

## ITEM No ...6.....

**REPORT TO:** POLICY AND RESOURCES COMMITTEE – 13 FEB 2017  
**REPORT ON:** UPDATE ON WELFARE REFORM AND UNIVERSAL CREDIT  
**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES  
**REPORT NO:** 53 - 2017

### **1.0 PURPOSE OF REPORT**

To provide an update to members on the rollout of various elements of the UK Government's welfare reforms and their impact on Dundee City Council Services.

### **2.0 RECOMMENDATIONS**

2.1 It recommended that the Policy and Resources Committee:-

- Note the content of the report and consider the impact on individuals and families within Dundee.
- Note the update on the work streams which have been identified to assist in preparing for the Welfare Reform changes.
- Note the work and progress the Council and partners within the City are taking to mitigate aspects of the U.K. Government Welfare Reforms
- Note the implications in terms of increased debt, potential increases in homelessness and demand for advice services from various organisations and the voluntary sector.
- Note that Universal Credit full service is expected to be implemented within Dundee in November 2017.
- Note the impact of the U.K. Government Welfare Reforms will result in an estimated annual loss of £94m by 2021 within Dundee.

### **3.0 FINANCIAL IMPLICATIONS**

The full financial impact of Welfare Reform for the City cannot yet be quantified. However, a report published by the Scottish Government on 11 April 2013 titled "The Impact of Welfare Reform in Scotland" and carried out by Sheffield Hallam University noted that the impact of Welfare Reform on Dundee's economy would result in an estimated annual loss of £58m.

A subsequent report by Sheffield Hallam University to the Social Security Committee of the Scottish Parliament in October 2016 noted the impacts of the Westminster Government's further round of welfare reforms initiated since the 2015 general election. The new figures in this report shows that by 2020-21 the impact of these further reforms on Dundee's economy will result in an estimated annual loss of a further £36m.

### **4.0 BACKGROUND**

This report is to provide an update to Elected Members on issues relating to the UK Governments Welfare reforms, the consequential changes to Council Services and potential impacts of Dundee City Council residents.

As a result of the UK Governments Welfare Reforms in April 2013, A Welfare Reform Group was established to consider how best to respond to the impacts of the reforms. The group established since 2013 meets on a regular basis, membership includes, Senior Council Officers, representatives from, the Voluntary Sector, Health and Social Care Partnership and the Department For work and Pensions.

The impact of Welfare Reforms has required responses from a range of Council and Voluntary Services. The impacts of the different reforms has been varied, however the ability of Dundee residents to maintain their rent payments in respect of their private or social sector rents has been a high concern.

## **5.0 MAIN TEXT**

### **5.1 Universal Credit (UC) (Live Service)**

UC (live service) was introduced in Dundee in November 2015 for newly unemployed single claimants who satisfy specific qualifying criteria.

Since November 2015 Dundee has had approximately 2222 claimants who have completed the UC claim process and accepted their claimant commitment. In the DWP published official UC Statistics up to 8 December 2016, 1476 individuals are still claiming UC of which approximately 614 (42%) are in some form of employment.

The Welfare Reform Group is supported by a Universal Credit Working Group, whose membership includes, Council Officers from; the Benefit Delivery Service, Advice Services, Neighbourhood Services, Financial Inclusion, Employability and Adult Learning, other members include partner agencies such as Housing Associations, DWP and third sector agencies.

The Universal Credit Group meets on a monthly basis, the group has worked together to provide a host of promotional material such as leaflets showing where residents can access free IT facilities. The group also shares best practice for rent arrears and tenancy sustainment.

The Council's Benefit Delivery Team has worked closely with the Corporate Debt and Advices Services Teams to ensure that tenants having difficulty paying their rent receive all appropriate support.

#### **Universal Credit Payments**

UC is paid differently to current legacy benefits. In most cases it is paid as a single monthly payment, direct into a bank account. The amount a claimant receives is calculated each month and depends on their circumstances, income and savings during that time. This is known as an assessment period.

UC awards are made up of allowances, these:-

- Basic Standard Allowance
- Child Element – for each child
- Amount for each disabled child (at lower or higher rate)
- Amount for an ill or disabled adult (at lower or higher rate)
- Carer Element - to support a person who is providing a significant amount of care to someone with a disability
- Childcare Element – to help cover the costs of relevant childcare
- Housing Cost Element – to help cover relevant housing costs.

The first assessment period usually starts 7 days after a claim has been submitted. There are some circumstances where the waiting period may not apply, for example where someone has reclaimed UC within 6 months, or left prison within the last month.

A claimant will get their first payment around 6 weeks after they have made a claim for UC. They will receive their first payment no more than 7 days after their assessment period has ended.

For example if someone makes a claim on 1 December, the assessment period (when waiting days are applicable) will be from 8 December to 7 January, the first payday will be 14 January. Future payments will be made on the 14<sup>th</sup> day of each month.

A claimant can request an advance payment of UC to help while they are waiting for their first payment or where a change of circumstances occurs. This is called a short term advance. The advance payment is a loan which has to be paid back. The repayments are automatically deducted from future UC

payments until the advance is fully paid back. I.e. reduced UC payments will be received until the loan has been repaid.

