

Agenda Item	7.
Report No	CLH 44/19

HIGHLAND COUNCIL

Committee: Care, Learning and Housing

Date: 21 August 2019

Report Title: Advice and Information Services: End of Year Monitoring 2018/19

Report By: Chief Executive

1. Purpose/Executive Summary

- 1.1 Advice and information services are proven to be a critical approach in alleviating poverty. This report provides Members with the end of year monitoring of those Council-funded advice and information services led by the Head of Revenues & Customer Services.
- 1.2 The case studies from both the Council's Welfare Support Team and Citizens Advice, as detailed in *Appendix 1* of this report, provide useful insights into the effectiveness of the services being delivered, the resulting positive impacts on customers' overall health and wellbeing and the valuable contribution that increased benefit gains and reduced debt levels make to the local economy both within local communities and across Highland as a whole.

2. Recommendations

- 2.1 Members are asked to note:
- i. in excess of **22,000** customers were assisted by the Council's Welfare Support Team and Citizens Advice during 2018/19 for support with welfare, debt and housing issues;
 - ii. financial gains for customers exceeded **£22.5 million**. This represents a **£14.07** return for every **£1** allocated in Advice and Information services by the Council;
 - iii. a total of **£11.2 million** of debt (including £2.4m relating to mortgage/other secured loans) was presented to Citizens Advice which represents a **56%** decrease compared to 2016/17; and
 - iv. Citizens Advice supported **2,625** customers (including social rented, private

rented and home owners) seeking housing advice, highlighting the demand for consistent accessible support on these issues.

3. Implications

3.1 Resource – Implications are set out in the paper.

3.2 Legal – The Council has a legal duty to provide certain advice and information services for local residents. The legislation requirements include

- Social Work (Scotland) Act 1968, section 12: *provision of Social Welfare advice;*
- Carers (Scotland) Act 2016, Part 6 Chapter 1, Section 34(2)(b): *requires local authorities to provide information and advice on income maximisation for carers.*
- Child Poverty (Scotland) Act 2017 - *the provision and accessibility of information, advice and assistance to parents in relation to*
(i) social security matters;
(ii) income maximisation;
(iii) financial support.

3.3 Community (Equality, Poverty and Rural) - the report highlights a range of issues that impact on rural areas. The whole report seeks to consider and address the issues arising from welfare reforms. The advice and information services set out in this report make a key contribution to the Council's commitment to reduce poverty and inequalities for the people of the Highlands.

3.4 Climate Change/Carbon Clever - there are no implications.

3.5 Risk – implications are set out in the paper.

3.6 Gaelic - there are no implications.

4. Background

4.1 Deprivation encompasses a wide and diverse range of changing characteristics including income, employment, health, education, skills and training, access to services, crime and housing which together demonstrate the overall consequences of multiple deprivations. The effects of these indicators have a significant influence on the ability of residents to be able to participate in society due to a lack of financial resources. Therefore, poverty and deprivation are frequently connected as cause and effect of social exclusion and social injustice.

4.2 In December 2018, the Joseph Rowntree Foundation published its annual report on UK poverty. The report examined how UK poverty rates have changed in society over the last few years, as well as over the longer term.

This research found that:

- Child poverty has been rising since 2011/12;
- 4.1 million children are living in poverty, a rise of 500,000 in the last five years;
- Four million workers are living in poverty – a rise of more than half a million over five years; and
- In-work poverty has been rising even faster than employment, driven almost entirely by increasing poverty among working parents.

