is deemed to be "under-occupied"
- Local Council Tax support introduced to replace Council Tax rebate

Changes implemented from June 2013, include:

- The introduction of a Benefits Cap resulting in reduced and capped funding levels for people claiming a range of benefits. Disability Living Allowance recipients and those claiming Working Tax Credits are exempt.
  - Personal Independence Payments (PIP) replacing Disability Living Allowance (DLA) for new claimants. Those already assessed and in receipt of DLA to be reviewed on a phased basis.
- 3.3. Further changes were due to be introduced in October 2013 when Universal Credit will replace multiple benefit payments with one monthly benefit payment. It was intended that all new claimants will move onto Universal Credit from this date, but this is now delayed. Further information on Universal Credit is provided in section 9.2 of this report.
- 3.4. Elected members have received five briefing sessions related to Welfare Reform changes to date, the most recent being in June 2013. Further briefing sessions will be provided once there is clarity around the introduction of Universal Credit and when there is further relevant information to share.

## 4.0 Considerations

- 4.1 Since April 2013, Clackmannanshire Council has been actively engaging with partners and communities and has taken the following actions:
- Continued to chair the Welfare Reform Working Group comprising representatives from council services affected by the changes, local Housing Associations and other local partner organisations. The remit and focus of this group is due to be reviewed in September 2013 to ensure it continues to add value to the Council and partner organisations.
  - Contributed to a significant number of surveys or requests for data related to Welfare Reforms. Data requests have originated from the Scottish Government, national groups, other Scottish Councils or organisations affected by the changes. The results of all surveys and information requests are shared with participants, providing a wider picture for comparison and benchmarking purposes. **Appendix A** provides a forecast of the overall impact of Welfare Reform on Clackmannanshire in comparison with other Councils based on data supplied to Audit Scotland.
  - Further contact has been made with tenants who did not engage during initial communication early in the year, inviting them to meet with the benefits team. Tenants are offered the opportunity to receive support to manage rent accounts and consider different forms of support available to them. This initiative has had a good response from tenants with a 50-60% engagement

rate. Areas targeted to date include Sauchie, Tillicoultry and Alloa with visits to other areas planned.

- The approval of a revised Allocations Policy that aligns with the criteria for number of bedrooms as set out in the Welfare Reforms .
- Attendance at local community events (Fetes and fairs) offering information and advice, taking the opportunity to engage with members of the public. Attendance at similar events is planned for the Autumn.
- Social Services teams are considering S12, S27 and S22 guidance and looking to rationalise practice across Clackmannanshire and Stirling. S12 and S27 guidance relate to adults and adult offenders respectively and provides emergency loans or assistance in kind to those presenting in need. S22 guidance relates to children who are in need of similar emergency assistance.
- There has been no noticeable impact on Social Service's workload that is directly attributable to Welfare Reform. However, the changes have only been in place for four months and it may take longer for related requests for service to filter through.
- Social Services are also considering how to share relevant data securely between the different services and are sourcing training related to DLA / PIP and the Social Welfare Fund. E-modules have been made available to enable on-line training on the impact of the changes.
- The development of a pilot project for providing shared accommodation in a two bedroom property as temporary accommodation for the homeless. Locks are fitted to bedroom doors and kitchens upgraded in the same model as HMOs. The trial will be evaluated to determine its success.

#### 4.2 Impact of Actions taken to date

##### Discretionary Housing Payments (DHP) update

A DHP policy was agreed at Council on 16 May 2013. This policy sets out criteria for how DHP funding can be used and to what extent it could be used to cover the shortfall between Housing Benefit reduction and rent charge for defined categories of claimants. The policy was developed as a result of considering best practice in other Councils and knowledge of the Council's tenant base. In agreeing this policy statement, the Council is protecting the most vulnerable in the community.

The implementation of the DHP policy took place immediately following the decision to adopt the draft policy.

##### DHP applications processed to date and outcomes

<b>Applications received</b>	<b>Pending decision</b>	<b>Awarded</b>	<b>Refused (Financial criteria)</b>	<b>Refused (Other qualifying criteria)</b>
307	59	108	72	68

Those whose applications did not meet the agreed criteria were contacted by the revenues team and asked to provide additional information if it could assist their application. 18 revised applications have been received and are being processed as a result of this approach.