### **Universal Credit & Council Tenants**

Since the introduction of UC the Corporate Debt Team has been working in partnership with Job Centre Plus Dundee in an effort to minimise rent arrears for UC customers.

The following table sets out the impact on rent arrears for Dundee City Council tenants currently receiving UC.

<b>Impact on Dundee City Council's Housing Rent Arrears</b>					
31Dec 2016	Number of live UC cases	Number of cases in arrears	Percentage of cases in arrears (%)	Cumulative rent arrears £	Average rent arrears per household
	279	242	87%	151,473.22	£625.92

The arrears for these 279 cases prior to the introduction of Universal Credit was £135,014.47

Currently, the average rent arrears for a non UC household is £407.00. This denotes that UC rent arrears are more than 1.5 times higher than other mainstream tenancies.

### **Managed Payment of the Housing Element to Landlords.**

The UC Housing Cost element is normally included within an individual's UC award.

Where it is considered that an individual needs additional support the housing element of UC can be paid direct to the landlord. This is to avoid the individual falling into rent arrears and to help protect their tenancy.

If a tenant has accrued two months' rent arrears, the UC housing element will be paid direct to the landlord.

Based on current live UC customers, 66% of Dundee City Council tenants have in place a managed payment of the UC housing element.

### **Universal Credit Full Service**

The DWP is continuing to roll out the full digital service. The introduction of the full digital service will replace the current system being used for UC. Once introduced the full service will remove clerical functions for claimants and will require them to make a claim, check payments, notify changes of circumstances and search for a job through a single account. DWP intend making digital the primary channel for most working age people to interact with the Department.

Based on the DWP's recently published roll out plans for the full digital service, Dundee is scheduled to go live in November 2017.

Full digital service will mean that the existing qualifying conditions for UC will be amended to enable all claimant groups to make a new claim. This means that from November 2017, qualifying claimants will no longer make new claims for Housing Benefit, Working Tax Credit, Child Tax Credit, Employment and Support Allowance (Income Related), Income support and Job Seekers Allowance (Income Based) – they will only claim UC.

Full digital service is designed to remove paperwork and the need for telephone calls. Claimants will make their claim on the digital service, which is accessed via Gov.UK, by creating an online account.

The claimant will be required to interact with their Work Coach and the UC Service Centre via their on-line account.

One of the main impacts of the DWP's digital service on the Council will be a reduction in the number of HB claims due to greater volumes of working age people claiming UC. However, the new arrangements will only apply to new claims and to those reporting changes of circumstances. Claimants on legacy benefits including HB, that do not experience a relevant change in circumstances, will remain on their existing benefits until the DWP's migration exercise is undertaken to transfer them onto UC. Current indications are that this is expected to take place at some point between 2019-2022.

There will therefore be a phased reduction in HB caseload through to 2022.

UC is not available to those that are non-working age. At present, the Council has 6201 non-working age HB claimants. This represents 35% of the overall caseload. These customers will continue to claim HB after all the working age claimants have been migrated across to UC. It is our understanding that there are no current plans to move non working age claimants onto UC or a replacement Housing Cost.

The introduction of the full digital service will impact on rent arrears and also brings concerns as to how some customers will manage their UC claim through online digital services.

As the full digital service will increase the UC caseload, there is likely to be an increased demand for welfare services, including personal budgeting support. The Head of Customer Services & IT and his Senior Managers will continue working with the DWP to scope such demand to ensure that the DWP provide appropriate funding.

The Council have currently signed up to a Delivery Partnership Agreement with the DWP, in partnering Job Centre Plus Dundee, the Council is assisting the DWP by providing help for UC claimants at local Council offices and libraries to make their claim on line and have provided personal budgeting support (PBS) for UC claimants requiring assistance with budgeting.

The uptake for these services under live service has been low. Indications from other local authorities who are operating under the full digital service is that we can expect a significant increase in the demand for these services from November 2017.

## **5.2 BENEFIT CAP**

Benefit Cap rules set a maximum amount of benefit that working age households can receive. The UK Governments policy intention is that working age individuals do not receive more money in benefits when they are out of work than they could reasonably expect to earn from working.

The Benefit Cap applies to the combined income from the main out of work benefits plus HB, Child Benefit and Child Tax Credits. Households are exempt from the cap where any member of the household qualifies for Working Tax Credit or is in receipt of a range of specified benefits.

From 7 November 2016 the benefit cap has been reduced from £500 per week for couples and lone parent families to £384.62 and from £350.00 to £257.69 per week for single claimants.

The cap is applied by reducing entitlement to HB (or UC if applicable). HB reductions are applied by the Benefit Delivery Team and can in many cases mean that a households HB award can be reduced to £0.50 per week.

Prior to the reduction of the cap in November 2016, the Council received information from the DWP to indicate households in the Dundee area in receipt of HB which may be affected by the reduction in the cap.

The Council's Benefit Delivery Team and Advice Service Team took a pro active approach by working in partnership with Job Centre Plus Dundee to offer advice and support to households who could have been impacted by the lower cap levels.

This support included:-

- Undertaking a benefit entitlement check to maximise benefit take up.
- Identifying if any exemptions to the cap apply
- Assisting with completing application forms for Discretionary Housing Payments (DHP).

