

**Orkney's Social Security/ Welfare Reform and Anti-Poverty Strategy and
Action Plan 2016- 2018**

Date	Issue	Sections revised	Status	Distribution
05/01/15	V1		Consultation	OIC members of WRWG (for factual additions)
13.5.16	V2	Membership of Working Group updated	Final Draft	SMT
17.5.16		SMT approved version		
17.8.16	V3	Update following publication of the consultation on social security in Scotland for devolved powers.		
1.9.16	V4		Version agreed by SS and WRWG	SS and WRWG/CMT

**Orkney's Social Security/ Welfare Reform and Anti-Poverty Strategy and
Action Plan**

1. UK Government's Welfare Reform

1.1 In June 2012, the Orkney Community Planning Partnership approved the formation of a multi-agency Welfare Reform Working Group, the membership of which is listed at Appendix One. The purpose of this group is to consider and address the local impacts of national changes arising from the UK Government's Welfare Reform Act 2012 which made changes to the rules concerning a number of benefits offered within the UK social security system. The Act was introduced as part of the programme of austerity with the aim of improving work incentives and simplifying the benefits system whilst at the same time reducing the amount of welfare spending in the UK.

1.2 The 6 main changes to the Act include the introduction of:

- Housing Benefit Under Occupancy in the social rented sector;
- Council Tax Support Scheme;
- Benefit Cap;
- Personal Independence Payments;
- Changes to the Social Fund; and
- Universal Credit.

- 1.3 **Under Occupancy in the social rented sector** – was introduced on 1 April 2013. This affects around 160 working aged social tenants in Orkney, whose Housing Benefit is reduced by 14% if they are considered to have one bedroom surplus to their requirements and 25% if they have two or more bedrooms considered surplus. The Scottish Government has mitigated this to date and will take additional measures to abolish the spare room subsidy through the new Social Security system for Scotland.
- 1.4 **Council Tax Reduction Scheme** – was introduced on 1 April 2013 and replaced Council Tax Benefit. In Scotland the administration of the new scheme mirrors that of the previous Council Tax Benefit. In addition the UK Government's Department of Work and Pensions (DWP) administration funding for the scheme has been removed to reflect this is no longer part of Social Security Regulations. Reduced administration funding is instead being received from the Scottish Government.
- 1.5 **Benefit Cap** – places a maximum amount that a claimant can receive in total from State Benefits, Tax Credits and Housing Benefit. The current limit is £350 per week for a single person and £500 a week for a couple with children or a single parent, From April 2016 it is expected that the level of Benefit Cap will be reduced to £258 a week for a single adult and £385 for a couple with children or a single parent. The original introduction of the Benefit Cap in Orkney has affected a small number of families. It is anticipated that a greater number of people will be affected from April 2016. Jobcentre Plus will provide further details on the numbers affected. The Council and other agencies continue to support affected households.
- 1.6 **Personal Independence Payments (PIP)** – replaces Disability Living Allowance (DLA). Application for new claims began in Orkney in 2013, with the DWP decision making process originally taking around 6 months to complete. Following representations from the Orkney Welfare Reform Working Group, timescales have improved on the whole, although some claimants still have to wait several months for assessments. This is being closely monitored. As a result of the Scotland Act 2016 the Scottish Government will receive powers over Personal Independence Payments and new arrangements will be put in place.
- 1.7 **Changes to the Social Fund** – replaced in Scotland by the Scottish Welfare Fund which provides community care and crisis grants.
- 1.8 **Universal Credit (UC)** – replaces the main out of work benefits, including Income-based Jobseekers' Allowance, Income Related Employment and Support Allowance, Income Support, Housing Benefit, Child Tax Credits and Working Tax Credits. As part of the DWP's phased roll-out of UC, from May 2015, all new single adults requiring social security claimed UC. The number of claimants being processed through UC is significantly higher than anticipated by the DWP. Original estimates for 2015/16 were 15-20 claimants, with current projections now at between 60-70 claimants. Services are in place to support this number at present.

- 1.9 A publication by the Scottish Government's Welfare Reform Committee indicates that the reduction of benefits in Orkney relating to the pre-2015 Welfare Reforms amounted to £5m per year, with an estimated reduction of £340 per year per working age adult (The Impact of Welfare Reform on the Scottish Labour Market, 2015).