Ochilview Housing Association has been assisting their tenants to complete applications for reconsideration where the initial application was refused. There has been no correspondence from any other Housing Association.

The most recent circular (31.7.13) amends and increases the amount allocated to Clackmannanshire to £178,323, an increase of £27,000 as a result of an initial calculation error. The amount awarded to Clackmannanshire residents to date is £15,973.47, with a full year projection of £62,363.52.

This leaves the Council with £116,960 in unallocated funds. The DHP policy can be reviewed after six months and amendments made to the qualifying criteria or the length of time for the award. It is proposed that the demand trend is kept under review and reported regularly. It is recognised that additional demand may arise later in the year as individuals' circumstances change. The DHP fund is finite and a review after six months as set out above, will ensure a clearer picture and reduce the risk of having insufficient funds available towards the end of the year. A review of the agreed DHP policy may be required as the overall picture stabilises.

In the meantime, additional work will take place to ensure that all relevant information has been disclosed by applicants and to publicise the availability of DHPs. Analysis of applications that have been refused will be carried out to understand the reasons for refusal and to consider what changes may be necessary to meet identified needs. A proactive approach will be taken to awarding DHP payments, where data suggests compliance with the criteria or eligibility for an award. We will be carrying out this work in compliance with the framework within the Discretionary Housing Payments (Grants) Order 2001.

Officers will be considering how to use all funding provided to support residents affected by the changes. Additional grant funding is being allocated in August 2013, including an opportunity to bids for a share of £20m intended to alleviate the impact of Welfare Reform and support residents to manage their finances or to find work.

The majority of the awards to date have only been for a period of six months as defined by the policy. A copy of the agreed DHP policy is included as **Appendix B**.

It is difficult to compare the distribution of DHP with other Scottish Councils as each has its own DHP policy with different qualifying criteria. Some Councils have chosen to increase the funds available from revenue budgets. National data is being collated for comparison purposes but this will only confirm the amounts awarded and the percentage of the fund used each month. Local demographics and DHP policy will determine the outcomes.

#### 4.3 Social Welfare Fund (SWF) update

The Social Welfare Fund has been operating since April 2013 from Lime Tree House.

In common with other Scottish Councils, the demand for this service has not been as great as anticipated or forecast by DWP. This reduced demand does mean that the requirement for additional resource to be supplied from the existing staff team has not materialised. The two temporary members of staff employed to provide the service are coping with the volume of work. There were concerns that the predicted volume of applications would require more resource than was allowed for when funding was allocated. Careful monitoring of on-going demand and resource implications will continue throughout the year.

The table below demonstrates the number of applications received and awarded for both Crisis Grants (CG) and Community Care Grants (CCG).

	CG Applications	CG Awards	CG Refused	CCG Applications	CCG Awards	CCG Refused	Pending
April	110	67	34	45	35	8	
May	110	58	33	63	39	18	
June	99	43	42	36	17	11	26
July	106	42	39	41	4	7	37
<b>Total</b>	<b>425</b>	<b>210</b>	<b>149</b>	<b>186</b>	<b>95</b>	<b>44</b>	<b>63</b>

In addition to the figures above, **51** of the 612 applications received were withdrawn by the applicant.

The Scottish Government is monitoring the number of applications across all Scottish Councils on a monthly basis. Comparative data is circulated monthly. The most recent data for the first quarter of 2013/14 is attached as **Appendix C** for information.

The following observations are made:

- The YTD average spend for Scotland is 57% for CCG and 34% for CG. Clackmannanshire's YTD average is 28% and 27% respectively.
- The demand from Clackmannanshire's residents is in line with the Scottish average with the service experiencing lower demand than anticipated.
- Crisis Grants (CG) in particular are much lower than forecast using DWP projections.
- Awards made in Clackmannanshire are lower than the Scottish average but as yet, there is no supporting information to determine the reason for this. Clackmannanshire has put in place sound contractual arrangements with local firms to provide furniture, white goods and food. Awards made are meeting the needs of those applying with no suggestion that the provision is less than needed.

Concerns that the awards might have to be restricted to highest level A categories due to high levels of demand are proving unfounded to date. The service is considering awarding applications that are graded as category B or C with a view to providing assistance that, while not critical, would nevertheless assist those applicants who are struggling in some way.

Examples of where awards might be granted under category B include taking medical conditions into account for a crisis grant or the provision of carpets for bedroom and living areas for a community care grant. The criteria are defined by DWP and must be adhered to when administering the SWF.