In addition, as a short term measure, where those affected by the lower cap have engaged with the Council, the impact of the changes have been fully mitigated, by awarding a DHP for the period November 2016 to 31 March 2017. This will enable households to identify and address the options available to them to address the effect of the cap on their individual circumstances.

As at January 2017, 125 Dundee households have their HB reduced due to the benefit cap. An analysis carried out by the Benefit Delivery Team indicates that of the 125 households affected by these changes, 123 are households with children.

It also highlighted:-

- 47 Council, 33 Housing Association and 45 Private Tenants are affected.
- The highest cap is £469.51 per week
- £7,722.97 is the weekly amount lost in HB
- £154,459.40 is the estimated total value of HB lost between November 2016-March 2017.

Prior to the reduction in the cap in November 2016, 23 households had their HB reduced, 10 Council, 7 Housing Association, 6 Private tenants. The highest cap being £391.05 per week. A total weekly loss in HB of £1593

The Benefit Delivery Team is continuing to work with the partners such as the local Job Centre Plus, Neighbourhood Resources, Corporate Debt and Housing Associations to ensure that wherever possible residents exercise their housing and employment choices in a way that minimises their exposure to the benefit cap.

### 5.3 DISCRETIONARY HOUSING PAYMENTS (DHP)

The Department for Work and Pensions provide funding annually to Local Authorities to assist those claiming Housing Benefit or UC and who require further financial assistance with their housing costs. In addition to the funding from DWP the Scottish Government provide a contribution to ensure those tenants affected by the Social Sector Size Criteria (Bedroom Tax) will have their reduction in HB fully mitigated by an award of DHP. The amount of funding Dundee is expects to receive from the Scottish Government to mitigate the effects of the bedroom tax is circa £1.6m.

The number of applications received has increased considerably since the UK Governments Welfare Reform changes were introduced.

	2011/12	2012/13	2013/14	2014/15	2015/16
No of Awards Made	200	339	2008	3884	4499
Actual Spend	£69,634	£115,076	£826,642	£2,131,308	£2,110,127

Breakdown of awards for 2016/17

<b>2016/17 YTD</b>	
Number of Awards	4210
Total amount paid or Committed	£2,157,160
<b>Breakdown of spend</b>	
Under Occupation	£1,905,998
Benefit Cap	£64,784
Local Housing Allowance	£89,645
Other	£96,732

The Council's Housing Committee Agreed to make a budget of £250,000 available for a Local Authority Hardship Fund from April 2016.

The purpose of this fund is to support Local Authority tenants to sustain tenancies and prevent homelessness.

The fund is administered by the Council's Benefit Delivery Team and as at 31 December 2016, £164,123 had been allocated to keep vulnerable tenants in their homes.

#### **5.4 DLA to PIP**

Personal Independence Payment (PIP) is the new benefit that was introduced in April 2013, replacing disability living allowance (DLA) for working-age people (aged 16-64). Like DLA, PIP is a non means-tested benefit for people who need help taking part in everyday life and/or find it difficult to get around. It is made up of two components, daily living and mobility, each of which can be paid at two different levels, either the Standard Rate or the Enhanced Rate.

Since June 2013 new claims for disability benefits have been for PIP and not DLA. Applicants must fill in an application form and are normally required to attend a medical assessment. Since 2015 existing DLA claimants in Dundee will be given the opportunity to apply for PIP. If they choose not to or delay in applying their DLA will be suspended after 28 days and then stopped completely after a further 28 days.

In May 2013 Dundee City had 11,850 DLA recipients of whom 7,290 were of working age. (2,980 were over 65 and therefore not affected by the changes. 1,080 were under 16 and will not be affected by the changes until their 16th birthday).

In May 2016 Dundee City had 10,080 DLA recipients of whom 5,490 were of working age. (3,060 were over 65 and therefore not affected by the changes. 1,330 were under 16 and will not be affected by the changes until their 16th birthday).

As of October 2016 Dundee had 4,006 PIP claimants. Latest DWP statistics indicate that the DLA working age claimant count fell by approximately 1020 in the last recorded full year indicating that by May 2021 at the latest the complete DLA working age claimant count will be transferred to PIP at current average rates of transfer.

Recent newspaper reports (December 2016) highlighted figures showing that 61% of claimants appealing a PIP decision at Tribunal won their case, indicating that the medical assessment process is not sufficiently robust. Therefore significant help will continue to be required from Dundee's advice services to help and support challenges to PIP decisions following on from the current medical assessment process.

Partnership working between Council Advice Services, Adult Learning and voluntary sector advice teams has led to a promotional drive to highlight the changeover from DLA to PIP. This has involved 10 training sessions for 176 front line Council and voluntary sector staff across the city who work with clients in receipt of DLA, a text service where people can request help and assistance and promotional materials relating to the DLA to PIP process including an explanatory video. More training sessions for front line staff are planned to start in March 2017

#### **5.5 SCOTTISH WELFARE FUND**

The Scottish Welfare Fund is wholly grant based fund that seeks to achieve better and more sustainable outcomes through taking a holistic approach to the processing of grant awards alongside other sources of assistance and services for clients. Wider forms of assistance such as white goods procurement, access to budgeting, money advice, energy advice, housing options, income maximisation, community care assessments, employability services and tackling food insecurity have been undertaken in Dundee in order to fulfil the intention of a holistic approach.

