

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

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**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 2017 Policy & Resources Committee approved the carry forward of the balance of earmarked funds estimated at £45.9k 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 £20k into 2017/18 to be used to maintain current priorities supported.
- 1.2 The carry forward underspend for DHP from 2016/17 was £19,918. So the total for DHP was £641,772 for 2017/18. There is £39,839 unspent at 31 March 2018, which could be carried forward to 2018/19 and approval is sought for this. This would allow continue of current priority groups supported to continue into 2018/19.
- 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. Monies carried forward for recruiting the Welfare Rights Assistants (£34,214) has been spent in 2017/2018. Additionally £18,595 originally carried forward to cover Scottish Welfare Fund overspends has not been required in 2017/2018. A new proposal is put forward to use these monies to provide digital training and support to claimants having to claim Universal Credit for the first time after we move to full service in September 2018.

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**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 2017 Policy & Resources Committee approved the carry forward of the balance of earmarked funds estimated at £45.9k 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 £20k into 2017/18 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 £18,595 will be unspent at 31 March 2018. 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 underspend of £39,839 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 estimated unspent balance at 31 March 2018 of £18,595 from the balance of Scottish Government funding for welfare reforms of £52,809 carried forward as earmarked funds at 1 April 2017.
- 3.2 The Committee approves the continued carry forward of the balance of this as earmarked funds estimated at £18,595 and approves the proposals for their use for digital inclusion services as summarised at 4.9.
- 3.3 The Committee approves the carry forward of the balance of the unspent 2017/18 DHP monies of £39,839 as earmarked funds to be used to fund DHP payments in 2018/19 in order to help maintain current priority levels into 2018/19.

## 4.0 DETAIL

4.1 There are two figures for earmarked reserves that relate to the Discretionary Housing Payment (DHP) spend and to the UK government's wider welfare reforms. The first is in respect of DHPs which had an opening balance of £19,918. The second earmarked reserve is in relation to wider welfare reforms and had an opening balance of £52,809 at 1 April 2017.

### DHPs

4.2 In 2017/2018, including the carry forward underspend from 2016/17 of £19,918, the total funding available for DHP was £641,772. At the end of March 2018, the council has paid a total of £601,932. We have £39,839 remaining in the fund (including the carry forward funding from last year of £19,918).

4.3 There has been an increase in the demand for DHPs in 2017/18 as a result of the implementation of the Benefit Cap in November 2016. Around 24 families are affected by the benefit cap in our area. We have not needed to draw down any of the earmarked reserve of £19,918 and we will have an underspend in the current year of £19,921 on top of the carry forward earmarking.

4.4 The first tranche of DHP funding has been announced for 2018/19 by Scottish Government. Whilst we are to receive more for bedroom tax cases, there will be a decrease of £24,114 for other types of cases on last year. 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. Additionally Universal Credit Full Service comes in for Argyll and Bute in September 2018 and this will have an impact on the DHP fund. We therefore request approval to carry forward the £39,839 unspent earmarked reserve to 2018/2019 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:

	<b>Current earmarking 2017/2018 £</b>	<b>Est. Additional DHP not spent 2017/2018 £</b>	<b>Carry forward to 2018/2019 £</b>
Discretionary Housing Payments	19,918	19,921	39,839

### Wider Welfare Reforms Mitigations

4.6 In terms of the earmarked reserve set-aside for the wider welfare reforms, £52,809 was carried forward from 2016/2017 following approval of Policy and Resources Committee in March 2017. The original estimate was £45.9k and of this £30.2k was to be spent on 2 Welfare Rights Assistants to September 2017 and £15.7k on supplementing the Scottish Welfare Fund.

## Welfare Rights Support

4.7 Demand for Welfare Rights support continues in light of the ongoing restrictions to welfare applied 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 2017/2018. £34.2k was drawn down and given to the Housing service to cover the costs of the posts in 2017/2018. The monies have been fully utilised in the year.

## Extend Scottish Welfare Fund (SWF) support

4.8 £18,595 was carried forward to 2017/2018 and have not been required this year. SWF spend has been running at c. 5% below budget.

## New Proposal – Provision of Digital Inclusion to claimants of UCFS

4.9 The proposal is now to carry forward the remaining £18,595 earmarkings to 2018/2019 and use these for bank tutors to help deliver the Council's commitment to providing Digital Inclusion training for claimants who will be required to sign up for Universal Credit online. This will really impact our claimants from September 2018 when Universal Credit Full Service goes live in our area. The work to upskill our claimants will be carried out by Adult Learning and Literacy and by Housing Services utilising the Housing Support contracts.

## Summary of proposals

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

Ref	Proposal description	2018/2019 Proposed £'000s
1	Carry forward monies for DHP in 2018/2019	39.8
2	Digital Support for claimants of UCFS from September 2018	18.6
<b>TOTAL</b>		<b>58.4</b>

## Carry forward of the funding

4.11 Approval is therefore requested to continue to carry forward £58,400 as earmarked reserves to 2018/2019 for the purposes outlined above.

## 5.0 CONCLUSIONS

5.1 The funds have not been fully utilised in 2017/18 as originally planned for a number of reasons explained above. This report seeks approval to carry forward £58,400 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 2017/18 to be spent on DHPs in 2018/2019 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**  
**2 May 2018**

**Policy Lead: Councillor Rory Colville**

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

Scottish Government funding for Welfare Reform and Discretionary Housing Payments – report on spend to date and future proposals: Policy & Resources Committee 16 March 2017