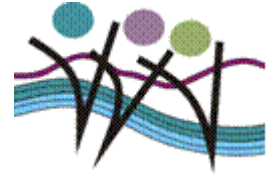


Orkney Community Planning Partnership

Welfare Reform Working Group

Welfare Reform Update No 10 – October 2013



1. Introduction

- 1.1 The Welfare Reform Working Group was set up in August 2012 under the Orkney Community Planning Partnership to discuss the implications of the Government's welfare reforms.

2. Welfare Reform Updates and Website Presence

- 2.1 As well as providing the group with regular Welfare Reform progress updates the Council's website acts as single source of information and links on all aspects of welfare reform - and can be accessed at <http://www.orkney.gov.uk/Council/C/welfare-reform.htm>

3. Universal Credit

- 3.1 Initially due to be rolled out nationally from October 2013. This will no longer happen and a further six pathfinder sites have instead been deployed.
- 3.2 The Department for Work and Pensions (DWP) is reconsidering the timing of full roll-out and it is a possibility that to keep to the 2017 completion date they will have to migrate a large volume of claimants within a short time frame.
- 3.3 Universal Credit pathfinder systems have limited IT functions and do not allow claimants to change details of their circumstances online as originally intended.
- 3.4 The National Audit Office has noted that the DWP will need to revise the programme's timing and scope, particularly around online transactions and automation; and that delays to roll-out may reduce the expected benefits of the reform.
- 3.5 Risks and Challenges:
 - 3.5.1 Uncertainty over rollout schedule and dates that will have an impact locally;
 - 3.5.2 Provision of and access to online facilities; provision of face-to-face advice; provision of financial and budgeting advice to claimants remain key issues.
 - 3.5.3 Developing the Universal Credit Local Service Support Framework (LSSF) to help claimants make and manage Universal Credit claims and prepare for work. The Government's intention is now to produce a fully updated LSSF document in autumn 2014 that will provide definitive baselines to allow local authorities to plan their services for the 2015 to 2016 financial year.

4. Housing Benefit – under-occupancy reductions (bedroom tax)

- 4.1 Around 100 tenants in Orkney affected by reductions in Housing Benefit (HB) at any one time. Due to changing circumstances approximately 130 to 140 tenants have been affected at some point during 2013/14 – an overall reduction in HB of £60k in Orkney during 2013/14.
- 4.2 Discretionary Housing Payments (DHP) are aimed at providing assistance to tenants affected by the under-occupancy reductions in HB. A highly political issue, with the DHP funding allocated to Orkney changing 3 times in 2013/14.
 - 4.2.1 Initial DWP funding of £27k, topped up in July to £64k and a further £95k in October 2013 from the Scottish Government. Total fund is now £159k for 2013/14 – whilst this more than covers demand in relation to under-occupancy, the additional funding from the Scottish Government is very welcome as it can also be used for the many other funding pressures associated with Welfare Reform.
 - 4.2.2 2014/15 DWP funding not yet announced but Scottish Government have committed a further £95k, which should cover demand relating to under-occupancy. However, as stated there are other pressures relating to Welfare Reform which will require continued funding.
- 4.3 Risks and Challenges:
 - 4.3.1 Challenge to ensure all Orkney tenants do indeed apply for DHP.
 - 4.3.2 Mixed message being sent to tenants – to consider moving or not, particularly as DHP funding should secure the shortfall in HB for 2013/14 and 2014/15.
 - 4.3.3 There have been several appeals in Scotland that have successfully challenged what constitutes a bedroom. This has not changed DWP policy but is a concern for Housing Authorities in the classification of bedroom sizes.
 - 4.3.4 Effect on housing policies and availability of suitable accommodation.
- 4.4 The Convention of Scottish Local Authorities (COSLA) has been invited to give evidence to the Scottish Parliament Welfare Reform Committee on 12 November 2013 along with the Govan Law Centre, the Scottish Federation of Housing Associations and the Chartered Institute of Housing.
- 4.5 COSLA is concerned about the lack of synergy with the bedroom tax/ spare room subsidy policy with the direction of housing policy and the availability of one and two bedroom properties; and a recognition that short term responses through DHP are an inappropriate response to a policy which is fundamentally ill- conceived.
- 4.6 The UK Government is undertaking an independent review on the impact of the policy. COSLA has made the point that a two year review will not address the immediate and evidenced concerns that they have.