The fund is intended to:-

- Provide a safety net in an emergency when there is an immediate threat to health and safety (Crisis Grants). Claims for assistance will meet national performance indicators of award decisions within 1 working day.
- Enable independent living or continued independent living, preventing the need for institutional care (Community Care Grants). Claims for assistance will meet national performance indicators of award decisions within 15 working days.

The provision of goods and emergency support payments to recipients of the Scottish Welfare Fund is in line with contractual arrangements.

The service is delivered within budgeted funds allocated by the Scottish Government and is supported with an administration grant for staff costs associated with management of the fund.

Since 2013, the SWF has been delivered by local authorities by voluntary agreement, with decision makers considering applications in accordance with interim guidance issued by Scottish Ministers. The Welfare Funds (Scotland) Act 2015 and subsequent legislation places the SWF on a statutory footing from 1 April 2016.

The new Regulations require local authorities to make decisions on crisis grant applications immediately after the local authority has received all information allowing a decision to be made and no later than the end of the next working day. Previously this had been a 2 working day turnaround time. As a result decision makers have been under more pressure to meet this new turnaround target but have succeeded in 100% of the cases where all information has been received from the applicant that allows the decision to be made.

The Act also provides new powers to SPSO (the Scottish Public Services Ombudsman). People will continue to apply to the council for SWF awards as they did before and they will still ask the council for a tier one review if they disagree with the decision. However, under the new scheme, people are then able to ask SPSO to independently review the council's decision.

When SPSO independently reviews an SWF application, they will be able to change the council's decision and direct them to make an award if SPSO consider that the council should have made a different decision.

Applications received and processed April 2016- December 2016

Calls received	Applications received	Applications granted	Applications refused	Applications revoked	Applications withdrawn
11789	6374	4183	1626	252	205
	100%	65.6%	25.5%	4%	3.2%

As at 31st December 2016 108 (1.7%) of applications were still outstanding.

Scottish Welfare Fund Spend April 2016 – December 2016 (as at 31/12/16)

Crisis Grant Allocation 2016/17	Crisis Grant spend to 31/12/16	Percentage spend to 31/12/16	Community Care Grant Allocation 2016/17	Crisis Grant spend to 31/12/16	Percentage spend to 31/12/16
£384,000	£288,064	75%	£1,021,750	£858,968	84%

It is anticipated that 100% of the local budget will be spent by 31st March 2017.

Nationally the last official statistical release was on 25th October 2016 covering the period 1st April – 30th June 2016. During the first three months of the new financial year £9.2 million was spent against

an available budget for the year of £34.8 million. Whilst there are still variations in amounts spent locally these are smaller than in previous years. Next formal publication of statistics is scheduled for Tuesday 31st January 2017.

## 5.6 DEVOLUTION OF SOCIAL SECURITY BENEFITS

Following on from the Smith Commission's recommendations, The Scotland Act 2016 devolves further powers to the Scottish Parliament and Scottish Government relating to control over a range of Welfare Powers.

The regulations set out a timetable for the devolution of Welfare Powers including the ability to:-

### From 5<sup>th</sup> September 2016

- Create new benefits in devolved areas,
- Top up reserved benefits (such as Universal Credit, Tax Credits and Child Benefit)
- Make discretionary payments and assistance
- Change employment support
- Make changes to Universal Credit for the costs of rented accommodation
- Make changes to Universal Credit on the timing of payments and recipients

### From 1<sup>st</sup> April 2017

- Make discretionary housing payments

In March 2016 Scottish Government published their paper, A New Future for Social Security in Scotland followed by a 13 week consultation exercise to help develop the Social Security legislation and inform Scottish Social Security service delivery design. Dundee City Council formally responded in full to that consultation at

[https://consult.scotland.gov.uk/social-security/social-security-in-scotland/consultation/view\\_respondent?show\\_all\\_questions=0&q\\_text=Dundee+City&uuld=110216541](https://consult.scotland.gov.uk/social-security/social-security-in-scotland/consultation/view_respondent?show_all_questions=0&q_text=Dundee+City&uuld=110216541)

The consultation covered a wide range of subject matter including embedding a principled approach within the legislation, Operational Policy and the devolved benefits (Disability Benefits, Carers Allowance, Winter Fuel and Cold Weather Payments, Funeral Payments, Sure Start Maternity Grant, Discretionary Housing Payments, Job Grant and Universal Credit flexibilities)

The proportion of the Scottish Social security budget that will devolve to Scotland amounts to only £2.7 billion or 15% of the total £17.5 billion spent in Scotland each year.

The Scottish Government are looking to introduce primary legislation to the Scottish Parliament by June 2017, influenced by the views of stakeholders who took part in the consultation exercise.

In January 2017 the Scottish Government began an eight week consultation exercise on Universal Credit (Claims and Payments)(Scotland) Regulations following the devolution of powers to make such regulations by the Scotland Act 2016. The flexibilities are being progressed to make it easier for people to manage their Universal Credit payments. The draft regulations cover two flexibilities:-

- Having the option of being paid Universal Credit twice a month rather than monthly; and
- Having the option of any Universal Credit housing element being paid direct to landlords.

These changes are intended to provide more choice and control over Universal Credit payments.