2. Scotland's social security system for devolved powers

- 2.1 As a result of the Scotland Act 2016 the Scottish Government will receive powers over 11 existing disability and caring benefits including Disability Living Allowance, Personal Independence Payment, Carers Allowance as well as control over funeral payments, Sure Start Maternity grants and cold weather and winter fuel payments. It will also receive the power to top-up and create new benefits and will have several flexibilities to alter the way in which Universal Credit is paid by Department for Work and Pensions.
- 2.2 The Scottish Government has proposed that a new Scottish social security agency will be set up to oversee the administration of the devolved social security payments, worth £2.7 billion, following the introduction of a Social Security Bill in the 2016/17 parliamentary session.
- 2.3 The Scottish Government has already confirmed it will use its new powers to:
- 2.3.1 Increase Carer's Allowance to the same rate as Jobseeker's Allowance;
 - 2.3.2 Abolish the spare room subsidy;
 - 2.3.3 Introduce flexibilities around how Universal Credit is paid, including giving people the choice to be paid twice monthly and direct payments to social landlords;
 - 2.3.4 Abolish the 84 day rule which removes income from the families of disabled children who are hospitalised.

3 Definition of poverty

- 3.1 Poverty is often defined in terms of income. The UK (and Scottish) widely accepted relative poverty threshold is 60% of median household income (House of Commons Library, Poverty in the UK: statistics, McGuinness, 2015).
- 3.2 However, there is a general recognition amongst those concerned with the issue that people's lived experience of poverty is more complex than having a low income, and that there are a range other factors that can contribute to and exacerbate disadvantage. As a result, the terms 'poverty', 'social exclusion' and 'deprivation' are often used interchangeably. The definition of 'poverty' used by the European Commission reflects this broader view:

- 3.3 *“People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.”* (Joint report by the Commission and the Council on social inclusion, Council of the European Union, 2004.)

4 Orkney’s Income Statistics

- 4.1 Orkney enjoys a relatively buoyant economy but is not immune to the difficulties facing remote and rural communities, including some under-employment, low wages, a high cost of living, limited affordable housing, fuel poverty and access to essential services.
- 4.2 Delivering services throughout the islands brings the additional overheads of providing for smaller numbers of customers in some areas, and the extra expenses of ferry /air journeys and overnight stays.
- 4.3 Orkney has a very tight labour market with 91.8% of 16 – 64 year olds being economically active in either training or employment in September 2015 (NOMIS 2015). And although Orkney’s 10 year average of 84.8% is one of the highest figures in the UK it masks the fact that Orkney has a higher than average rate of part time employment at 16.5% compared to the Scottish average of 13.3% (Census, 2011).
- 4.4 Although there is a lack of local research in this area, the median hourly rate of pay in Orkney indicates that it is probable that in-work poverty is an issue. According to Nomis Official Labour Market Statistics, in 2015 the median hourly rate in Orkney was £12.67 compared to Scotland’s average figure of £13.37. Orkney is in twenty third place in the table of statistics for local authorities with East Renfrewshire being the highest at £17.86 and Dumfries and Galloway at the bottom on £11.43. Comparisons with the other islands groups show Orkney with a lower rate than Shetland’s figure of £13.22 but higher than Eilean Siar’s £12.52. Further evidence can be drawn from average incomes. In Scotland the average income is £34,390 (CACI, 2015). This compares to a figure of £29,807 for Orkney. Income bands across Orkney also vary with the average household income for the rural West and East Mainland areas being £31,662 and £34,005 respectively. This compares to an average of £24,905 for Orkney’s outer islands (CACI Paycheck Dataset, 2015) showing that the average wage in Orkney’s islands is 27% less than the Scottish Average. This lower average hourly rate of pay combined with the lower average household income and multiple part time employment, indicates the strong likelihood of in-work poverty. The likelihood increases in the isles due to the higher cost of living and increased part time employment, creating further barriers to inclusion and health equality.
- 4.5 In relation to children, one study shows that 14% of children in Orkney were in poverty in 2014, based on the family’s disposable income after meeting housing costs (the third lowest in Scotland) (Campaign to End Child Poverty, www.cpaq.org.uk).