The full report can be found: <https://www.jrf.org.uk/report/uk-poverty-2018>

- 4.3 In modern day society the impacts of hardship and deprivation are no longer restricted to those on welfare benefits or low incomes. As described in paragraph 4.1, deprivation is multi-dimensional and geographically widespread across the UK, including Highland.
- 4.4 During May 2019, End Child Poverty published 2017/18 child poverty rates detailing the percentage of children in poverty after housing costs. Highland has many of the expected causes and consequences of poverty associated with urban and rural settings.
- 4.5 End Child Poverty reported that poverty in Highland is less prevalent amongst children living in the Black Isle, Inverness Millburn and Aird & Loch Ness. In contrast, child poverty is most acute in the Cromarty Firth, Wick and Inverness Central. This demonstrates the varying levels of poverty within both urban and rural settings where the geographical distances separating these communities can be only a few miles apart.
- 4.6 Poverty and inequalities in rural areas may be as a consequence of the lack of access to resources including shortage of suitable housing, fuel poverty, economic factors and rural isolation. The costs of living are generally higher within rural areas, whereas wages and incomes are on the whole lower. People are often restricted to these areas and are tied to these higher costs of living due to an inability to access adequate services to reach cheaper market sources.
- 4.7 Advice and information (A&I) services are proven to be a critical approach in alleviating poverty and are vital to the health and wellbeing of many households across the Highlands, all with varying needs of support. The Council's commitment to these services aligns with its legal duty to provide advice and information services for the general population and for specified groups. These duties are set out below:
- Social Work (Scotland) Act 1968, section 12: *provision of Social Welfare advice;*
 - Carers (Scotland) Act 2016, Part 6 Chapter 1, Section 34(2)(b): *requires local authorities to provide information and advice on income maximisation for carers.*
 - Child Poverty (Scotland) Act 2017 - *the provision and accessibility of information, advice and assistance to parents in relation to*
 - (i) *social security matters;*
 - (ii) *income maximisation;*
 - (iii) *financial support.*
- 4.8 The Christie Commission has promoted “prioritising preventative measures to reduce demand and lessen inequalities,” and providing services that treat the root cause of problems, rather than treating the symptoms. Within the context of reducing poverty and inequalities, the Council advocates an emphasis on early intervention and prevention work with the aim of preventing people reaching crisis point and as a consequence, requiring more significant support. As crisis-based interventions are the most resource intensive responses to customers' circumstances, there is an ongoing focus on encouraging customer engagement at an early stage.
- 4.9 In addition, advice and information services do not choose their customers; the fact that they are required to service this group and their diverse requirements is another factor driving the need for agile customer-focused service delivery models that are able to flex and respond to the changing needs of the customer base. For example, there is a notable increase in customers presenting with drug and alcohol dependencies, mental ill-health and adverse childhood experiences.

- 4.10 There are a variety of positive health and inequalities outcomes which can have a significant effect on the most vulnerable in society including: lower stress and anxiety, better sleeping patterns, more effective use of medication, smoking cessation, improved diet and physical activity, broader aspirations, and improved engagement with services. In the context of tackling the wider social causes of health, the benefits of quality advice services and the positive impact on reducing health inequalities are well evidenced.
- 4.11 Service delivery contract funding in 2018/19 was **£1.211m**. Council-funded contracted advice and information services in Highland for the last financial year were provided via a single Highland wide contract with Inverness, Badenoch and Strathspey Citizens Advice. In addition, **£0.397m** was provided for the Council's Welfare Support Team located within the Revenues & Customer Services section of the Corporate Resources Service.

5. Advice and Information Support – customer contacts

- 5.1 More than **22,000** people requested support from Council funded advice services within the Highlands during the financial year 2018/19. This included **3,372** customers helped by the Welfare Support Team and **18,777** clients assisted by Citizens Advice.
- 5.2 The following table details the number of customers supported with benefit and money advice difficulties over the past 3 years:

	16/17	17/18	18/19
Number of customers reached by Council's welfare support	2,842	3,713	3,732
Number of customers reached by the Citizens Advice money & benefits advice	12,406	13,877	16,152
Total	15,248	17,590	19,884

