

## The Highland Council

### Nairn and Badenoch and Strathspey Area Committee - 23 September 2015

Agenda Item	9.
Report No	NBS 18/15

#### Advice and Information Services: End of Year Monitoring

##### Summary

Advice and information services are recognised as a critical approach in alleviating poverty in the Council's Programme and Single Outcome Agreement. This report provides Members with the end of year monitoring of advice and information services in Highland for 2014/15.

#### 1. Background

- 1.1 Many households experience problems at some stage in their lifetimes which can give rise to a wide range of needs for information, advice or support. These events may carry with them significant financial implications and the need to reassess living arrangements or apply for welfare benefits. The management of changes are likely to be significantly more challenging for households experiencing poverty than for others.
- 1.2 Council-funded advice and information services in Highland are provided by eight Citizens Advice Bureaux and the Council's customer income maximisation and money advice teams. Core funding for these services in 2014/15 amounted to £1,643,465: £1,217,465 in respect of the Citizens Advice Bureaux plus £426,000 for the customer income maximisation and money advice teams located within the Revenues and Business Support section of the Finance Service.
- 1.3 In addition to core funding, specific project funding of £316,354 had been awarded during 2014/15. Two of these three projects commenced during 2015/16 while the other one started in January 2015. More information regarding these projects is available at Section 4.
- 1.4 The financial commitments presented do not include other sources of support and assistance available through various social and third sector agencies.
- 1.5 Although other Services within the Council are also involved in the provision of advice and information, this report does not capture or reflect the cost of these other Services and related performance.

#### 2. Advice and Information Support

- 2.1 Demand from people seeking support from advice services within the Highlands continues to grow, with the 2014/15 operational year seeing overall contacts reach a 7 year high.

2.2 During 2014/15 there were 90,205 contacts with these services looking for advice or support. This compares to 64,278 contacts during 2013/14 and represents an increase of 40% year on year in contacts to advice providers.

2.3 The following tables detail the key types of advice being requested:

In-house Council teams	Contacts by advice type		
	Total	Welfare	Debt
2013/14	21,863	9,250	12,613
2014/15	34,786	16,502	18,284
% +/-	<b>+59%</b>	<b>+78%</b>	<b>+45%</b>

Citizen Advice Bureaux	Contacts by advice type				
	Total	Welfare	Debt	Housing	Employment
2013/14	42,415	18,829	6,145	2,852	2,623
2014/15	55,419	20,850	6,421	3,164	3,034
% +/-	<b>+31%</b>	<b>+11%</b>	<b>+4%</b>	<b>+11%</b>	<b>+16%</b>

*NB The total contacts figure also includes other advice areas that are not detailed and therefore the individual strands do not reflect the total contacts figure*

Total Contacts: THC and CABx	Contacts by advice type				
	Total	Welfare	Debt	Housing	Employment
2013/14	64,278	28,079	18,758	2,852	2,623
2014/15	90,205	37,352	24,705	3,164	3,034
% +/-	<b>+40%</b>	<b>+33%</b>	<b>+32%</b>	<b>+11%</b>	<b>+16%</b>

*NB The total contacts figure also includes other advice areas that are not detailed and therefore the individual strands do not reflect the total contacts figure*

2.4 All measured advice types have seen an increase in contact numbers with combined service provider contacts for welfare (+9,273) and debt (+5,947) advice experiencing the biggest percentage growth in contacts during 2014/15.

2.5 The highlighted increases in para 2.4 may be attributed to the impact of the UK government's welfare reforms with agencies reporting an increase in people seeking advice and help in identifying benefits they may be eligible to claim and assistance in claiming potential benefits. In addition zero hour contracts and seasonal employment are 2 examples where demand for employment guidance and assistance continues to escalate within the Highlands.

### 3. Debt presented/benefit gains

3.1 Total debt presented:

Year	CAB	In-house	Combined
2013/14	£12,084,580	£7,078,000	£19,162,580
2014/15	£14,975,514	£5,968,212	£20,943,726
% +/-	<b>+24%</b>	<b>-16%</b>	<b>+9%</b>

3.2 The financial year ending 2014/15 saw a 9% increase in the amount of total debt presented compared to 2013/14. The complexity of individual cases

remains high and resource intensive to address customers' debt issues.

3.3 In addition to customers on out of work benefits, advisers have engaged with Highland residents from a variety of backgrounds who have sought advice and support with debt issues. Variable hour contracts and DWP benefit delays are contributory to debt amounts rising, as clients affected by these factors are on low incomes and are unable to get back to the position they were originally in before the income shock(s) occurred.