5 Orkney's Social Security and Welfare Reform Strategy

- 5.1 The current and future impact of the Welfare Reforms set out at section 1, and the information we hold on income levels in Orkney set out at section 3 have potentially serious implications for poverty, exclusion and health inequality for people who live in Orkney. To some extent, the new Social Security system in Scotland, outlined at section 2, will address these inequalities. With the introduction of two separate systems, all agencies will need to work smoothly together to ensure that people are signposted to the right organisation. At a time when public services are addressing reduced government funding, it is critical that essential public services are effectively co-ordinated to support vulnerable individuals and their families. Increased hardship, financial crises and inequality need effective responses and the Social Security and Welfare Reform Working Group has ensured linkage with the interested organisations, developing a range of actions to support its strategy to mitigate these impacts:
- 5.2 Taking a 'cross-Orkney' strategic view of the impact of social security and welfare reform on individuals and service providers in Orkney, sharing information and best practice and ensuring there is no duplication of effort.
- 5.3 Ensuring good communication and signposting to service users and regular briefings to stakeholders.
- 5.4 Keeping a watching brief on new developments including updates to the changes already announced, and ensuring ongoing cross-agency staff training.
- 5.5 Considering how best to meet new statutory duties placed on the Council or other partners as a result of social security and welfare reform, or transfer of existing duties.
- 5.6 Ensuring applications are co-ordinated for external funding for welfare support services.
- 5.7 Taking advantage of any opportunities to share resources, training etc. and co-ordinate as necessary.
- 5.8 Making recommendations to the Community Planning Partnership and/or individual partner agencies as appropriate.

6 Monitoring and reporting the delivery of the strategy:

- 6.1 This strategy is intended as a working document which can be updated on an ongoing basis to ensure the partners respond flexibly to Social Security, Welfare Reform and Anti-Poverty changes, both anticipated and unexpected. The Action Plan is the delivery vehicle for the strategy. Both the strategy and action plan will be shared for noting with the Community Planning Partnership. Engagement and consultation with stakeholder agencies will take place prior to finalising this version.

7. Orkney's Social Security/ Welfare Reform and Anti-poverty Action Plan 2016-2018

NOTE

As the Social Security/ Welfare Reform Working Group has co-ordinated developments since 2012, many of the actions noted in this plan are already underway or are planned through other strategic developments. Their inclusion here is intended to demonstrate the inter-dependencies that exist or will need to develop between existing activities and specific Welfare Reform activities.

Objective	Key actions	Outcome(s)	Timescale	Lead responsibility
1. Take a 'cross-Orkney' strategic view of the impact of Social Security/ welfare reform on individuals and service providers in Orkney, share information and best practice and ensure there is no duplication of effort.	<ul style="list-style-type: none"> share information on need/impact 	Effective, quality, targeted services	Ongoing for period of plan, to 2018	All stakeholders
	<ul style="list-style-type: none"> respond to feedback on need by reshaping services 	Reduced financial hardship	Ongoing for period of plan, to 2018	All stakeholders
	<ul style="list-style-type: none"> develop shared plans for new services 	Reduced health and financial inequalities	Ongoing for period of plan, to 2018	All stakeholders
	<ul style="list-style-type: none"> share service evaluations and customer feedback 		Ongoing for period of plan, to 2018	All stakeholders
	<ul style="list-style-type: none"> shared session with Employability Strategic Group to cross reference action plans, identify any gaps and add to this plan 		Dec 2016	Orkney Islands Council
	<ul style="list-style-type: none"> monitor trends in rent arrears (Orkney Islands Council and Orkney Housing Assoc) and Homelessness targets with exception reporting to Social 		Ongoing for period of plan, to 2018	Housing Operational Group

Objective	Key actions	Outcome(s)	Timescale	Lead responsibility
	Security/ Welfare Reform Working Group;			
	<ul style="list-style-type: none"> monitor trends in respect of fuel poverty in line with the Fuel Poverty action plan; Joint working with other bodies engaged in the reduction of fuel poverty through the Fuel Poverty Action plan and joint discussion with THAW group 		Ongoing for period of plan, to 2016	Fuel Poverty Strategic Group
	<ul style="list-style-type: none"> meet with MP/MSP on a regular basis to share briefings and highlight ongoing issues 		Ongoing for period of plan, to 2018	All stakeholders
2. Ensure good communication and signposting to service users and regular briefings to stakeholders	<ul style="list-style-type: none"> organisations share links with partner websites for benefit of service users 	Service users able to access information to help them access benefits and work opportunities.	Ongoing for period of plan, to 2018	Orkney Islands Council/Jobcentre Plus
	<ul style="list-style-type: none"> other services are signposted by staff within each organisation 	Service users able to access information to help them access benefits and work opportunities. Fuel poverty issues addressed through referral to THAW as appropriate.		All services