The SWF was set up to operate for an initial two year period, during which time consideration would be given to future arrangements. The general principle of a local management response to local needs is sound. Scottish Government has asked for feedback on draft proposals that the arrangements should continue beyond the two year period.

Clackmannanshire has responded with an agreement in principle with the caveat that all administrative and system costs must be sufficiently covered and that continued and on-going engagement with local authorities is essential to ensure adequate and sound management of a future arrangements.

#### 4.4 Benefits Cap

The Benefits Cap was introduced in July 2013. This new legislation restricts the maximum amount of benefits payable to £350 per week for a single person and £500 per week for a couple. Certain exemptions apply.

The estimated reduction in income for the Council is £407,000.

This change impacts on the Council's ability to recover the full cost of providing housing for the homeless with a corresponding reduction in the General Fund. A paper is being prepared for presentation to the Housing, Health and Care Committee, scheduled to meet in October, that will address these issues and propose an achievable rent.

There is no detrimental impact on those who present as homeless; the Council will continue to provide accommodation to meet their needs.

Meetings have taken place with the local DWP representative who has advised that they would be very interested to meet with affected clients in order that they can try to move affected families or individuals onto an alternative Benefit that may provide them with exclusion from the Benefit Cap.

#### 4.5 Feedback from community events

Employees from Housing and Revenues services have attended a number of community events to raise awareness of recent changes and to attempt to engage with members of the community.

Feedback received to date is that, while there is little engagement about specific or individual situations at these events, it is an opportunity to widen the circulation of information and remove perceived barriers to engaging with Council Officers.

#### 4.6 Response to communications

The Council has responded to communications related to the recent changes from Lord Freud and the RT Hon David Mundell. A copy of the correspondence from Lord Freud is attached as **Appendix D**. It is clear that a considered approach will need to be taken to any re-designation of existing bedrooms to avoid the Council being penalised.

Meetings have also taken place with the RT Hon David Mundell and COSLA to confirm the impact of the changes and the financial impact on Clackmannanshire Council and local communities.

Recent communication from Lord Freud confirms that action has been taken to minimise the risk associated with direct payments once Universal Credit. Further detail is provided in section 9.3 of this report.

#### 5.0 **Financial Impact**

The Council agreed to set aside additional budget of £670k in total to cope with the calculated / estimated shortfall resulting from Welfare Reform. This decision was taken as part of the budget setting process in February 2013.

An additional £100k in capital has been allocated to cover any shortfall in system requirements.

Funding has been received for system changes, updates and software. It is unlikely that the capital budget set aside will be required. However it is prudent to wait until the end of the budget year to be certain that there are no further capital costs associated with future changes.

Total cost (revenue) of the changes to date is estimated to be in the region of £185,100. Funding of £89,000 has been confirmed for different aspects of the changes. This leaves a shortfall in funding of £96,100.

The figure of £185,000 above does not include estimated increases in rent arrears or the reduction in payments to the HRA as a result of the Benefit Cap. These areas are covered in sections 4.5 and 6.0 of this report.

Based on information available at the time of writing, it appears that some of the forecast costs associated with Welfare Reform changes have been managed within existing budgets or covered through funding received.

Monitoring will continue with a full assessment made after six months. The outcome will be reported back to Council as part of the budget monitoring process.

The impact of the move to PIP is unknown at this time although the most likely impact is that associated with the provision of advice and support of those going through reassessment.

The introduction of Universal Credit and Direct Payments is delayed at the time of writing. Once more is known of the outputs of the pilot projects and a timetable for implementation, a more detailed financial forecast will be produced.

The Budget Strategy paper presented at this meeting makes reference to the fact (para 3.12) that the council will need to review models of service delivery for those client groups impacted by Welfare Reforms to ensure integrated, customer focused service delivery. Any duplication between services will be considered and rationalised to minimise the cost of service delivery. Future budget pressure allocations for Welfare Reform could be affected by any changes made.

## 6.0 Debt Position

As at 07.07.13, the position regarding rent arrears was as follows:

Date	31.3.13	02.06.13	07.07.13
Arrears balance	£382,699	£490,756	£525,644
Arrears caseload	1,950	2,606	2,632

The arrears balance shown for March 213 is the cumulative balance carried forward from 2012/13.