## 5.7 FOOD BANKS

Use of foodbanks in Dundee remains high and continues to be a lifeline for many, mainly as a result of benefit delays and changes but also as a result of general low incomes and increases in the cost of living. Welfare Reform measures such as the introduction of Universal Credit and DLA to PIP



reassessment have contributed to the need for higher numbers of foodbank referrals as have the Concentrix tax credit problems experienced by many claimants in summer 2016.

Everyone referred to a foodbank will have been referred by a frontline professional agency such as Council Advice Services, Maxwelltown Information Centre or the Citizens Advice Bureau.

Between January and December 2016 Dundee's Trussell Trust Foodbank gave 4641 three day emergency food supplies to people in crisis compared to 4259 in the same period in 2015. Of the 8037 people who benefitted from a food parcel, 5569 (69%) were adults and 2468 (31%) were children within those households.

In late 2016 the trustees of Dundee's Trussell Trust Foodbank took the decision to offer FUEL BANK™ vouchers to help those with gas or electric pre-payment meters who have been referred for a food parcel. The scheme started in Dundee on 1st November 2016 and as of 28th December 2016 had seen a doubling of those presenting for food parcels since the scheme began. Recipients can receive up to 3 FUEL BANK™ vouchers in each 6 month period (The value of each voucher is £49 in winter and £40 in British Summer Time).

Between April and October 2016 Dundee's Taught By Mohammed Foodbank delivered 565 emergency food parcels to people in crisis compared to 541 in the same period in 2015.

Council Advice Services met with the Trussell Trust and Taught By Mohammed in summer 2016 and December 2016 to discuss better partnership working between the advice sector and Foodbanks. This has now led to a commitment to explore linking the FUEL BANK™ voucher scheme to Dundee Energy Efficiency Advice Project (DEEAP) for more effective fuel poverty advice and assistance.

The Poverty Alliance have contacted several councils across Scotland, including Dundee, to discuss a new project being developed by Oxfam, the Poverty Alliance, Child Poverty Action Group and Nourish Scotland and funded by the Big Lottery Fund.

The project looks to bring lasting change to those suffering food insecurity and develop a strategic approach to food insecurity in each local authority area where the project operates. This links directly with the Dundee Fairness Commission's Action Plan at 5.15 that seeks to Organise and run an action learning pilot on the experience of foodbanks in Dundee in collaboration with the Poverty Alliance

## **5.8 SANCTIONS**

The Department for Work and Pensions (DWP) can apply sanctions to various benefits if they believe individual claimants have not met the rules for claiming. A sanction means that benefit will be stopped or reduced for either a fixed or open-ended period of time.

Sanctions are used most often to enforce the work-related conditions that can be applied to benefits such as jobseeker's allowance (JSA) and employment and support allowance (ESA).

In relation to referrals for benefit sanctions (the partial or total withdrawal of a person's income), the decision to apply a sanction in Dundee City was at 56% in June 2015 and 60% in June 2016. The decision not to apply a proposed sanction increased from 32% to 41% over the same period.

Since September 2014 the decision not to apply a proposed sanction has shown a steady increase from a starting point of 25% to its last reported rate of 41%.

During the period June 2015 to June 2016 there were 1,660 JSA sanction decisions made for residents of Dundee City. The figure ranged from 164 sanctions in June 2015 to 116 in June 2016. In Scotland overall the figure ranged from 3,577 in June 2015 to 1,981 in June 2016. By way of comparison through the period September 2014 to September 2015 there were 3,249 JSA sanction decisions made for residents of Dundee City. Contrasting these two 13 month periods it is clear that there has been a considerable reduction in the frequency of sanctions made within Dundee City. The 2015-16 figures represent a 49% reduction in the number of sanctions from the 2014-2015 period quoted above.

Reductions in sanctions within Dundee City can be attributed to multiple factors including the work of highlighting the problem by the Fairness Commission, politicians and the media as well as work on the ground by local advice services, support groups and the third sector. Locally there has also been an excellent good working relationship between the DWP and various Council led partnership working groups that have led to DWP and their work programme partners reviewing the quality of sanction referrals and the consistency of decision making referrals. However agencies at a local level will continue to monitor the impact of sanctions at a local level, especially where vulnerable claimants' health and wellbeing are put at risk as a result.

## **5.9 CO LOCATION & GP SURGERIES**

In January 2015 Dundee City Council's Welfare Rights Section began testing alternative models of service delivery within Dundee GP practices aimed at engendering an early intervention approach

The model undertaken in Dundee was based on one that has successfully operated within Edinburgh City since 2002 whereby staff are co-located within GP surgeries each week. Dundee have expanded the model to include access to medical evidence in all surgeries in order to better support applications and mandatory reconsiderations for sickness and disability benefits such as Employment and Support Allowance (ESA), Disability Living Allowance (DLA) and Personal Independence Payment (PIP).

Patients at these practices can be referred by their GP or health professional to an experienced Welfare Rights Officer or can self-refer via reception staff within each practice. Patients are given confidential appointments with their practice Welfare Rights Officer through the practice appointments booking system as standard.

Where appropriate, practice Welfare Rights Officers can directly access individual patient medical records to support that person's ESA, DLA or PIP application. The patient must give express permission for their records to be used in this way, overcoming any data protection issues.

