TODAY’S AGENDA

- Ice-breaker
- Key national poverty trends
- Fairer Scotland Action Plan
- Networking break
- The impact of welfare changes in Highland (Gavin Munro, Highland Council)
- Working together to tackle poverty
TODAY’S GOALS

➢ To discuss and understanding of some key poverty trends in Scotland
➢ To discuss policy responses at the national and local level
➢ To identify opportunities to work together
THE LIFEBOAT
YOUR PASSENGERS

- A mother and child
- 16 year old boy with high level drug dependency
- 86 year old tsunami survivor
- Lone parent
- Head of international drugs consortium
- 75 year old woman
- Foreign national
- Reality TV star
- Prostitute
- Liner’s first mate
Mother and child
Anna is a 70 year old woman, travelling with her 45 year old son Stephen. Anna is a widow with no other children, and uses a wheelchair. Stephen is divorced with two children and drives a taxi for a living.

A 16 year old boy with high level drug dependency
Andrew is diabetic. The drug he is dependent on is insulin. Andrew is currently studying for his Highers and hopes to be an architect when he is older.

86 year old tsunami survivor
Emily was holidaying in Thailand during the 2004 tsunami. She is a grandmother to three boys and two girls. Emily is a retired teacher. She is the only one with a proven survival record.
Lone parent
Andrew is a single father following the death of his wife. In addition to looking after his 12 year old son, Andrew fosters two children with disabilities.

Head of international drugs consortium
Lisa is the CEO of a company trialling a new drug to prevent the spread of HIV. Lisa is recently engaged and hopes to get married next year.

90 year old woman
Jennifer is married to Alexander, 92. They have no children. Jennifer was a GP for 40 years before retiring.

Reality TV Star
Cheryl first appeared in Popstars the Rivals and has gone onto have a successful music career.
Foreign national
Miguel is taking a gap year from his degree in medicine to travel the world. He is 20 years old and lives in Brazil with his mother and three sisters. He is the only one who speaks another language.

Liner’s first mate
James has been working on cruise ships since leaving school at the age of 16. He has been blinded by the accident.

Prostitute
Molly has been working as a sex worker for three years. She worked as a paramedic until a family breakdown which meant she could no longer work regular hours and provide for her children.
Key National Poverty Trends

- Changes in child, working age and pension poverty

- Snapshots:
  - Changing depth of poverty
  - Work and under-employment
  - Welfare change
CURRENT LOW INCOME THRESHOLDS 2013/14
(WEEKLY INCOME AFTER TAX AND HOUSING COSTS)

<table>
<thead>
<tr>
<th>Weekly amounts</th>
<th>Single adult</th>
<th>Lone parent with 1 child</th>
<th>Couple with no children</th>
<th>Couple with 2 children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16 relative poverty line (&lt;60% med.)</td>
<td>£141</td>
<td>£190</td>
<td>£243</td>
<td>£383</td>
</tr>
<tr>
<td>Minimum Income Standard</td>
<td>£199</td>
<td>£298</td>
<td>£330</td>
<td>£456</td>
</tr>
</tbody>
</table>
Long Term Poverty Trends in Scotland

Children
- 1995/96: 32%
- 2005/06: 24%
- 2014/15: 22%

Working age adults
- 1995/96: 18%
- 2005/06: 19%
- 2014/15: 19%

Pensioners
- 1995/96: 31%
- 2005/06: 16%
- 2014/15: 12%
Poverty trends: complexity

- Child Poverty: Still higher risk than other groups
  - 41% in lone parent households are at risk of poverty.
  - 20% in lone parent h/h where parent is in f-t employment are in poverty. 5% in couple h/h where both in f-t employment.
  - 56% in couple h/h where one or more in p-t work.
  - Overall 62% of children living in poverty are in a h/h where someone is in employment