The significant increase experienced in caseloads between April and June has steadied with only a 1.22% increase in July. Arrears have increased by 7.1% from June to July.

It has been possible to analyse the under-lying situation and identify those tenants who are experiencing true hardship as opposed to those where payment of the additional rent is due as a result of under-occupancy.

1. The analysis considered high arrears cases of £1,000 and above. Tenants identified in this arrears band are struggling and require considerable support to clear their debt. Many tenants in this group with high levels of arrears have a history of arrears, attempts at clearance and then a build up of further arrears as circumstances change.

There are 99 cases in this category.

The total arrears for this group is £126,190 as at 19/07/2013.

This analysis demonstrates that less than 2% of tenants owe 24% of the reported arrears. Officers will be considering how to divert resources to work with this particular group to tackle the problem. Consideration will be given to how the funds provided to support residents are used and ensuring that eligibility has been tested to the full.

2. Further analysis was made of those accounts which have fallen into arrears since the introduction of under-occupation benefits reduction in April 2013.

There are 500 cases in this category.

The total arrears for this group is £80,000 as at 19/07/2013



Of the 500 cases mentioned above, only 30 tenants had accounts which had fallen into arrears previously.

The Council's debt recovery and write off policy is being used to recover debts where possible. Support is being provided to tenants in both categories to ensure they are receiving appropriate benefits and supplementary awards if eligible.

The numbers of tenants paying rent as a result of the changes has stayed stable at 60 - 70% and reflects the position being reported nationally.

## **7.0 Pilot Projects**

- 7.1. The paper produced for the Council meeting on 16 May gave details of the direct payments pilot projects underway in local authorities in England and Scotland.
- 7.2. There is little to add to what was reported previously. All pilot projects have been extended by a further three months with reports on the outcomes and lessons learnt expected to be available in December 2013.
- 7.3. The planned Universal Credit pilot schemes referred to previously have now been rolled out to a further six Job Centres including Inverness. The Inverness pilot commences in October 2013. Improved access to digital services is also being tested as part of these pilots with the installation of 6,000 computers.

## **8.0 National responses to Welfare Reform**

- 8.1. COSLA released a briefing paper on the Housing impacts of Welfare Reform on 8 July 2013. The key findings of the briefing were:
  - 17% of households in Scotland are under-occupying by two or more bedrooms.
  - 33% of working age local authority tenants in receipt of housing benefit are affected by the penalty of under occupying their property.
  - All but one local authority reported an increase in rent arrears since April 2013.
  - Over 22,000 applications for DHP have been received since April 2013.

The findings have been used to inform meetings between COSLA and Lord Freud. The survey will be repeated at quarterly intervals to monitor emerging trends and confirm the cost and impact of Welfare Reform.

### **8.2. Select Committee Report June 2013**

The Select Committee conducted an inquiry into the implementation of the Welfare Reforms by local authorities. The Committee made four key recommendations and 31 specific recommendations; the key recommendations are summarised below:

1. To make data relating to the social welfare fund available and to improve communication about the changes to the public and claimants.
2. Making reference to New Burdens, requests that Government works with the LGA to assess the cumulative impact of the Welfare Reform changes.
3. Expressed concerns about direct payments and impact on Housing Associations and local authorities. Requires a definition of "vulnerable" to assist in defining tenants before the roll out of UC begins.
4. Expressed concerns about the readiness of the ICT systems. DWP to provide assurance that the potential for fraud is addressed through the system to remove any risk.

A copy of the full report will be provided for the Members portal.

## **9.0 Key Issues for the future**

### **9.1. Advice and support**

A piece of work is underway which will deliver a review of how the provision of advice, information and advocacy is currently provided to ensure it is delivered in the most cost effective and accessible way in the future. This Advice Review is one of the workstreams of the Making Clackmannanshire Better programme.

The pilot location for the Council's Business Improvement Plan, Making Clackmannanshire Better, may provide a model where new solutions could be tested.

The previous paper referred to the possibility of an increased use of pay day loan companies and an increase in illegal money lenders within local communities.

Glasgow City Council have recently shared the findings of their Pay Day Loans Sounding Board which includes several recommendations to mitigate the influence and reliance on these companies. Although the scale of the problem is much bigger for a City Council, Officers will be considering how some of the immediate and longer term options might be adopted for use in Clackmannanshire.

