

## The Highland Council

Resources Committee - 25 February 2015

Agenda Item	<b>8(b)</b>
Report No	<b>RES/08 /15</b>

### Welfare Reform Fund Proposals

#### Joint Report by the Director of Finance and the Head of Policy and Reform

##### Summary

This report recommends an allocation of £153,645 from the Council's Welfare Fund, which currently totals £1.003m to provide preventative advice services. Further proposals will continue to develop for the remainder of the Fund, guided by the Council's Welfare Reform Working Group.

## 1. Background

- 1.1 As part of the Council's programme commitment to preventative services, targeting those struggling with deprivation, members agreed at Resources Committee in November 2014 to fund new services from the welfare fund for vulnerable people to the value of £163,920. This will provide tailored welfare advice clinics through the CAB network from January 2015 to end March 2016 to be run in GP surgeries, mental health drop in centres, other local facilities and New Craigs hospital, covering all Council wards. It would also enable up to 10 training events for front-line workers in responding to people presenting with mental ill-health to be delivered by the Highland Users Group (HUG). With a total welfare fund of £1.167m, £1.003m remains.
- 1.2 This report sets out two proposals for a further £153,645 of preventative services. They have been developed through a cross-service group of officers and fit with the priorities agreed by the Council's Welfare Reform Working Group, namely:
1. Welfare reform actions need to continue to involve every service in the Council, be co-ordinated in a way that helps people most and be evaluated for impact.
  2. Vulnerable clients need enhanced support and hand holding to navigate the system, including appealing welfare decisions.
  3. Employability support needs to accommodate a diverse range of needs and include people furthest from the labour market and with challenging behaviour.
  4. Digital inclusion/participation/literacy is to be led as a corporate policy, co-ordinated across the Council, linked to the customer services strategy and agreed and delivered in collaboration with community planning partners, notably HIE given its lead in rolling out Next Generation Broadband.
  5. Financial capability /budgeting skills should be supported.
  6. Continue to lobby with UK Government.

## 2. Proposals Recommended for the Council's Welfare Fund

- 2.1 Both proposals relate to money advice and welfare benefits advice. They are both preventative services and focus on:

1. Expectant mothers; and
2. Maximising take-up among those appearing to qualify for welfare benefits but do not seem to be claiming them.

## 2.2 Expectant mothers

At the Resources Committee in November 2014 Members were advised that further resources may be required to roll out advice to new and expectant mothers through a midwifery project piloted in Ross-shire. That project involved expectant mothers having to opt out of welfare/money advice when they were contacted following referral by community mid-wives in Ross-shire. During June 14 to August 14, 30 women were referred, 21 were successfully contacted and over half of those benefitted financially from the service. Only 1 person opted out.

2.3 These positive results show the value of assisting expectant mothers, especially given two of the Early Years Collaborative key changes of:

- Early support for pregnancy and beyond; and
- Addressing child poverty.

2.4 With over 2,000 births expected in a year, and scaling the Ross-shire project up across Highland to include administration, publicity, home visits and post-natal reviews, the additional contact time is expected to cost up to £90,000 per annum. It is proposed that the CAB network is invited to provide the advice service, taking referrals from the mid-wifery teams across Highland. There is also scope for the CAB and four family teams in the Inverness, Nairn, Badenoch and Strathspey area to explore how best to work together through this service, including co-location. This service enhancement can be managed through an allowance in the budget for CAB services and a variation of CAB contracts, with performance monitoring included.

## 2.5 Maximising take-up

The Revenues and Benefits Section within the Finance Service uses a Revenues and Benefits IT system to administer housing benefit and council tax reduction. Reports extracted from that IT system have identified around 1,000 claimants where their incomes are less than their applicable amounts<sup>1</sup>. Although not conclusive this indicates that some of these claimants are entitled to additional benefit (e.g. working tax credit or pension credit) while others will be awaiting a decision regarding a claim for benefit. Once received, this will lift their income above their applicable amount.

2.6 Members will have noted from the budget monitoring contained within the Welfare Reform Update report at this meeting of the Committee that the council tax reduction scheme is estimated to underspend by £0.601m and the housing benefit budget is estimated to underspend by £1.037m for 2014/15. Further efforts should be made to make sure that everyone entitled to benefits

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<sup>1</sup> For the purposes of assessing housing benefit and council tax reduction (formerly council tax benefit), a claimant's household income is compared to their "applicable amount". The applicable amount is set by the UK and Scottish Governments and fixes the minimum amount of income that is required for a claimant's family size and circumstances.

claims them.