Objective	Key actions	Outcome(s)	Timescale	Lead responsibility
	<ul style="list-style-type: none"> Council's housing and homelessness service and OHAL provide a range of specialist housing advice including Alternative Payment arrangements the Council's online housing options guide also includes relevant information. The Council also offers access to computers/ broadband for those who don't own a computer. 	Tenants aware of advice and support	2016	Orkney Islands Council Housing and Homelessness Service and OHAL
	<ul style="list-style-type: none"> information leaflets etc. provide good access for service users 	Service users better informed re opportunities	Complete	VAO/CAB
	<ul style="list-style-type: none"> Poverty Guide available for service users 	Service users enabled to access advice and assistance	Complete	CAB, commissioned by Orkney Islands Council
	<ul style="list-style-type: none"> Employment advice shared among Working Group to raise awareness 	Service users enabled to access advice and assistance	2016	Jobcentre Plus
	<ul style="list-style-type: none"> Integrated approach is taken to identify and engage with vulnerable groups in need of support 	Vulnerable groups receive suitable help and support.	Ongoing for period of plan	All partners in Working Group

Objective	Key actions	Outcome(s)	Timescale	Lead responsibility
	<ul style="list-style-type: none"> Regular briefing note for all stakeholders (currently 19 have been issued) 	All stakeholders aware of local Social Security/ Welfare Reform developments and current challenges	Ongoing for period of plan, to 2018	Orkney Islands Council
	<ul style="list-style-type: none"> Working Group uses communication as a form of education about benefits to address factually incorrect stigmatising messages 	Improved awareness in Orkney communities of causes of poverty	2016-2018	All members
3. Keep a watching brief on new developments including updates to the changes already announced.	<ul style="list-style-type: none"> Continue to disseminate national and local announcements to Working Group members and other stakeholders; Regular briefing note for all stakeholders, as above Monitor 	All stakeholders aware of local Social Security/ Welfare Reform developments and current challenges	Ongoing for period of plan, to 2018	Orkney Islands Council/ Jobcentre Plus
4. Consider how best to meet new statutory duties placed on the Council or other partners as a result of Social Security/ welfare reform, or transfer of existing	<ul style="list-style-type: none"> Council to maintain Council's Scottish Welfare Fund service 	Vulnerable service users supported/settled into the community	2016-2018	Orkney Islands Council
	<ul style="list-style-type: none"> Respond to detail of Scottish Government's consultation on social security for Scotland 	Hardship alleviated Awareness of proposals is raised	2016	All stakeholders

Objective	Key actions	Outcome(s)	Timescale	Lead responsibility
duties.	<ul style="list-style-type: none"> Ensure debt/money advice and welfare rights 'income maximisation' is widely available in Orkney, with appropriate training 	Reduce poverty; Improve knowledge of professionals/ volunteers	2016-2018	All stakeholders
	<ul style="list-style-type: none"> Consider with CAB how all Services can develop awareness and skills re income maximisation 	Reduce poverty; Improve knowledge of professionals and volunteers	2016	Orkney Islands Council/CAB
	<ul style="list-style-type: none"> Council to monitor current arrangements made under the Delivery Partnership Agreement with DWP for the provision of digital support and personal budgeting support, commissioning as required. 	Applicants for benefits are effectively supported; Orkney builds expertise and resilience	2016-2018	Orkney Islands Council
	<ul style="list-style-type: none"> Monitor quality of PIP assessments and liaise with DWP PIP implementation team as required 	Individual service users applying for PIP protected from double jeopardy of disability and access issues due to remoteness	2016 (pending Scottish Government legislation)	Orkney Islands Council/CAB
5. Ensure applications are co-ordinated for external funding for welfare support services.	<ul style="list-style-type: none"> Along with the Scottish Government, monitor the effectiveness of the Resilience Fund project, set up in early 2015 to provide digital support in applying for benefits 	Applicants for benefits are effectively supported; Orkney builds expertise and resilience	March 2016	Orkney Islands Council/ VAO