- Working age adults: No real change since 1990s.
  - 19% of adult h/h without children are in poverty.
  - 26% of lone male & 28% of lone female h/h are in poverty.
  - 25% of adult h/h aged 20-24, 22% adult h/h aged 40-44 (no kids)
Chart 2: All individuals living in relative poverty, AHC, Scotland

- Below 40%
- Between 40% and 50%
- Between 50% and 60%

2002/03: 34% (30% Below 40%, 36% Between 40% and 50%, 36% Between 50% and 60%)
2003/04: 35% (30% Below 40%, 38% Between 40% and 50%, 36% Between 50% and 60%)
2004/05: 35% (26% Below 40%, 38% Between 40% and 50%, 37% Between 50% and 60%)
2005/06: 36% (27% Below 40%, 42% Between 40% and 50%, 37% Between 50% and 60%)
2006/07: 34% (24% Below 40%, 43% Between 40% and 50%, 37% Between 50% and 60%)
2007/08: 32% (25% Below 40%, 43% Between 40% and 50%, 37% Between 50% and 60%)
2008/09: 32% (24% Below 40%, 43% Between 40% and 50%, 37% Between 50% and 60%)
2009/10: 30% (25% Below 40%, 45% Between 40% and 50%, 35% Between 50% and 60%)
2010/11: 36% (25% Below 40%, 39% Between 40% and 50%, 35% Between 50% and 60%)
2011/12: 36% (21% Below 40%, 42% Between 40% and 50%, 37% Between 50% and 60%)
2012/13: 29% (21% Below 40%, 50% Between 40% and 50%, 30% Between 50% and 60%)

Source: HBAI datasets, DWP
Part-time workers who could not find full-time job

source: data - ONS Labour Force Survey
Impact of New Benefit Cap (from 7th Nov. 2016)

(Source: Chartered Institute of Housing 2016)

No. of Households (000s)

- **North east**
- **Wales**
- **Scotland**
- **East Midlands**
- **South West**
- **Yorks & Humberside**
- **West Midlands**
- **North West**
- **East of England**
- **South East**
- **London (£23k)**

**Current Cap (£26k)**

**New Cap (£20k)**
WHAT THE TRENDS TELL US

• National trends have not been improving for some time
• Risk groups are changing, some groups need more attention from policy makers
• Employment is a key route out of poverty – but not for everyone and not all the time
• Welfare changes will remain a key area of concern
FAIRER SCOTLAND ACTION PLAN

- New emphasis on taking a more strategic approach to addressing poverty in Scotland over the last five years
- Additional powers over social security and taxation in Scotland provide impetus for strategic approaches
- Published in October 2016 FSAP is new plan by SG to tackle poverty and inequalities in Scotland over next 15 years
- FSAP sets out 50 actions SG will take over the next 5 years
FAIRER SCOTLAND ACTION PLAN (FSAP) 5 KEY AREAS

1. Fairer Scotland for all
2. Ending Child Poverty
3. Stronger start for all young people
4. Fairer working lives
5. A thriving 3\textsuperscript{rd} age
FSAP: TOWARDS AN ANTI-POVERTY STRATEGY?

Publication of FSAP and its 50 actions is a first step towards long-term all age anti-poverty strategy and its commitments to:

- Welcome commitment to end child poverty by 2030, new CP Bill reinforces the need for legislation to underpin the commitment
- Recognises the importance of in-work poverty & the limits of a ‘work first’ approach
- Commitment to enact socio-economic duty
- Stronger commitment to tackling stigma through the use of the Community Empower Act
FSAP: SOME GAPS

- No commitment to use new social security powers to topping up existing benefits or creating new ones
- Despite the importance of incomes, need more on how adequate incomes will be delivered
- There is little sense of priority within the 50 actions
- What role for civic society organisation in its implementation?
FSAP: QUESTIONS

- What are the main strengths in the FSAP?
- What are your priorities for a fairer Scotland?
- Are they reflected in the plan?
- What are the key gaps?
NETWORKING BREAK
The impact of Welfare Reforms in the highlands