3.4 A positive trend from 2014/15 has shown that the high point of 'payday' lending appears to have passed and advisers are not now noticing such an influx of this type of debt as previously experienced. There are a number of contributory factors giving rise to this decrease which include, but are not limited to:

- adverse publicity regarding these loans,
- the actions of the Financial Conduct Authority e.g. introduction of 'price cap' rules; and
- the recommendations of the Competition and Markets Authority to increase price competition between lenders and help borrowers get a better deal.

3.5 Total financial gains:

<b>Year</b>	<b>CAB</b>	<b>In-house</b>	<b>Combined</b>
2013/14	£11,600,000	£2,303,574	£13,903,574
2014/15	£13,052,358	£3,974,620	£17,026,978
<b>% +/-</b>	<b>+13%</b>	<b>+73%</b>	<b>+22%</b>

3.6 The figures shown are generally a combination of the actual volume of backdated benefits gains customers have received plus the weekly entitlement/benefit gained annualised (irrespective when the claim started during 14/15).

3.7 The financial gains for financial year 2014/15 are not only significant but also show a 22% increase compared with 2013/14. Although some of the increase can be attributed to the Government's annual uprating of benefit, it is clear that the impact of existing welfare reforms is resulting in an increased demand from customers using welfare services.

3.8 The in-house team in particular has achieved significant improvements on prior year. As reported to this Committee in the *Finance Service: Quarterly Performance Report to 30 June 15*, the process improvements implemented during 2014/15 have provided business benefits, including freeing up staff time to help customers. The additional financial gains by customers reflect these changes in resource management and business processes.

3.9 Current welfare reforms, Employment Support Allowance and Personal Independence Payments are areas of particular concern with intensive support being required to resolve customers' complicated circumstances when

applying for benefits. In addition, demand continues for representation and reconciliation work associated with appeals which is further exacerbated by the current benefit sanction regime.

- 3.10 It is anticipated that there will continue to be an upward pressure in service delivery as the roll-out of Universal Credit develops and the re-assessment process of existing Disability Living Allowance for Personal Independence Payment picks up pace during 2015/16.
- 3.11 With the aim of managing the increase in demand for advice and information services, each Citizens Advice Bureau and the Council's advice teams continue to continually streamline processes; to make effective use of technology; and to secure additional funding streams to those available from the Council.

#### **4. The Highland Council Welfare Fund: Projects approved during 2014/15**

4.1 During 2014/15, members of the Resources Committee approved the following projects.

##### *4.2 Maximising Benefit Take-up project*

Funding of £63,345 was approved for 12 months in February 2015. The project began on 21 June 2015 and as a result the performance information reported at paragraphs 2.3 and 3.5 of this report do not reflect any contacts or gains arising from this project. This initiative involves identifying customers with potential entitlement to additional benefit. The customers will be contacted with the aim of completing the necessary application forms to apply for eligible benefits. A report detailing the outcomes and performance of this project will be provided to a future meeting of this Committee.

##### *4.3 Midwifery project*

During June 2014 to August 2014 the Council's advice and information teams undertook a pilot offering advice to new and expectant mothers through a midwifery project in Ross-shire.

That project involved expectant mothers being offered a welfare/money advice service on an opt-out basis when attending midwifery appointments with community mid-wives. 30 women were referred to the welfare/money advice service during the pilot, 21 were successfully contacted and over half of those benefitted financially from the service. Only 1 person opted out.

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

With over 2,000 births expected in a year, it was agreed by Members at the

Resources Committee in February 2015 to provide 12 months funding for the roll out of advice to new and expectant mothers throughout the Highlands.

The Citizens Advice Bureaux commenced delivery of this project on 1 June 2015 and as a result the performance information reported at paragraphs 2.3 and 3.5 of this report do not include contacts and gains arising from this project. A report detailing the outcomes and performance of this project will be provided to a future meeting of this Committee.

#### 4.4 *Mental Health project*

At the November 2014 Resources Committee Members approved £163,000 for the Mental Health project which is being delivered by Citizens Advice Bureaux with a project end date of March 2016. This project started in January 2015 and as a result the contacts and gains arising from this project for the last quarter of 2014/15 are reflected in the performance information provided in this report at paragraphs 2.3 and 3.5.

Published research shows the benefits for Local Authorities and the NHS arising from the provision of advice services for customers experiencing mental ill health. These benefits include:

- Reductions in the amount of time which has to be spent with patients and users on non-medical or social care/social work related issues;
- A reduction in the number of repeat visits to doctors and other health and social care professionals;
- A reduction in the number of new and repeat prescriptions;
- Some patients may be able to return home more quickly from hospitals and other health settings;
- Cost benefits and cost savings in terms of service delivery, particularly in relation to mental health.