Objective	Key actions	Outcome(s)	Timescale	Lead responsibility
	<ul style="list-style-type: none"> Co-ordinate Orkney's Poverty and Financial Inclusion Project application for European Structural Funds (life skill coaching) 	Promote social inclusion, combat poverty and discrimination	Application made 2016	Orkney Islands Council Housing and Homelessness Service
6. Take advantage of any opportunities to share resources, training etc. and co-ordinate as necessary.	<ul style="list-style-type: none"> Council's Revenues Service leads regular introductory and refresher training for all relevant staff from partner agencies. The training provides new information as new Social Security/ Welfare Reform measures are introduced and also provides training refreshers. As new opportunities arise, these will be discussed and addressed through the Social Security/ Welfare Reform Working Group. 	Staff are well informed on the changing Social Security/ Welfare Reform agenda and able to provide advice direct or signpost customers appropriately.	On a rolling basis throughout the period of the plan	Orkney Islands Council
7. Make recommendations to the Community Planning Partnership and/or individual partner agencies as appropriate.	<ul style="list-style-type: none"> Action Plan to be shared with Community Planning Partnership Board. 	Appropriate governance/information sharing	For duration of plan, until 2018	All relevant stakeholders

8. Links with other strategies

8.1 In relation to Scottish Government strategies, the Social Security/ Welfare Reform and Anti-Poverty Strategy links to:

8.1.1 • Child Poverty Strategy for Scotland (Scottish Government - March 2011) which identifies *Maximising Household Resources* as one of the main aims. This aim recognises that “*income poverty and material deprivation will be reduced, by maximising household incomes and reducing pressure on household budgets among low income families, through measures such as promoting greater financial inclusion and capability.*”

8.1.2 • Achieving Our Potential (Scottish Government – November 2008) which identifies the importance of *Maximising income for all* and also recognised that there is a requirement to invest in income maximisation work.

8.1.3 • Equally Well (Scottish Government – June 2008) in relation to the recommendation that *public services should build on examples of effective financial inclusion activity, to engage people at risk of poverty, with the financial advice and services they need* and recognition that *removing the stress caused by debt will improve people’s health and wellbeing*. A further recommendation suggests that people be helped to maximise their income and encouraged to take up means tested benefits, on the basis that extra resources acquired tend to be directed towards spending on fuel, food education, recreation and transport, with resulting improvements in general health, living standards and economic benefits for the local community.

8.2 Other linked national strategies and approaches include Getting it Right for Every Child (GIRFEC) and the Early Years Framework, both of which highlight the importance of all national and local agencies, the third sector and independent sector working together in order to deliver improved outcomes for all children.

8.3 Creating a Fairer Scotland: A New Future for Social Security in Scotland
<http://www.gov.scot/Resource/0049/00496621.pdf>

8.4 Locally the Social Security/ Welfare Reform and Anti-Poverty Strategy links to:

- Orkney Islands Council Plan 2013-18
- Orkney Islands Council’s Local Housing Strategy
- Local Delivery Plan 2015/16 Integration Joint Board Strategic Plan
- Children and Young People’s Service Plan
- Adult Protection (Financial Abuse etc.)
- Employability Strategy
- Mental Health Strategy
- Local Housing Strategy
- Homelessness Strategy
- Advice and Information Strategy
- Fuel Poverty Strategy

- Orkney Community Plan 2015-2018 incorporating the Local Outcomes Improvement Plan (fuel poverty/deprivation/ peripherality/ tackling inequalities)

Appendix One

Membership of Orkney Social Security/ Welfare Reform Working Group

Executive Director of Corporate Services, Orkney Islands Council
Chief Executive, Voluntary Action Orkney
Chief Executive, Orkney Housing Association
Manager, Jobcentre Plus
Manager, OIPDL
Manager, Orkney Citizens' Advice Bureau
Manager, Advocacy Orkney
Revenues Manager, Orkney Islands Council
Head of Health and Community Care, Orkney Health and Care
Head of Housing and Homelessness, OIC
Policy Officer (Equalities)
Director of Public Health, NHS Orkney
Manager, THAW Orkney

Area Commander, Northern Constabulary, when agenda is relevant
Area Manager Highlands and Islands Enterprise, when agenda is relevant

The Orkney Foodbank and the Chair of the Employability Strategic Group have also been consulted in the compilation of this document.