Tracking the Impact of Welfare Reform - Inverness Dissemination Seminar

Gavin Munro
Policy and Assurance Officer
The Highland Council
Content

• The Highlands
• Under Occupancy Rules
• Benefit Cap

• Social Fund Reform
• Personal Independence Payment
• Universal Credit
The Highlands
The Highlands

- The Highland Council area covers a third of the land area of Scotland including the most remote and sparsely populated parts of the United Kingdom. We have the 7th highest population of the 32 authorities in Scotland.
- The total land area including all islands is 33 per cent of Scotland and 11.4 per cent of Great Britain. It is 10 times larger than Luxembourg, 20 per cent larger than Wales, and nearly the size of Belgium.

- Only 25% of the population live in settlements of over 10,000 people and 40% in settlements of over 1,000 people.
- Highland has a relatively high proportion of part-time workers and experiences greater seasonal fluctuations in unemployment than the rest of the country due to the nature of the dominant service sector economy.
Under Occupancy Rules
Under Occupancy Rules

Under Occupancy rules were introduced 1\(^{st}\) April 2013

<table>
<thead>
<tr>
<th>Under occupation rules - 25/06/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary – 14% reduction</strong></td>
</tr>
<tr>
<td>Council tenants</td>
</tr>
<tr>
<td>No of Properties</td>
</tr>
<tr>
<td>1,299 (66%)</td>
</tr>
<tr>
<td>HA tenants</td>
</tr>
<tr>
<td>670 (34%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>1,969</td>
</tr>
<tr>
<td><strong>Summary – 25% reduction</strong></td>
</tr>
<tr>
<td>Council tenants</td>
</tr>
<tr>
<td>No of Properties</td>
</tr>
<tr>
<td>297 (77%)</td>
</tr>
<tr>
<td>HA tenants</td>
</tr>
<tr>
<td>89 (23%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>386</td>
</tr>
<tr>
<td><strong>Summary – combined</strong></td>
</tr>
<tr>
<td>Council tenants</td>
</tr>
<tr>
<td>No of Properties</td>
</tr>
<tr>
<td>1,596 (67%)</td>
</tr>
<tr>
<td>HA tenants</td>
</tr>
<tr>
<td>759 (33%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>2,355</td>
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</tbody>
</table>

Under Occupancy Rules were introduced 1\(^{st}\) April 2013.
Under Occupancy Rules

The Highland Council DHP fund:
- 2012/13: £80k (approx)
- 2016/17: £1.5m (approx)

Increased administration pressure on Council through administration
Only guaranteed DHP application – is this fair?

The Scottish Government mitigated the impact of the Under Occupancy Rules through Discretionary Housing Payments
Benefit Cap
The new Benefit Cap was introduced in the Highland Council area in November 2016:
 • £258 per week for single adults.
 • £385 per week for couples and lone parents.

The Benefit Cap was introduced in the Highland Council area on Monday 15th July 2013:
 • £350 per week for single adults.
 • £500 per week for couples and lone parents.
Benefit Cap

- DWP has identified 125 benefit cap cases in Highland. To date, the measures undertaken by the Welfare Support have resulted in the following outcomes:
  - All 125 claimants have been contacted and only 7 claimants are still to engage with the Welfare Support Team.
  - 42 cases are exempt from the cap
  - 76 applications for DHP have been submitted and awarded.

- As a short-term measure the Council has fully mitigated the impact of the changes by awarding Discretionary Housing Payments (DHPs) from the date the cap is applied to 31 March 2017. Currently, £24,400 has been awarded specifically to mitigate the impact of the benefit cap.