The benefits to clients identified from the provision of advice services in published research include:

- Increased levels of income that has improved clients' ability to pay bills, use transport, eat more and/or better food;
- Reductions in stress and anxiety, leading to improvements in overall health and wellbeing;
- Reduced use of medication, alcohol, food and tobacco as coping mechanisms;
- Avoidance of homelessness, resolution of housing disputes and securing appropriate housing, leading to improvements in health as a result of improved security and quality of life;
- Improved personal relationships and reductions in family breakdown.

The majority of advice clinics began in January 2015 whilst the full roll-out throughout the Highlands started in April 2015 with the additional services benefiting all Council wards.

During the initial 3 month project delivery between January to March 2015 over 295 customers have engaged and been assisted through the outreach clinics with benefit gains in excess of £102,477 per annum being reported. These gains are reflected in the total gains detailed in paragraph 3.5 above.

Clients are receiving a range of advice including benefits, health, debt, housing and legal issues and are reflected in the data detailed in the tables at paragraph 2.3 in respect of CABx.

This project has enhanced partnership working with health and social care professionals including third sector organisations through engagement and establishing links within the communities resulting in inter-agency referrals and joint approaches to resolving clients' issues. All Citizens Advice Bureaux have highlighted a notable improvement in their clients' mental well-being through engagement with this project. Please see Appendix 1 which details 2 case studies from the project.

## **5. Reaching the Unreached: Funded by the Scottish Legal Aid Board**

- 5.1 The Highland Council Money Advice team's Scottish Legal Aid Board funded project "Reaching the Unreached" assists tenants at immediate risk of losing their homes by substantially reducing their rent arrears through an affordable payment plan. Our Advisers also assist clients to maximise their income and examine whether they are eligible for any backdated benefits. When appropriate, referrals are made to relevant agencies for specialist advice and support. Advisers work intensively with clients to ensure their debts are under control and finances, such as "doorstop" and "payday" loans, are stabilised. The large majority of clients have multi-faceted issues, many of which are the underlying causes of their debt issues.
- 5.2 During 2014/15, the project supported clients from a variety of backgrounds and tenancy types to reduce their rent arrears and sustain their tenancies when faced with eviction.
- 5.3 The complex and intensive nature of this service has enabled the team to undertake over 3,862 client contacts and 3,668 3rd party contacts (e.g. creditors) to resolve issues in each case. Advisers are proactively managing £220,000 of rent debt, of which £174,000 is in respect of Highland Council tenancies, and achieving benefits gains in excess of £264,000.
- 5.4 The intensive support provided by the Council's project advisers to 137 households during 2014/15 has prevented eviction action for 135 individuals and families (99% success). Please see Appendix 2 which details a case study from the project.
- 5.5 This project was originally scheduled to end in March 2015. However, additional funding has been successfully secured from the Scottish Legal Aid Board that has allowed this project to be extended until September 2016.

## **6. Implications**

### **6.1 Resource Implications**

Resource implications are set out in the paper.

### **6.2 Legal implications**

The legislative requirement for advice and information services is set out in Section 12 of the Social Work (Scotland) Act 1968. It outlines the general social welfare services of local authorities, stating that: 'It shall be the duty of every local authority to promote social welfare by making available advice, guidance and assistance on such a scale as may be appropriate for their area [...]' Section 12 (1).

### **6.3 Risk Implications**

There is a risk that demand continues to grow during 2015/16 at a time when the Council's budgetary position means that there is no uplift in funding for advice services. This only highlights the importance to deliver services in the most efficient manner, an example of which is reported at 3.8 of this report. Agencies are also currently benefiting from other funding sources and work will continue to seek further opportunities for funding external to the Council.

### **6.4 Equality Implications**

The report seeks to consider and address equalities issues that impact on poverty and vulnerability. These services are available to anyone requiring advice, including those on low incomes and those in receipt of, or that have an entitlement to, benefits. This includes those with disabilities, women, pensioners, lone parents, and those with entitlements to child-related benefits. This assists the Council to comply with its duties under the Equality Act.

### **6.5 Rural Implications**

Advice and information services are provided throughout the Highlands. This ensures provision is in place across the Council area and within rural and remote rural communities. Advice providers also provide home visits where appropriate and a telephone advice service to ensure services are accessible.