- 5.3 2018/19 saw a **13%** increase in customers accessing benefit and money advice services compared to 2017/18. In the past 3 years customer numbers have risen by **30%** overall. Universal Credit and Personal Independent Payments continue to present significant challenges for customers across Highland and has resulted in additional demand for complex advice.
- 5.4 This includes supporting customers with the application process, drafting and submitting appeals against adverse decisions and representing clients at appeal tribunals. In addition, the need for continuing and often intensive support for vulnerable customers claiming Universal Credit to maintain their claim continued to be one of the main presenting features during 2018/19.
- 5.5 The Council's Welfare Support team and Citizens Advice have also reported an increased need for their services from customers seeking advice and assistance with a variety of issues including benefit delays and errors and to challenge adverse benefit decisions especially in relation to Employment and Support allowance.
- 5.6 These can be attributed to the wider welfare reform measures all of which are having

detrimental impacts for households in Highland. Some are impacted simultaneously by multiple welfare reform reductions/changes, thereby placing increased pressures on for example, their finances, family life, health, relationships and participation in society.

6. Benefits – Financial gain

6.1 The UK Government spends roughly **£1** in every **£8**, or about **£100bn** a year on welfare benefits. This is in addition to the **£120bn** that is spent on financial support for pensioners.

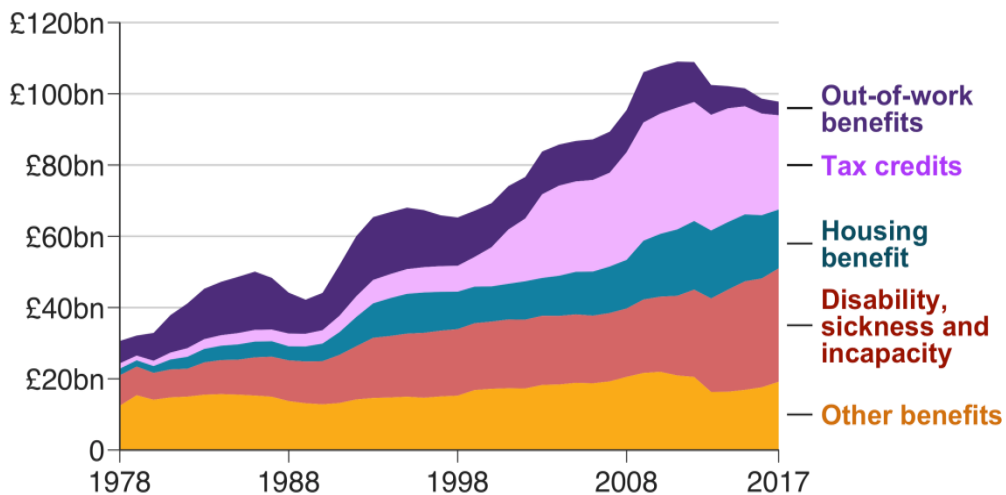
6.2 There are about 1.8 million households of working age who receive at least 80% of their income from benefits. However, it should be noted the welfare system supports a substantially greater number of households, for example:

- many more households get smaller income top-ups from the benefits system;
- About half of all working-age households currently receive some benefits. Even excluding child benefit - which all but the highest-income households are entitled to receive - the figure is about one in three.

6.3 Working-age benefits are not simply supporting an unchanging group. The majority of households will require support at some point for a variety of reasons including during periods of low income, parenthood or ill health. The following table produced by the Institute of Fiscal Studies (IFS) illustrates the changing expenditure of benefits:

How benefits have changed

Breakdown of working-age benefits spending over time



Note: 'Other benefits' includes council tax benefit and minor housing-related benefits

6.4 In Highland, welfare financial gains derived for customers during 2018/19, by Council-funded services, exceeded **£22.5m** with benefit awards to customers achieved by the Council's Welfare Support Team amounting to **£6,188,835**. Citizens Advice report financial gains of **£16,438,822** for clients. These figures are generally a combination of the backdated benefits gains customers have received plus the annualised weekly entitlement (irrespective of when the claim started during 2018/19).