Dundee City Council's Welfare Rights Officers are now co-located within 4 practices within Dundee (Taybank, Lochee, Wallacetown and Douglas) and partner agency Brooksbank Centre and Services are now co-located within The Crescent practice in Whitfield.

Early indications show that claimant benefits of up to £38 can be generated for patients in extra welfare benefits for every £1 spent on Welfare Rights Officer staff time in practice.

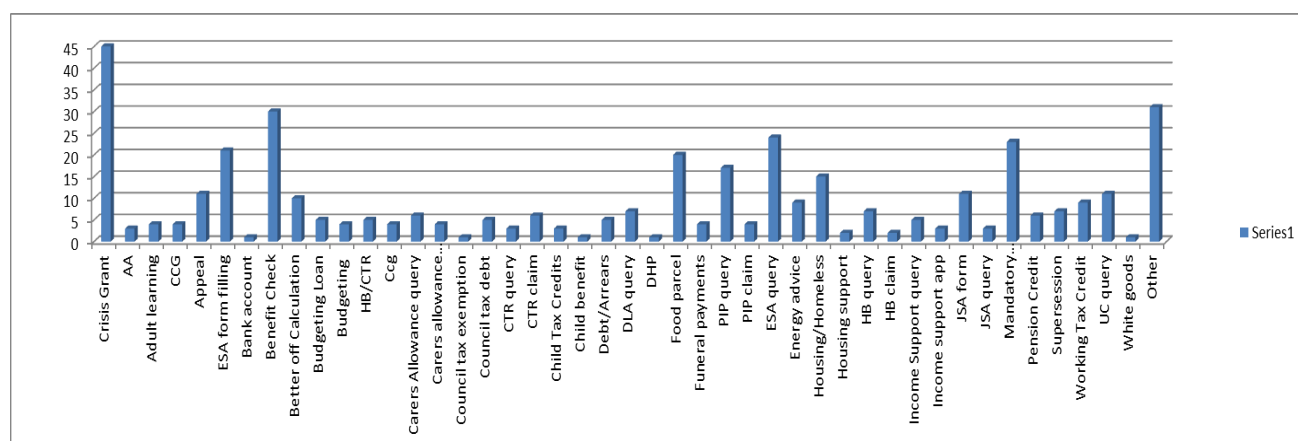
In addition a Social Return on Investment (SROI) Report has been published in January 2017 on the Co-location of Welfare Rights Advice in GP Practices. The SROI has been undertaken by the Improvement Service and has examined the impact of the service in both Dundee and Edinburgh. SROI is a method for measuring and communicating a broad concept of value that incorporates social, environmental and economic impacts. It is a way of accounting for the value created by co-locating advisors in GP practices and the contributions that made this activity possible. It is also the story of the change affected by the activity, told from the perspective of stakeholders – in this case patients, GP's, practice staff, advisors and funders. The results suggest that for every £1 invested in the project this has generated a social return of up to £50.

Council Advice Service staff started co-location in the Wellgate Jobcentre Dundee on 29 February 2016 in an order to provide independent advice, support and assistance for jobseekers for 5 half days per week alongside the service provided by Jobcentre work coaches. As a result earlier intervention has been possible where jobseekers faced issues relating to their jobseekers agreement or claimant commitment or where there has been an underlying health issue that may attract a benefit entitlement. Additionally Council Advice staff have been able to intervene or advocate on behalf of claimants as well as referring on for further advice from the wider Council Advice Services Team. There were 341 referrals during the period 29<sup>th</sup> February 2016 – 4<sup>th</sup> November 2016. Many of these had multiple queries, resulting in 403 different queries.

DWP staff and managers have been extremely positive about the service offered and there has been a steady increase in referrals from work coaches to the point that there is rarely a day where no referrals from work coaches are received by advice staff. Good relationships have built up with work coaches

although advice staff have been careful to retain independence and ensure that we deliver client focused support in all cases.

A wide range of issues have been identified including adult learning, crisis intervention, Scottish Welfare Fund support, appeals, income maximization, budgeting, carers benefits and support, housing benefit entitlement, ESA, Food Parcel, PIP and Tax Credits



## 5.10 ESA ABOLITION OF WORK RATE COMPONENT

ESA is an "income replacement" benefit for people who have a health condition or disability which limits their ability to work. As of February 2016 there were around 2.4 million ESA claimants in the UK, including 450,000 in the Work-Related Activity Group.

There are two forms of ESA: contributory ESA, for those with a sufficient National Insurance contribution record and income-related ESA, which is means-tested.

Income-related ESA will be replaced by Universal Credit; contributory ESA will remain as a separate benefit. The Government currently expects the introduction of Universal Credit to be fully complete by 2022.

A person must undergo a Work Capability Assessment to be eligible for ESA. There are three possible outcomes of a Work Capability Assessment:-

- a claimant is found "Fit for Work" and may instead apply for JSA or Universal Credit;
- a claimant is placed in the "Work-Related Activity Group" (WRAG) and must undertake "work related activity";
- a claimant is placed in the "Support group" and not required to take part in any work-related activity.

Following the assessment, successful ESA claimants receive a standard rate plus an additional amount. The standard rate of ESA is currently £73.10 a week, plus either: £36.20 for claimants in the Support Group, or; £29.05 for claimants in the Work-Related Activity Group. These additions are known as the Support Component and the Work-Related Activity Component, respectively.