- The benefit cap also affects households in receipt of Universal Credit. DWP has indicated 23 UC households are potentially affected by the lower level cap.
Social Fund Reform
Scottish Welfare Fund

The Scottish Welfare Fund is administered by Highland Council and is intended to offer grants or in kind support for two purposes:

- **Crisis Grants**: A grant can be awarded in case of crisis to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health or safety of the applicant or their family.

- **Community Care Grants**: A grant can be awarded in support of independent living to:
  - help people leaving care to live on their own, or to provide items to allow people to live in their own home where they might be at risk of going into care.
  - They can also help if a family is facing exceptional pressures and needs an essential item like a cooker.
  - help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life,
  - help people to care for a prisoner or young offender on release on temporary licence.

Grants may be provided in cash or in another form of support such as a voucher, goods, services or travel ticket.
Scottish Welfare Fund

Since the introduction of the Scottish Welfare Fund on 1st April 2013, the Council has awarded £2,296,215:

- 2013/14: £713,583
- 2014/15: £891,817
- 2015/16: £690,815
  (Period 1st April – 31st March)
- 2016/17: £612,260
  (Period 1st April – 31st December)

- Applications Approved 2016/17
- Crisis Grants: 2,910
- Community Care Grants: 1,307
  (Period 1st April – 31st December)
- 2nd hand goods framework introduced 2015
Personal Independence Payment
Personal Independence Payment

Disability Living Allowance (DLA) was replaced for people aged 16 to 64 on or after 8 April 2013. In the Highland Council area new claims to Personal Independence Payment started from Monday 10th June 2013.

Re-assessment of existing DLA claimants for Personal Independence Payment for:
IV postcodes - January 2015
PH postcodes - February 2015
KW postcodes – July 2015

Since the introduction of Personal Independence Payment (PIP) in the Highlands, 7,726* PIP applications have been submitted to DWP. This includes 2,511* (33%) through the re-assessment of Disability Living Allowance.
From these applications 4,061* claimants are in receipt of PIP of which 1,529* (38%) previously received Disability Living allowance prior to re-assessment. (*October 2016)
Personal Independence Payment

- Based on the results of a small scale trial of 900 DLA cases that opted in to the PIP assessment, the forecast assumes that only 74 per cent of DLA claims reassessed would be successful in a PIP award. With around 1.5 million claims due to be reassessed through managed migration, the Office for Budget Responsibility estimates that just under 400,000 managed migration claims will not receive a PIP award.

- Approximately 12,250 residents living in the Highlands who currently claim DLA. Of which 7,130 residents are aged between 18-64 years old and will eventually be invited to be re-assessed for PIP.

- Based on the Office for Budget Responsibilities estimates 1,854 DLA claimants in The Highland Council area will not receive a PIP award following the re-assessment process.

- Weekly loss of benefit of between £21.80 - £139.75 (2016/17 rates) in addition to various premiums and passported benefit entitlements. The financial impact could potentially result in the loss of between £2.1m - £13.5m to the Highland economy.
Universal Credit
The figures

- Inverness Jobcentre
- 1 of 6 in Highland
  - Single ‘live’ 25th Nov 13
  - Couple ‘live’ 30th Jun 14
  - Families ‘live’ 26th Jan 15
  - Full Service ‘live’ 29th Jun 16
- Other Jobcentres in Highland began taking new claims for single claimants in 16th Feb 15

**Official stats** *(Live & Full / January 2017)*

The Highland Council area has had

- approximately 5,357 (4,248(79%) in Inverness Jobcentre area) claimants who have completed the Universal Credit claim process and accepted their Claimant Commitment;
- 3,345 (2,663 (80%) in Inverness Jobcentre area) claimants are still claiming Universal Credit;
- approximately 1,188 (949 (80%) in Inverness Jobcentre area) are in some form of employment.
The figures

UCFC starts (stats-xplore)

<table>
<thead>
<tr>
<th></th>
<th>Live Service</th>
<th>Full Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>J</strong></td>
<td><strong>F</strong></td>
<td><strong>M</strong></td>
</tr>
<tr>
<td>66</td>
<td>74</td>
<td>73</td>
</tr>
</tbody>
</table>