It was announced in April that funding totalling £7.45 million is to be made available through a jointly funded programme that will be managed by the Scottish Legal Aid Board. This funding is targeted at supporting organisations helping people in Scotland facing debt and other problems stemming from benefits changes and the ongoing impact of the economic downturn.

The Housing service has submitted two bids for this funding:

In total the bids amounted to £200k. The deadline for submissions was 25 June 2013 with announcements of allocations anticipated in August 2013. Any successful bids are expected to be implemented and operational from 1 October 2013.

## 9.2 Universal Credit (UC)

Reference has already been made to the pilot schemes underway where the concept of UC and Direct Payments is being tested.

Recent communication from the RT Hon David Mundell, MP and the transcript of a speech by Lord Freud demonstrate a change in approach to the matter of arrears resulting from Direct Payments.

It has been stated that action will be taken after the first month of arrears being noted with a return to direct payments to landlords after two months. This action will substantially reduce the risk of non-payment of rents for Councils, Housing Associations and private landlords.

However, although the proposed measures are welcomed, concerns remain over the fact that many tenants could accrue arrears in the one to two month period of direct payments. This would have an adverse effect on the individuals concerned and the landlord's cashflow. Once any arrears are cleared then payments revert to direct payments, potentially creating a repeating cycle of events. Clarity is required as to how DWP can work with landlords to deliver the intensive "budgeting support" to return tenants to direct payments six months after arrears are cleared.

For the Council, the risk of a reduction in the number of Registered Social Lords and Housing Associations ceasing to trade, leading to more demand for public sector housing is reduced. Private landlords are unlikely to be able to sustain even two months worth of arrears and could withdraw from the market or refuse to accept tenants who are benefit claimants.

Initial work has been carried out to try and quantify the additional transactional cost the Council will incur through the move to Direct Payments. This work will be fine-tuned as more information becomes available.

## 9.3 Grand Central Savings

A feasibility study is currently underway to consider whether the costs of engaging with Grand Central Savings, a company that could offer basic bank services for Clackmannanshire residents would be worthwhile pursuing.

There is a cost to setting up this kind of banking service. Discussions are being held with partner organisations to consider whether the costs could be shared. Consideration is also being given to the possibility of reducing costs through the offer of subsidised accommodation or volunteers.

Grand Central Savings are not a Credit Union but are an independent charity providing access to banking facilities for anyone finding it hard to access a mainstream bank account. Charges are very low and they require less evidence to set up a bank account and they provide more customer support than a traditional bank. They compliment the services delivered by a Credit Union in encouraging independence in an individual's approach to managing their finances. For someone who has never operated a bank account, Grand Central savings would provide assistance and support to individuals taking the first steps in responsibly managing their own finances.

## **10.0 Summary and Conclusion**

- 10.1. The impact of the Welfare Reform changes continues to be well documented and understood by Council Officers, elected members and community partners.
- 10.2. Housing and Revenues Services will continue to monitor the impact of the reforms on debt levels, individual circumstances, demand on existing resources and the requirement and demand for advice and support. Recommendation for change or improvement will be fed back to senior managers through established channels.
- 10.3. Council services will adapt and adjust services and resources as required to meet the needs of the community and future changes. Regular reports or briefing sessions will be provided to provide updated information and details of the actual impact on the Council and communities.
- 10.4. The Welfare Reform changes remain a risk to the Council in terms of increased debt levels, unknown demand for resources in the future and the impact of the changes on Clackmannanshire communities. The associated risk is acknowledged as a key corporate risk and remains high on the corporate risk register with appropriate scoring.
- 10.5. The overall cost of implementing and managing the changes appears to be less than originally forecast. This is due to the reduced demand for SWF awards and the allocation of funding for new or upgraded systems. The amount of increase in rent arrears is slightly less than forecast.

## **11.0 Sustainability Implications**

- 11.1. There are no sustainability implications contained within this report.

## **12.0 Resource Implications**

- 12.1. Financial Details
- 12.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full lifecycle costs where appropriate. Yes ☒
- 12.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒
- 12.4. Staffing
- 12.5. Staffing implications are referred to throughout this report.

