

EX128. Welfare Reform Update

The Executive considered a report by the Director of Corporate and Housing Services seeking approval to provide an additional £10,000 to mitigate the reduction in the benefits cap. The report also provided an update on changes to the social security system more generally arising from the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016.

The Executive has received a number of reports on the impact of Welfare Reform changes and on how Council supports those affected by the changes. The most recent update was on 19 May 2015 (ref EX13) at which time universal credit was about to be implemented in the Falkirk Council area.

The report provided an update on the impact of the introduction of universal credit, of the reduction in the benefits cap and the establishment of a Scottish Welfare Fund which enables Councils to provide both crisis grants and community care grants and set out the findings of a National Audit Office report on the use of sanctions by the Department of Work and Pensions (DWP) to encourage people into work.

In regard to the benefits cap, 76 households in the Council area were currently capped at the new limit which was introduced in November 2016.

The (DWP) provided funding to Local Authorities to make Discretionary Housing Payments (DHP) to assist those whose benefits are capped. To date, 17 applications for DHP had been received – of these 9 had been approved and 6 refused. However, it was recommended, given that only 17 of 76 households had applied, that DHP is promoted within the 59 households who have not applied. It was estimated that an additional £10,000 would be required to meet additional DHP payments, in 2017/18. The Council's allocated DHP funding had been utilised and as such it was proposed that the costs are met from the Fairer Falkirk Fund.

Following discussion and with the consent of members of the Executive, Councillor C Martin stated that he would write to the Minister for Pensions to highlight the hardship caused by the sanctions regime.

Decision

The Executive agreed to further mitigate the impact of the lower benefit cap at a potential cost of approximately £10,000 which would be funded by Fairer Falkirk.