6.6 There are no climate change/Carbon Clever or Gaelic implications.

## Recommendations

Members are asked to consider:

1. The level of support provided to customers across Highland in 2014/15; the continued increase in demand for these services; and the pressures associated in delivering the intensive resource required to resolve complex cases.
2. The positive impact of the Mental Health Project in addressing issues presented by vulnerable clients which has current funding until end of March 2016.
3. The positive impact of the Reaching the Unreached service in preventing households being evicted and avoiding additional pressures on the Council's homeless services. This service has Scottish Legal Aid Board funding until end of September 2016.
4. The potential of the Midwifery project to support new and expectant mothers in the Highlands to maximise their incomes which has funding until end of May 2016.
5. The outcomes being achieved in supporting Highland residents to mitigate the effects of poverty.

Designation: Director of Finance

Date: 31 August 2015

Author: Sheila E McKandie, Benefits and Welfare Manager, Revenues and Business Support

Background Papers:

[https://www.citizensadvice.org.uk/global/migrated\\_documents/corporate/aftf-prescribing-advice-a-pathway-to-health-and-saving-money-feb2015.pdf](https://www.citizensadvice.org.uk/global/migrated_documents/corporate/aftf-prescribing-advice-a-pathway-to-health-and-saving-money-feb2015.pdf)



### Mental Health Project case studies

**Client A**, a gentleman in his 60s, lives alone in social rented housing and was previously self-employed. They recently moved into the area seeking work and are in receipt of Jobseekers Allowance. This client suffers from depression and anxiety. The client presented at an outreach clinic as he was unsure of his benefit entitlement. After full discussion with the client it was established that they had debts of £20k and received correspondence from HMRC regarding a tax return which had previously been dealt with by an accountant.

A full benefits entitlement check was undertaken and Housing Benefit and Council Tax Reduction forms completed. Several onward referrals were made to partner agencies to support addressing other issues including:

- Tax Help for Older People
- The Money Advice Service
- CAB Debt Adviser
- Supported Internet Access Project

This client expressed his extreme gratitude for all of the assistance provided which means that they are now gainfully employed and claiming full entitlements.

**Client B** is a single male with paranoid schizophrenia, epilepsy, bulimia, depression and anxiety who is unable to work. This client was struggling with £1,048 of debt which was mostly related to catalogues with approximately £500 priority debt split between Council Tax and Electricity. They were in receipt of Employment and Support Allowance (ESA), Personal Independence Payment (PIP) and Housing Benefit. The adviser arranged for standing orders to be set up to correspond with the dates the ESA and PIP were paid which the client set up with their bank.

A budget was set for the client and every week they withdrew a previously agreed set amount of money for housekeeping with the remaining balance being left in the bank account. Initially the client found it difficult to understand how money left in his account at the end of one week could carry forward to another week. By putting his trust in the CAB adviser and their bank for a few weeks and by only withdrawing what was agreed, they could then understand that their money remained in the account to pay their standing orders. The client aims to clear their debts in 5 months and thereafter to live within their means.

This case was reviewed at 2 weeks, 1 month and will be again at 3 months, then at 5 months. At 1 month review the client was happy, coping well and stated "I always have money now and it feels good to be paying my debt."

### Reaching the Unreached case study

A single female was referred to the project by her housing provider. She was suffering from depression and had previously been bankrupt. Her rent arrears stood at £1,752.13 to a Registered Social Landlord with total debts of £7,872.70. The client was self-employed but due to health issues was not able to generate business and as a result was living on a very low income.

The client had become very isolated and had stopped dealing with all correspondence. Through the project adviser's intervention, this client is now receiving Employment and Support Allowance (ESA), Housing Benefit (HB), Council Tax Reduction (CTR) and a Discretionary Housing Payment (DHP) resulting in gains of £3,554.88. The awards of Housing Benefit and Discretionary Housing Payments completely cleared our client's rent arrears.

Substantive ongoing assistance was needed to obtain all the ESA the client was entitled to claim. This client's health issues often meant that she was unable to deal with anyone or anything and as a consequence her engagement with the Department for Work and Pensions (DWP) and our adviser was sporadic. A key principle of our service however ensures that a flexible approach is taken to ensure that the pace of engagement is appropriate for each individual client. This approach enabled this client to continue to engage with our adviser to resolve her financial issues.

Following effective negotiation with our client's bank, £280 of bank charges have been credited to our client's bank account. Our adviser continues to negotiate a few small debts and have negotiated with creditors that all action is put on hold with a view to resolving these matters.

This client regularly expresses their gratitude for our adviser's life-long and ongoing support; their effective interventions; and for the hope and relief she is feeling by accessing this service.