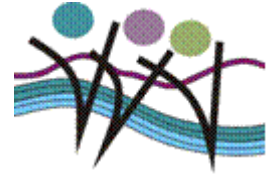


**Orkney Community Planning Partnership  
Welfare Reform Working Group  
Welfare Reform Update No 11 – January 2014**



**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 Was initially due to be rolled out nationally from October 2013 and to be completed by 2017.
- 3.2 In December 2013 the Department for Work and Pensions (DWP) confirmed that there have been delays in the rollout schedule. They now advise that Universal Credit (UC) will be fully available in each part of Great Britain during 2016, having closed down new claims to the benefits it replaced. As a result, the service will go live in all local authority areas during 2016, with the majority of the remaining caseload moving to Universal Credit during 2016 and 2017.
- 3.3 Previously, it was planned that pension age Housing Benefit claimants would move to Pension Credit in each area, at the same time as working age claimants moved to UC. However, plans to include housing costs in Pension Credit have been put on hold whilst the government introduce single tier pensions. This means that Councils will continue to run Housing Benefit services for pension age customers to at least 2017/18.
- 3.4 In November 2013 the Guardian newspaper published an article in relation to an unpublished DWP research paper on the costs of equipping benefit claimants with the digital and financial skills to use the government's new universal credit welfare system – thought likely to cost hundreds of millions of pounds. Whilst not providing an official comment the article provides some background information that may be of interest - <http://www.theguardian.com/society/2013/nov/21/universal-credit-benefit-training-cost-millions>
- 3.5 Housing costs will be included in the Universal Credit payment and as such will be paid direct to the claimant. The government recognises that some claimants will

need extra support and alternative payment arrangements including a managed payment of the Universal Credit housing element to the landlord can be considered in some cases to help protect tenancies. More details can be accessed from the Council's website at <http://www.orkney.gov.uk/Council/C/universal-credit.htm>

- 3.6 With the full implementation of Universal Credit being delayed, including direct payment of housing costs to the tenant, the government are indicating that they may allow direct payment of Housing Benefit to all tenants ahead of UC.
- 3.7 Risks and Challenges:
  - 3.7.1 Provision of and access to online facilities; provision of face-to-face advice; provision of financial and budgeting advice to claimants remain key issues.
  - 3.7.2 Developing the Universal Credit Local Service Support Framework (LSSF) to help claimants make and manage Universal Credit claims and prepare for work. The UK 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. The resourcing of LSS remains to be clarified, with continuing discussions on the likely costs of delivery which are expected to be funded by the DWP

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

- 4.1 Around 100 tenants in Orkney are 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. The total DHP fund for 2013/14 is £68k, of which £62k has already been awarded as at 31 December 2013.
- 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 by changing national policies – to consider moving or not, particularly as DHP funding should secure the shortfall in HB for 2013/14 and 2014/15.
  - 4.3.3 Effect on housing policies and availability of suitable accommodation.

## **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 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 This scheme is 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 The total Community Care Grant Fund available in Orkney is £48k in 2013/14 of which Orkney has awarded £29k in first 9 months. The total Crisis Grant Fund available in Orkney is £8.5k in 2013/14 of which Orkney has allocated £1.6k 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 9 months are 138.
- 6.5 Nationally, there are concerns over relatively low levels of expenditure against the availability of funding. Orkney is not in this category, being presently amongst the top 6 Scottish Councils in relation to the percentage of awards granted for the first 8 months.

## **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 - form the basis of entitlement

(or concessions) to other services such as free school meals – and is referred to as a “passported 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 Although all new claimants have to apply for PIP the process of transferring existing DLA claimants onto PIP has been generally delayed until October 2015.

## **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.

## **11. Single Fraud Investigation Service (SFIS)**

- 11.1 The DWP has confirmed that SFIS will be launched within DWP as a single organisation and implementation will commence in 2014. DWP will start discussions with each Council around 4 months before the changes will take effect.
- 11.2 The DWP are also looking at investing in local government's capacity to tackle non-welfare fraud. This package of support will include extra funding over 2014-15 and 2015-16 which will be able to support new fraud investigator posts in councils focussed on tackling corporate fraud

Document prepared 3 January 2014