## **13.0 Exempt Reports**

- 13.1. Is this report exempt? Yes ☐ No ☒

## 14.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

### (1) Our Priorities

The area has a positive image and attracts people and businesses	<input type="checkbox"/>
Our communities are more cohesive and inclusive	<input type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

### (2) Council Policies

#### Allocations Policy

#### DHP Policy

## 15.0 Equalities Impact

15.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes ☐ No ☐ N/A for this report

## 16.0 Legality

16.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

## 17.0 Appendices

17.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A - Comparison of impact of Welfare Reform as reported to 30.6.13, Audit Scotland report May 2013

Appendix B - Discretionary Housing Policy

Appendix C - SWF expenditure, monitoring data produced by Scottish Government

Appendix D - Letter from Lord Freud dated 20.6.13

## 18.0 Background Papers

- 18.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☒ (please list the documents below) No ☐

**Budget Strategy, February 2013**

**"People, Council, the Economy" Rights Advice Scotland, March 2013**

**"Preparing for the bedroom tax and beyond" CIH Scotland**

**Welfare Reform Update, Audit Scotland May 2013**

**The Government response to the Communities and Local Government Select Committee report - Implementation of Welfare Reform by Local Authorities.**

**Budget strategy August 2013**

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Julie Burnett	Senior Support Services Manager	2022

### Approved by

NAME	DESIGNATION	SIGNATURE
Julie Burnett	Senior Support Services Manager	Signed: J Burnett
Nikki Bridle	Director of Finance & Corporate Services	Signed: N Bridle

# Appendix A: Impact of welfare reform on the Scottish economy by 2014/15

Council	Estimated loss per annum	Loss per working age adult per annum
Aberdeen City	£52,000,000	£330
Aberdeenshire Council	£49,000,000	£300
Angus Council	£30,000,000	£410
Argyll and Bute	£24,000,000	£430
Clackmannanshire	£18,000,000	£550
Dumfries & Galloway	£44,000,000	£480
Dundee City	£58,000,000	£600
East Ayrshire	£43,000,000	£540
East Dunbartonshire	£22,000,000	£340
East Lothian	£27,000,000	£430
East Renfrewshire	£20,000,000	£350
Edinburgh	£135,000,000	£400
Eilean Siar	£6,000,000	£380
Falkirk	£48,000,000	£470
Fife	£113,000,000	£480
Glasgow City Council	£269,000,000	£650
Highland	£60,000,000	£410
Inverclyde	£33,000,000	£630
Midlothian	£25,000,000	£480
Moray	£21,000,000	£360
North Ayrshire	£51,000,000	£580
North Lanarkshire	£123,000,000	£560

Council	Estimated loss per annum	Loss per working age adult per annum
Orkney Islands	£5,000,000	£350
Perth and Kinross	£36,000,000	£380
Renfrewshire	£60,000,000	£530
Scottish Borders	£29,000,000	£400
Shetland Islands	£4,000,000	£290
South Ayrshire	£35,000,000	£500
South Lanarkshire	£104,000,000	£510
Stirling	£22,000,000	£380
West Dunbartonshire	£36,000,000	£600
West Lothian	£57,000,000	£490
<b>Total</b>	<b>£1,660,000,000</b>	<b>£480</b>

*The Impact of Welfare Reform in Scotland - Sheffield Hallam University*



## **Appendix B**

### **DHP policy statement**

1.0 To be eligible to claim a DHP, customers must be in receipt of Housing Benefit and require some further financial assistance with their Housing Costs.

1.1 The Council will follow the DWP good practice guide and allow those customers who meet the criteria set out in the table below such awards where they can demonstrate:

- That they are suffering financial hardship; and
- They have circumstances that merit award from the fund; and
- They have a shortfall between their Housing Benefit and contractual rent charge; and
- What they are applying for is eligible under the terms of the good practice guide; and
- There is sufficient budget remaining for DHP payments to be made.

2.0 Conditions for award of DHP

<b><u>Circumstance</u></b>	<b><u>Maximum award duration/Award to be reviewed</u></b>	<b><u>Amount of DHP (% shortfall between HB and Rent charge)</u></b>
Property significantly adapted to meet needs of tenant of their family.	Until the end of tenancy	100%
End of Life care	6 months after date of death	100%
Children leaving care	Up to end of leaving care status	100%
Vulnerable adults deemed at risk	12 months	100%