2.7 The proposal is to manually undertake a line by line check of the entries on these IT reports to undertake a full benefit check. Customers with potential entitlement to additional benefit will then be contacted with the aim of completing the necessary application forms to, for example, DWP, the Pension Service and HMRC, and when required, to support claimants to formerly appeal benefit decisions. While every effort will be made to meet customers at Council premises some will require home visits. After 12 months, the number of entries on these IT reports will be significantly reduced and by then manageable as business as usual by the Customer Income Maximisation Team.

2.8 Until then two additional members of staff are needed for a 12 month period for this task. The work has to be carried out in-house due to data protection. Two full-time Customer Income Maximisation Officers for a fixed period of 12 months would cost £63,645. This includes £3,000 for travel expenses.

### **3. Proposals Under Development for the Council's Welfare Fund**

3.1 Other vulnerable groups particularly affected by welfare reform include Council tenants, people with disabilities and long term health conditions and people unable to use internet services for claiming benefits and job search. Further work is under development for:

1. Tenants affected by welfare reforms or other vulnerable tenants, with discussions underway with other social landlords.
2. Identifying how best to support digital inclusion. Proposals for continuing the Citizens Online project across Highland are being appraised with partners.
3. Additional support to claimants appealing Personal Independence Payments (PIP) decisions. We expect demand for this to increase from October 2015 onwards. This position continues to be monitored and the costs of any associated proposals currently being quantified.

#### **3.2 Other proposals**

Not all new support for welfare reform requires additional resources. It has been reported to members already that co-location of advice staff with other services such as in Job Centres is already underway, being effective and at no extra cost. Another area of work emerging relates to the Council's role as an employer and of the potential welfare reform impacts for lower paid staff. Further information is being gathered on this aspect of welfare reform, and along with other public sector employers, through the community planning partnership. At this time there are no additional costs arising from support to staff that may be affected.

### **4. Implications**

#### **4.1 Resource implications:**

The proposals require £153,645 from the Council's welfare fund. If approved that leaves £849,435 in the fund uncommitted. The proposal to maximise benefit take up will increase the income of eligible households and potentially increase the amount of housing benefit and council tax reduction that is due.

As both of these budgets are estimated to underspend by year end, any increases in the amounts paid will not create budget pressures and will have positive impacts on the collection of rent and council tax. New European Programmes from 2015-16 onwards targeting poverty and social inclusion will be helpful and future opportunities to use the welfare fund as match funding will be explored when further information about the European programmes is available.

- 4.2 Legal implications: There are no new legal implications arising from this report.
- 4.3 Equalities: The proposals are most likely to assist vulnerable groups and that can help the Council to comply with its duties under the Equality Act.
- 4.4 Climate Change/Carbon Clever: The proposals involve travel associated with home visits, but they are not routinely required and much can be done by telephone contact.
- 4.5 Risk: The proposals aim to reduce the risk of under claiming benefits where there is entitlement and to reduce the risk of poverty.
- 4.6 Gaelic: There are no Gaelic implications arising from this report.
- 4.7 Rural: The proposals will affect households across the region. Given that under-claiming of benefit tends to be more prevalent in rural areas the proposals should help to address this through the midwifery project and the maximising take-up proposal.

## **5. Recommendations**

- 5.1 Members are asked to approve funding for two proposals from the Council's Welfare Fund, namely:
  - i. The roll out of the midwifery project for expectant mothers from Rossshire to all of Highland to be delivered through the CAB network for a year initially and with an allowance of up to £90,000;
  - ii. To identify and support those under-claiming benefit by the recruitment of two time limited posts for 12 months for the in-house income maximisation team at the cost of £63,645.
- 5.2 Members are asked to note that further proposals for the remaining £849,435 in the fund will be developed and brought back to Committee for consideration as outlined in paragraph 3.1, and with the scope for EU programme funding explored.
- 5.3 Members are asked to note that new work is underway to understand the potential impact of welfare reforms on Council staff, particularly those receiving lower pay.

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Author: Carron McDiarmid, Head of Policy and Reform Tel (01463) 702852