The Welfare Reform and Work Act 2016 legislated for the abolition of the Work-Related Activity Component (WRAC) of ESA for new claimants from April 2017. Based on 2016-17 rates, this equates to a reduction of £29.05 a week for claimants in the Work-Related Activity Group (WRAG) and aligns the rate of payment with those claiming Jobseeker's Allowance (2017-17 rate: £73.10 per week) Those already getting the WRAC will continue to receive it. Existing claimants will not be affected, while there will be protections for those who may move into the WRAG or Universal Credit equivalent from the Support Group.

The changes were introduced to “remove the financial incentives that could otherwise discourage claimants from taking steps back to work”. £640 million a year of savings were initially forecast by 2020-21; this was later revised to £450 million a year.

The changes were widely criticised by disabled charities. The idea that the WRAC incentivises claimants to not look for work has been particularly disputed.

Alongside the changes to the WRAC was an announcement to provide “new funding for additional support to help claimants return to work”. The Government has since announced a series of measures and funding to deliver this, including;

- £60 million per year rising to £100 million per year for practical employment support, including an additional £15 million in 2017-18 directed at the local Jobcentre Plus Flexible Support Fund, to be set aside specifically for those with limited capability to work
- A task force, including representatives of disability charities and organisations has been set up to advise on how best to use the £60-100 million. DWP and the Department of Health set out their own vision for this funding in the 2016 Green Paper “Improving Lives”
- £43 million has been allocated to trial ways of providing specialist support for people with common mental health problems between 2017/18 and 2019/20
- from April 2017, the 52 week limit for permitted work for those in the WRAG will be removed, with the justification cited that this will increase work incentives. Currently ESA WRAG claimants can work up to 16 hours per week and earn £107.50 per week under these rules and keep their benefit for up to 52 weeks only.

## **5.11 EMPLOYABILITY**

The roll out of Universal Credit (UC) and the ongoing Welfare Reform agenda will result in a wider constituency of benefit recipients being required to engage in some kind of work related activity.

In response to this future need Integrated Neighbourhood Service Pilots are being delivered in Mid Craigie and Whitfield. The purpose of the pilots are to proactively encourage people that do not currently use services to engage in employability activity through offering a holistic, multi-agency package of support focused on progression towards and into work.

Council services continue to develop a more integrated approach to supporting the employability agenda. Out with the pilot areas the Council’s Employability Programme Support Team has become increasingly focused on moving closer to communities and engaging people where they live through closer working with Community Learning and Development. The decision to deliver employability financial capability and debt advice services in house will also support the ambition to better integrate Council services.

The roll out of UC will require people in work but still in receipt of benefits to increase their hours or their hourly rate of pay. The Tay Cities Deal offers the potential to develop and resource innovative approaches to supporting people with in work progression and a strategic Outline Case has been included in the Tay City Deal proposals within the Inclusive Growth theme.

## **5.13 ADULT LEARNING**

Dundee City Council, in partnership with Jobcentre Plus, have been working in partnership to develop digital literacies skills for people affected by the move to Universal Credit and online benefit systems.

IT4 Work groups are available in all Community Regeneration areas across the city with people being referred through Jobcentre Plus, other service providers or via self-referral. In the past year 492 people accessed these groups which include setting everyone up and registering them with Universal Job Match access at their first class and then developing their IT skills to enable them to claim benefits online and search for jobs.

In addition, community job shops are operated in community venues across Dundee’s regeneration. These job shops provide people with support in becoming job ready and are targeted at those furthest

removed from work. They look at the skills people require to help them move from benefits into work and in addition help support their IT skills. This has resulted in 118 people moving into employment

#### **5.14 SCHOOL CLOTHING GRANTS**

The Education (Scotland) Act 1980 gives the education authority a duty to make provision of the clothing of pupils who would otherwise, be unable to take full advantage of the education provided at schools under its management. Local authorities are responsible for setting the criteria for allocating grants, for deciding the grant amount and for the application process.

In Dundee, assistance with school clothing can be claimed if a parent is in receipt of any one of the following:-

- Income Support
- Income based Job Seekers Allowance
- Income Related Employment Support Allowance
- Child Tax Credit only with an income of less than £16,105 (as assessed by HMRC)
- Universal Credit (UC)
- Support under Part VI of the immigration and Asylum Act 1999
- Housing Benefit (HB)
- Council Tax Reduction (CTR)
- If the claimant is 16 to 18 years old and receive any of these benefits in their own right.

In August 2015 the Council agreed to increase the School Clothing Grant funding to £81.00 per application irrespective of when the application is received during the financial year. This was a significant increase on the prior policy of £45.00 for primary age pupils and £50.00 for secondary age pupils.

Since November 2015 the responsibility for the administration of School Clothing Grants was transferred to the Customer Services and Benefits Delivery Team. This team is now a single point of contact for a range of financial assessments which gives various advantages including efficiency of service delivery, sharing of information, and importantly reducing the number of times customers must provide the same information along with significant improved service delivery resilience.

The administration of School Clothing Grants by the Customer Services and Benefits Delivery Team has also reduced the need for most parents to reapply for Free School Meals and Clothing Grants every year. Where families currently receive HB or CTR and any of the qualifying benefits, they will automatically be reassessed. Families who do not need to reapply will receive a letter confirming their entitlement to Free School Meals and Clothing Grants.