Homeless awarded secure/assured tenancy	N/A	One off payments to assist resettlement and sustainable tenancy.
Absent parent who requires bedroom for access to child/ren.	6 Months	50%
Carer who lives close to person receiving care	6 Months	50%
Within 6 months of reaching State Pension Credit age.	6 Months	25%
Medical reasons require additional bedroom.	6 months	50%
Victim of harassment/fleeing violence	6 months	50%
Under 35 in private rented sector	6 Months	25%
Service widows or ex-service personnel (including non dependants)	6 Months	25%
Benefit Cap	6 Months	50%
Other Circumstance wholly relevant to customer/family and judged with merit	6 Months	100%

## CRISIS GRANT SPEND from April 2013

## APPENDIX C

	Crisis Grants	Crisis Grant 12	Crisis Grant Spend	Crisis Grant Spend	Crisis Grant Spend	% of monthly	% of annual
Local Authority	ANNUAL BUDGET 13/14	MONTHLY PROFILE	Apr-13	May-13	Jun-13	average	budget ytd
	rounded to nearest £	rounded to nearest £	rounded to nearest £	rounded £	rounded £	rounded %	rounded %
Aberdeen City	359,055	29,921	8,253	11,072	9,535	32	8
Aberdeenshire	163,061	13,588	4,915	5,790	6,995	51	11
Angus	145,866	12,155	9,628	8,283	7,023	58	17
Argyll & Bute	108,853	9,071	2,806	7,511	4,345	48	13
Clackmannanshire	129,545	10,795	2,959	1,147	2,914	27	5
Dumfries & Galloway	193,225	16,102	8,396	10,204	9,564	59	15
Dundee City	350,457	29,205	13,316	15,753	12,974	44	12
East Ayrshire	274,974	22,914	7,349	13,107	15,014	66	13
East Dunbartonshire	94,718	7,896	4,320	2,887	2,720	34	10
East Lothian	125,757	10,480	2,624	2,490	2,207	21	6
East Renfrewshire	75,629	6,302	1,039	808	707	11	3
Edinburgh, City of	757,891	63,158	14,182	18,786	17,404	28	7
EileanSiar	11,803	984	0	46	324	33	3
Falkirk	293,480	24,457	5,186	8,390	8,640	35	8
Fife	640,440	53,370	17,240	12,739	11,686	22	7
Glasgow City	1,964,745	163,729	36,199	15,468	17,583	11	4
Highland	245,538	20,461	2,232	3,364	2,141	10	3
Inverclyde	278,763	23,230	5,985	6,725	5,500	24	7
Midlothian	131,877	10,990	4,782	7,054	5,934	54	13
Moray	101,858	8,488	3,219	4,406	6,117	72	13
North Ayrshire	362,552	30,213	6,565	7,837	10,130	34	7
North Lanarkshire	830,751	69,229	11,883	13,256	10,252	15	4
Orkney Islands	8,452	704	182	337	109	15	7
Perth & Kinross	172,096	14,341	3,199	7,265	5,546	39	9
Renfrewshire	454,938	37,911	23,306	28,947	23,621	62	17
Scottish Borders	122,551	10,213	4,214	6,542	6,660	65	14
Shetland Islands	16,904	1,409	258	169	22	2	3
South Ayrshire	179,236	14,936	4,650	6,252	6,205	42	10
South Lanarkshire	604,302	50,358	37,420	33,167	33,430	66	17
Stirling	136,831	11,403	2,810	815	2,605	23	5
West Dunbartonshire	267,105	22,259	14,970	21,691	24,642	111	23
West Lothian	391,987	32,665	6,639	5,539	8,624	26	5
<b>Scotland Total</b>	<b>9,995,240</b>	<b>832,937</b>	<b>270,726</b>	<b>287,847</b>	<b>281,173</b>	<b>34</b>	<b>8</b>