Migration of legacy benefits in Highland

<table>
<thead>
<tr>
<th>Migration</th>
<th>Approx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy benefits</td>
<td>12,000</td>
</tr>
<tr>
<td>Tax credits</td>
<td>16,000</td>
</tr>
<tr>
<td>Working-age HB</td>
<td>9,100</td>
</tr>
</tbody>
</table>
Universal Credit Full Service
Full Service

- Began 26th November 2015
- £90,000,000,000!
- Bigger than the economy of New Zealand

- Currently 70,000 claimants (approx)
- Potential 8 million claimants
- Another 2 years until UCFS system fully operational
- Completion is not due until 2022
Live v Full Service

WARNING
AVAILANCHE
AREA
Live v Full Service

Challenges:
- Communication
- Temporary Accommodation
- Digital applications
- Budgeting
- Waiting days/first payment
- Arrears

- Confusion Legacy-Live-Full
- Full Service roll-out for the rest of the Highlands delayed
- Migration timetable now published
  July 2017 for rest of Highland
## Live v Full Service

<table>
<thead>
<tr>
<th>Live Service</th>
<th>Full Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers Low</td>
<td>Significant increase</td>
</tr>
<tr>
<td>Restricted eligibility - Gateway</td>
<td>All working age claimants</td>
</tr>
<tr>
<td>Dedicated escalation route</td>
<td>Claimants responsibility</td>
</tr>
<tr>
<td>Implicit consent / Data sharing</td>
<td>Explicit consent only</td>
</tr>
<tr>
<td>Claim remains open for up to 6 months if nil award</td>
<td>Claim closes as soon as earnings exceed UC</td>
</tr>
<tr>
<td>Rent verification UC179/UC182</td>
<td>Rent verification – SRS notification</td>
</tr>
<tr>
<td>Average rent arrear THC mainstream: £628</td>
<td>Average rent arrear THC mainstream: £963</td>
</tr>
<tr>
<td>Average rent arrear THC temp accom: £1,191</td>
<td>Average rent arrear THC temp accom: £1,108</td>
</tr>
</tbody>
</table>

The average rent arrear for non UC cases in temporary accommodation is £775.50.
THC Support…
THC support...

- Digital Assistance
- Expanded Localism
- Mobile Devices
- Partnership – DWP/JCP

- Service Points/Libraries
- NHS Drug/Alcohol Team
- Personal Budgeting Support
- Awareness sessions
The way forward....
What next….

- Migration timetable
- Improved training for JCP Partnership Managers / Service centre staff
- Trusted Partner Pilot
- Management fee
- Temporary accommodation review
- Landlord Portal
- Recurring consent
- Personal Budgeting Support review
- Scottish flexibilities
Any Questions?
Always with us? What we can we do in Scotland

- Make use of the new powers Scotland will have to shape parts of the benefits system
- Encourage more employers to pay the real Living Wage
- Support calls for Child Benefit to be topped up by £5 per week
Challenge Attitudes to Poverty

- Organisations delivering services to people on low incomes should undertake poverty awareness training
- We need to challenge negative language or stereotypes about poverty
- Sign up to the Stick Your Labels campaign
What more can we ...

- What are the opportunities for more joint work in Inverness/Highlands around poverty?
- What are some of the barriers to greater networking?
- What are some of the priorities both locally and nationally
- How can the Poverty Alliance support efforts for greater networking?
Working Together – Keeping in Touch!

- Sign up to our monthly enews – www.povertyalliance.org
- Join us! http://povertyalliance.org/get_involved/join_us
- Follow us on twitter: @PovertyAlliance, @ScottishLivingW, @CPW_Scotland
- Like us! www.facebook.com/povertyalliance
  www.facebook.com/ScottishLivingWage
- Call us! 0141 353 0440