- 4.7 The Scottish Government is currently consulting on the prevention of social landlords from using rent arrears caused by HB under-occupation deductions in eviction actions.
- 4.8 Lawyers representing adults and children with disabilities who are challenging the Government's 'Bedroom Tax' have been granted permission to take their fight to the Court of Appeal after losing their High Court challenge in July this year.

5. Council Tax Reduction

- 5.1 The UK Government abolished Council Tax Benefit (CTB) from April 2013. In Scotland it has been replaced with Council Tax Reduction (CTR) which mainly replicates previous regulations. However, it is a reduction in Council Tax and is not a benefit.
- 5.2 Since April 2013 there has been a 7% drop in the number of applicants in Orkney.
- 5.3 A national Council Tax Reduction Review Panel has now been set up to hear appeals. It is an independent body which is an addition to the Scottish Tribunals Service.

6. Scottish Welfare Fund

- 6.1 The Scottish Welfare Fund (SWF) started on 1 April 2013 to make payments of Crisis Grants (CG) and Community Care Grants (CCG).
- 6.2 Administered by the Council and initially set up for a two year interim period to April 2015. Indications are that the scheme may be made permanent.
- 6.3 Community Care Grant Fund available of £48k in 2013/14 of which Orkney has awarded £22k in first 6 months. Crisis Grant Fund available of £8.5k in 2013/14 of which Orkney has allocated £1k in the first 6 months. Funding to remain at same levels in 2014/15.
- 6.4 Government estimated the volume of applications for Orkney in 2013/14 may be in the region of 230 per annum – actual numbers in first 6 months are 104.
- 6.5 Nationally, there are concerns over relatively low levels of expenditure against the availability of funding. Orkney is presently amongst the top 5 Scottish Councils on percentage of awards for the first 6 months. Awareness remains a relevant issue.

7. The Benefit Cap

- 7.1 The Benefit Cap restricts the amount of benefits that someone can receive to £500 per week for couples (with or without children) and lone parents; and £350 per week for single adults with no children.
- 7.2 Orkney has 3 benefit claimants, including 14 children, who have been affected by Cap, ranging from £42 to £145 per week.

8. Concessionary Schemes and “Passported Benefits”

- 8.1 Many working age benefits are being, or have been, abolished in their current form as part of the welfare reforms and the move to a single payment of Universal Credit. Some of these benefits - for example, Income Support - forms the basis of entitlement (or concessions) to other services such as free school meals – and is referred to as a “pass-ported benefit”.
- 8.2 The introduction of Universal Credit – combining several former passported benefits - has raised uncertainty over how it will interact with concessionary schemes. There is no clear central government guidance or solution to this issue at present
- 8.3 The Council is concerned about the lack of clarity in relation to concessionary schemes and is actively looking at ways of implementing interim measures.

9. Personal Independence Payments

- 9.1 From April 2013 Personal Independence Payments (PIP) replaced Disability Living Allowance (DLA) for everyone of working age – being phased in over the period 2013 to 2018.
- 9.2 Concerns are being raised locally about the length of time that new applications are taking to be processed.

10. State Pension Reforms

- 10.1 In January 2013 the government announced reforms of the state pension from April 2017 when a new flat-rate state pension may start.
- 10.2 The weekly payment will be £144, plus inflation rises between now and 2017. Presently the full state pension is £107.45 a week, but can be topped up to £142.70 with pension credit, and by the state second pension.

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