## COMMUNITY CARE GRANT SPEND from April 2013

	Community Care Grants	CCG 12 MONTHLY	CCG Actual	CCG Actual	CCG Actual	% monthly	% ytd
Local Authority	ANNUAL BUDGET 13/14	PROFILE	Apr-13	May-13	Jun-13	average	budget
	rounded to nearest £	rounded £	rounded £	rounded £	rounded £	rounded %	rounded %
Aberdeen City	540,786	45,065	7,511	14,811	22,732	50	8
Aberdeenshire	301,674	25,139	2,182	5,167	9,535	38	6
Angus	273,205	22,767	21,279	24,217	6,002	26	19
Argyll & Bute	263,907	21,992	6,278	33,908	9,927	45	19
Clackmannanshire	230,847	19,237	10,434	11,540	5,418	28	12
Dumfries & Galloway	430,012	35,834	4,717	62,841	30,756	86	23
Dundee City	986,180	82,182	21,540	59,911	40,922	50	12
East Ayrshire	650,528	54,211	23,722	62,003	20,997	39	16
East Dunbartonshire	242,097	20,175	11,506	7,001	14,642	73	14
East Lothian	264,481	22,040	6,256	9,305	6,590	30	8
East Renfrewshire	182,290	15,191	2,065	7,462	6,902	45	9
Edinburgh, City of	1,429,737	119,145	66,405	103,563	109,648	92	20
EileanSiàir	36,160	3,011	1,591	3,151	82	3	13
Falkirk	634,342	52,862	8,657	13,940	10,600	20	5
Fife	1,219,553	101,629	41,022	49,132	28,995	29	10
Glasgow City	5,756,371	479,698	118,866	167,464	312,968	65	10
Highland	555,135	46,261	8,092	11,062	14,206	31	6
Inverclyde	453,774	37,814	20,928	24,198	28,214	75	16
Midlothian	253,461	21,122	6,583	3,592	3,529	17	5
Moray	285,259	23,774	26,433	18,569	16,704	70	22
North Ayrshire	705,972	58,831	33,168	33,275	31,030	53	14
North Lanarkshire	2,125,263	177,105	17,729	45,151	85,860	48	7
Orkney Islands	47,868	3,989	0	7,581	2,793	70	22
Perth & Kinross	420,828	35,069	7,578	11,202	14,105	40	8
Renfrewshire	693,919	57,826	19,831	38,083	51,162	88	16
Scottish Borders	283,996	23,666	8,715	15,925	20,327	86	16
Shetland Islands	42,588	3,549	1,700	240	3,309	93	12
South Ayrshire	533,669	44,472	12,925	20,241	22,104	50	10
South Lanarkshire	1,539,479	128,290	53,852	31,154	74,114	58	10
Stirling	379,733	31,644	4,805	18,085	10,366	33	9
West Dunbartonshire	562,482	46,873	19,984	68,325	43,054	92	23
West Lothian	674,404	56,200	20,889	50,421	42,679	76	17
<b>Scotland Total</b>	<b>23,000,000</b>	<b>1,916,663</b>	<b>617,243</b>	<b>1,032,520</b>	<b>1,100,272</b>	<b>57</b>	<b>12</b>



**Council 15.8.13**  
**Welfare Reform update**  
**Appendix D**

20 June 2013

Local Authority Chief Executives

**Re-designation of properties and the removal of the Spare Room Subsidy**

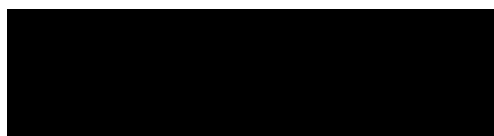
As you may be aware there have been a number of reported cases of local authorities re-designating their properties, without reducing the rent to reflect the loss of a bedroom. Such action could lead to incorrect Housing Benefit subsidy claims being submitted to my Department at the end of the financial year.

In principle my Department has no objections to re-designating properties where there is good cause to do so, for example where a property is significantly adapted to cater for a disabled persons needs. However, we would expect the designation of a property to be consistent for both Housing Benefit and rent purposes. Blanket redesignations without a clear and justifiable reason, and without reductions in rent, are inappropriate and do not fall within the spirit of the policy.

Between 2000 and 2010 expenditure had doubled in cash terms, reaching £21 billion. Unreformed, by 2014-15 Housing Benefit would cost over £25 billion. By removing the Spare Room Subsidy £500 million a year can be saved through greater efficiency and better use of social housing stock. It is therefore vital that local authorities adhere to their statutory responsibility to implement this policy on behalf of the Department.

I would like to stress that if it is shown properties are being re-designated inappropriately this will be viewed very seriously. If the Department has cause to believe this is the case we will commission an independent audit to ascertain whether correct and appropriate procedures have been followed. I wish to state clearly that these audits would be separate from the subsidy audits already undertaken, which carry out sample checks on the assessment of Housing Benefit.

Where it is found that a local authority has re-designated properties without reasonable grounds and without reducing rents, my Department would consider either restricting or not paying their Housing Benefit subsidy.



**Lord Freud**  
**Minister for Welfare Reform**