As at 31 December 2016, 6234 Clothing Grant awards with a value of £504,964.00 had been made to qualifying households.

#### **5.15 FREE SCHOOL MEALS**

From Primary 4 onwards parents are required to apply for free school meals.

Free School Meals are available to all pupils whose parents receive:-

- Income support
- Income based Job Seekers Allowance
- Income related Employment Support Allowance
- Universal Credit
- Support under Part VI of the immigration and Asylum Act 1999
- Child Tax Credit only with an income of less than £16,105 (as assessed by HMRC)
- Child Tax Credit & Working Tax Credit with an income of less than £6,420 (as assessed by HMRC)

As noted in point 3 above, Free School Meals are administered by the Customer Services and Benefits Delivery Team this provides a single point of contact for customers and ensures information sharing for

various entitlements, meaning the customer only has to provide the relevant information once. This also maximises take up.

As at 31 December 2016, there are currently 3532 primary 4 and upwards pupils receiving free school meals.

## **5.16 EDUCATIONAL MAINTENANCE ALLOWANCE (EMA)**

The EMA programme forms part of the Scottish Government's agenda of encouraging access and participation in post-16 learning and is aimed at young people from low income families. The intention is to encourage pupils to stay on at school once their compulsory education has ended. Recipients will normally be aged between 16 and 19 years (inclusive)

An EMA can be paid to a young person whose household income is:-

- Less than £24,421 per year for families with one dependent child or
- Less than £26,884 per annum for families with 2 or more dependant children.

Some Students attending college full time may also be eligible.

EMA is a Weekly allowance of £30.00 payable to young people who have achieved 100% attendance per week. It is payable in arrears and generally on a 2 weekly basis.

This service is also administered by the Customer Services and Benefits Delivery Team and currently we are assisting 523 young people to stay on at school.

## **5.17 TRIBUNAL REFORM**

Tribunals are a key part of the legal system, protecting people from potentially unfair treatment in a range of specialist areas such as support for learning, health, land and housing.

Many different tribunals operate in Scotland, dealing with numerous and varied issues. Some deal with devolved matters such as mental health whilst others cover issues reserved to the UK Government such as social security and child support.

Since 2008 The Scottish Government have been developing, and are now implementing legislation to reform the devolved tribunals system, making it more understandable and more user-friendly.

The Tribunals (Scotland) Act 2014 set up a streamlined two-tier structure for tribunals that are devolved to, or created by, Acts of the Scottish Parliament, under the judicial leadership of the Lord President. The Act also created a new post, the President of the Scottish Tribunals, to assist the Lord President in their role and to protect the expertise of each jurisdiction and ensure that business runs smoothly. In addition, the Act places a duty on the Judicial Appointments Board for Scotland to make recommendations to the Scottish Ministers for new tribunal appointments.

In April 2015 the Scottish Tribunal Service (STS) and the Scottish Court Service (SCS) merged to become the Scottish Courts and Tribunals Service.

Responsibility for managing reserved tribunals in Scotland will be transferred to the Scottish Courts and Tribunals Service as part of the implementation of the Scotland Act 2016 and the Scottish Government will be responsible for deciding how those tribunals are managed in future.

However in September 2016 a UK Government Ministry of Justice paper entitled "Transforming our justice system: summary of reforms and consultation" presented a vision for the future of Her Majesty's Courts and Tribunal Service (HMCTS) who are currently responsible for managing reserved tribunals in Scotland. Within this paper recommendations relating to tribunals included:-

- Streamlining procedures and putting entire services online where possible
- Reducing the number of oral hearings and moving to judges making decisions based on written representations, telephone or video conferencing

- Digitising the Social Security and Child Support Tribunal with an end-to-end digital process that aims to be faster and easier for people that use it.
- Simplifying panel composition and revising current historical arrangements. In social security cases this may make single member panels the default position and reduce the numbers of non-legal members (including disability panel members) sitting on tribunals relating to illness or disability.

A consultation process was launched on 15th September 2016 and closed on 10th November 2016. It is anticipated that the Scottish Government may wish Scotland to be wholly exempted from the recommendations within the 2016 UK Government Ministry of Justice paper due to concerns over digitalisation of tribunals.

Many current reserved tribunal responsibilities will transfer to the Scottish Tribunal system as a result of the implementation of the Scotland Act and the devolution of particular social security benefits. It is as yet unclear as to the timing of the transfer of responsibility for managing Social Security tribunals relating to the devolved welfare powers.

## **6.0 POLICY IMPLCATIONS**

- 6.1** This report has been screened for any policy implications in respect of sustainability, Strategic Environmental Assessment, Anti- Poverty, Equality Impact assessment and Risk Management.

Impact Assessment and Equality Impact Assessment on the Welfare Reform Act 2012 have been carried out by the Department for Work and Pensions.

<https://www.gov.uk/government/organisations/department-for-work-pensions/series/welfare-reform-act-2012-impact-assessments>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf)

## **7.0 CONSULTATIONS**

- 7.1** The Chief Executive, and Head of Democratic and Legal Services have been consulted in the preparation of this report.

## **8.0 BACKGROUND PAPERS**

None

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26 JANUARY 2017

