

---

**SCOTTISH GOVERNMENT FUNDING FOR WELFARE REFORM AND DISCRETIONARY HOUSING PAYMENTS – REPORT ON SPEND TO DATE AND FUTURE PROPOSALS**

---

**1.0 EXECUTIVE SUMMARY**

- 1.1 The Council was allocated additional grant monies by the Scottish Government in March 2014 to be used in order to provide additional Discretionary Housing Payments (DHPs) to mitigate the impact of the spare room subsidy also known as the “bedroom tax” in Argyll and Bute. This was additional to the core DHP funding provided by The Department of Work and Pensions (DWP). In March 2016 Policy & Resources Committee approved the carry forward of the balance of earmarked funds estimated at £232.1k for a number of proposals for their use related to welfare reform mitigations. It also approved the carry forward of the balance of DHP monies estimated at £30k into 2016/17 to be used to maintain current priorities supported.
- 1.2 The carry forward underspend for DHP from 2015/16 was £35,730. So the total for DHP was £603,675 for 2016/17. Our updated estimate is that there may be c. £20,000 unspent at 31 March 2017, which could be carried forward to 2017/18 and approval is sought for this. There has been an increase in the demand for DHPs in 2016/17 as a result of the implementation of the Benefit Cap in November 2016. DWP has recently advised us that just over 30 families are affected by the benefit cap in our area. Additional demand is also expected from impending changes that will restrict housing benefit for those in temporary accommodation. DHP funding has not yet been announced for 2017/18. However it is highly likely that the service will require the proposed £20,000 carry forward to mitigate these additional demands in 2017/2018.
- 1.3 This report provides an update on the spending against welfare reform mitigations. It seeks approval for the carry forward of the unspent balance to be used in a continuation of this work. There was a delay in recruiting the Welfare Rights Assistants. Carrying forward £30,200 to 2017/2018 would allow the posts to be retained for the full 12 month term and ensure that client income is maximised over the period. Additionally £15,000 could be used to fund an anticipated overspend on Scottish Welfare Fund claims in 2016/17 as these claims have risen significantly this year. The balance of £15,700 could be carried forward for a similar purpose in 2017/18 as this fund is under increasing pressure in our area.

---

**SCOTTISH GOVERNMENT FUNDING FOR WELFARE REFORM AND  
DISCRETIONARY HOUSING PAYMENTS – REPORT ON SPEND TO DATE AND  
FUTURE PROPOSALS**

---

**2.0 INTRODUCTION**

- 2.1 The Council was allocated additional grant monies by the Scottish Government in March 2014 to be used in order to provide additional Discretionary Housing Payments (DHPs) to mitigate the impact of the spare room subsidy also known as the “bedroom tax” in Argyll and Bute. This was additional to the core DHP funding provided by The Department of Work and Pensions (DWP). In March 2016 Policy & Resources Committee approved the carry forward of the balance of earmarked funds estimated at £232.1k and a number of proposals for their use related to welfare reform mitigations. It also approved the carry forward of the balance of DHP monies estimated at £30k into 2016/17 to be used to maintain current priorities supported.
- 2.2 This report provides an update on the spending against welfare reform mitigations and estimates that £45,900 will be unspent at 31 March 2017. It seeks approval for the carry forward of the unspent balance to be used in a continuation of this work. Approval is also requested for the carry forward of the expected underspend of £20,000 DHP monies from this year end.

**3.0 RECOMMENDATIONS**

- 3.1 Policy & Resources Committee is asked to note the information provided in respect of progress made, and the estimate of projected expenditure to 31 March 2017 of £186.9k from the balance of Scottish Government funding for DHPs of £232.8k at 1 April 2016.
- 3.2 The Committee approves the continued carry forward of the balance of this as earmarked funds estimated at £45.9k and approves the proposals for their use as summarised at 4.6 – 4.9.
- 3.3 The Committee approves the carry forward of the balance of the unspent 2016/17 DHP monies estimated at £20,000 as earmarked funds to be used to fund DHP payments in 2017/18 in order to help maintain current priority levels into 2017/18.

## 4.0 DETAIL

- 4.1 There are two figures for earmarked reserves that relate to the government's welfare reforms and to the Discretionary Housing Payment (DHP) spend. The first is in respect of DHPs which had an opening balance of £35,730. The second earmarked reserve is in relation to wider welfare reforms and had an opening balance of £232,796 at 1 April 2016.

### DHPs

- 4.2 In 2016/2017 the new allocation for DHPs from DWP was £407,881 (a 9.8% increase on 2015/2016 levels). The initial allocation from Scottish Government for 2016/2017 was £54,020 and this was followed by £106,044 which they held back from 2015/2016. The carry forward underspend from 2015/16 was £35,730. So the total for DHP was £603,675 for 2016/17. At the end of January 2017, the council has paid and committed a total of £558,554. We have £45,121 remaining in the fund (including the carry forward funding from last year of £35,730). There are a total of 37 applications outstanding or requiring further information at the end of January and there are some Benefit Cap claims that have yet to be received.
- 4.3 There has been an increase in the demand for DHPs in 2016/17 as a result of the implementation of the Benefit Cap in November 2016. Just over 30 families are affected by the benefit cap in our area. Expenditure is being kept under very close review. Levels of monthly spend have, however, dropped significantly with only £19,971 being paid or committed in December and £7,690 in January. At this rate of spend we could have c. £20,000 remaining of our earmarked reserve as at 31 March 2017.
- 4.4 DHP funding has not been announced for 2017/18 by either the DWP or Scottish Government. However, there will be ongoing pressure on DHP funding next year as a result of restrictions to housing benefit payments for temporary accommodation and ongoing pressure to pay DHP to mitigate the Benefit Cap. We therefore request approval to carry forward the estimated £20,000 unspent earmarked reserve to 2017/2018 to enable us to continue to support current priority levels for as long as possible.
- 4.5 The table below summarises the position with respect to DHP earmarked reserve:

	Planned Spend 2016-17 £	Est. draw down £	Remaining Balance £
Discretionary Housing Payments	35,730	15,730	20,000

### Wider Welfare Reforms Mitigations

- 4.6 In terms of the earmarked reserve set-a-side for the wider welfare reforms, £232,796 was carried forward from 2015/2016 following approval of Policy and Resources Committee in March 2016. The table overleaf shows the updated spend in 2016/2017 and the balance remaining:

Ref	Proposal description	Planned Spend 2016-17 (£'000)	Drawn Down to Budget (£'000)	Additional Spend 2016-17 (£'000)	Remaining Balance (£'000)	Proposed 2017/2018 (£'000)	Comment
1	Digital access expansion – additional courses delivered by Adult Learning and Literacy	80	80	0	0	0	Fully spent.
2	ACHA bid to Peoples and Communities Fund	10	0	10	0	0	Funding spent
3	Personal budgeting support through housing support contracts	30	0	0	30	0	Funding not required, volumes have not materialised
4	Additional Throughcare Workers	49.4	49.4	0	0	0	Funding spent
5	Welfare Rights Officer	52.7	22.5	0	30.2	30.2	Spend up to October 2017
6	Argyll Net Works bid to People and Communities Fund	10	0	10	0	0	Funding spent
	Unallocated	0.7	0	0	0.7	0	
	<b>TOTAL</b>	<b>232.8</b>	<b>151.9</b>	<b>20</b>	<b>60.9</b>	<b>30.2</b>	
7	<u>New proposal</u> Extension of Scottish Welfare Fund Support	0	0	15	(15)	15.7	Additional monies required for Crisis Grants 16/17 and 17/18
	<b>TOTAL</b>	<b>232.8</b>	<b>151.9</b>	<b>35.7</b>	<b>45.9</b>	<b>45.9</b>	

## **Proposal 5 - Welfare Rights Support**

- 4.7 Demand for Welfare Rights support continues in light of the ongoing restrictions to welfare imposed by the government. The move from Disability Living Allowance to Personal Independence Payments is still transitioning in Argyll and Bute and these earmarkings supported the employment of 2 temporary Welfare Rights Assistants at LGE6 to cover the Helensburgh and Islay localities in 2016/2017. The posts were not filled until October 2016 and therefore £30,200 needs to be carried forward to cover the costs of employing the staff for a full 12 month period to the end of September 2017. This will cost **£30,200** in 2017/2018.

## **New Proposal 7 – to extend Scottish Welfare Fund support**

- 4.8 The original monies included £33.7k for the extension of the Scottish Welfare Fund. However spend was contained well within budget within 2015/16 and this was expected to continue into 2016/17 as the underspend was carried forward (as required by Scottish Government) into that year. However the demand has been much higher in 2016/17 and we are expecting to overspend by c £15,000. We have contained spend as much as possible by only awarding high most compelling cases only in February and March 2017, and having previously reduced priorities to high only from 10 October 2016. We are therefore seeking approval to cover this expected overspend from these earmarkings and to carry forward a further **£15,700** required for 2017/2018 for the same purpose.

## **Summary of proposals**

- 4.9 A summary of how the unspent monies could be utilised is set out below:

<b>Ref</b>	<b>Proposal description</b>	<b>2017/2018 Proposed £'000s</b>
5	Additional welfare rights assistants to September 2017	30.2
7	Extension to Scottish Welfare Fund	15.7
	<b>TOTAL</b>	<b>45.9</b>

## **Carry forward of the funding**

- 4.10 Approval is therefore requested to continue to carry forward £45,900 as earmarked reserves to 2017/2018.

## **5.0 CONCLUSIONS**

- 5.1 The funds have not been fully utilised in 2016/17 as originally planned for a number of reasons explained above. This report seeks approval to continue to carry forward £45,900 as earmarked reserves which will be utilised to support claimants affected by the government's welfare reforms. Proposals are put forward for how these remaining funds could be utilised.

## **6.0 IMPLICATIONS**

- 6.1 Policy: In line with existing policy for DHPs. In line with corporate plan corporate objective 1 – working together to realise the potential of our people.
- 6.2 Financial: This paper provides proposals on utilising the balance of the monies received from Scottish Government in March 2014. It also seeks approval to carry forward the unspent balance of the DHP monies from Scottish Government received in 2016/17 to be spent on DHPs in 2017/2018 to offset new pressures.
- 6.3 Legal: None
- 6.4 HR: None
- 6.5 Equalities: Groups with protected characteristics are expected to benefit particularly from these proposals as they are more highly represented in benefit claimants adversely affected by welfare reforms
- 6.6 Risk: These proposals reduce the risk of more major interventions being required to support these vulnerable families at a later stage and will enable them to be better prepared for the introduction of Universal Credit in our area.
- 6.7 Customer Service: These targeted interventions provide valuable support to vulnerable citizens.

**Douglas Hendry**  
**Executive Director Customer Services**  
**14 February 2017**

**Policy Lead: Councillor Dick Walsh**

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager Tel 01586-555237

### Background papers

Scottish Government funding for Welfare Reform and Discretionary Housing Payments – report on spend to date and future proposals: Policy & Resources Committee 19 March 2015

Scottish Government funding for Welfare Reform and Discretionary Housing Payments – report on spend to date and future proposals: Policy & Resources Committee 17 March 2016