6.5 These services automatically identify all entitlements due and support clients to take-up their full entitlements. Clients accessing support regularly cite the complexity of the welfare system and digital requirements as key barriers to being able to self-serve.

Total financial gains are presented in the table below:

	16/17	17/18	18/19
Benefit gain to customers by Council's welfare support	£4,651,372	£6,024,983	£6,188,835
Benefit gain to customers by the Citizens Advice money & benefits advice	£15,044,292	£18,186,146	£16,438,822
Total	£19,695,664	£24,211,139	£22,627,657

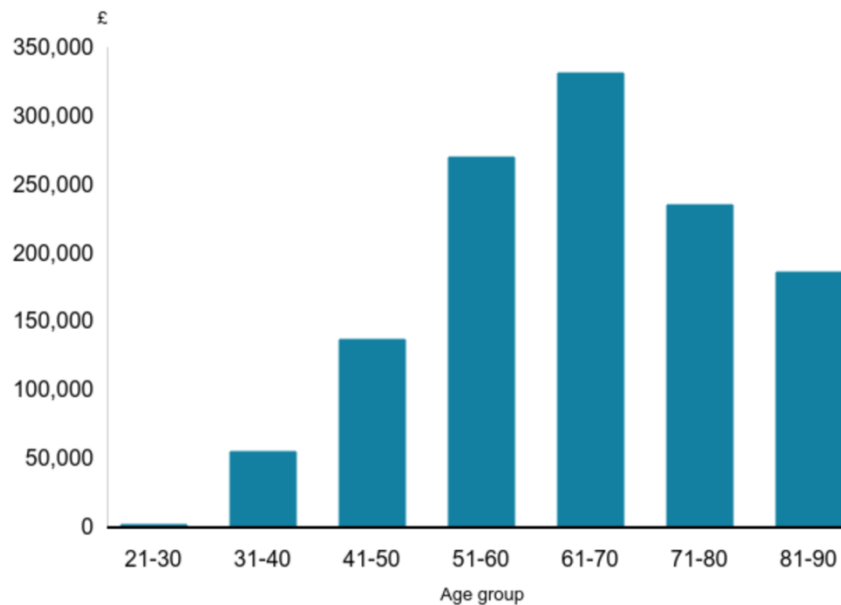
- 6.6 Overall total benefit gains reduced by **7%** during 2018/19 compared to 2017/18. One of the main reasons for this reduction is due to Universal Credit shifting the dynamic of welfare advice. Previously under legacy benefits initial support would be provided to a customer to make a claim and to secure the benefit into payment. In contrast, Universal Credit claimants require repeated and ongoing support to maintain their claims. The presenting factors are often multi-faceted and are exacerbated by digital accessibility, connectivity and affordability related challenges. Furthermore, there is growing evidence that literacy continues to be a barrier to applying for and thereafter maintaining Universal Credit claims and other benefits.
- 6.7 These substantial benefit gains during 2018/19 in Highland represents a **£14.07** return for every **£1** the Council has allocated to these services. The wider economic and social impacts of this provide the potential for more money to be spent locally, supporting local businesses, strengthening local communities and the Highland economy as a whole.

7. Debt presented to Citizens Advice

- 7.1 The Resolution Foundation/Office for National Statistics report that the majority of society will aim to build up wealth over their lifetime, from getting on the property ladder to saving and investing, and growing their pensions. However, the personal wealth of those born from the mid-1960s onwards is not growing at the same rate as that of their parents and grandparents.
- 7.2 That group are less likely to have become homeowners in time to benefit from the rapid house price growth that started in the 1980s, or to have been enrolled in generous pension schemes.
- 7.3 The graph below highlights those aged 61-70 are the wealthiest age cohort, with average wealth equivalent to £332,000. Many of the people in this group will be nearing or at the end of their careers and have had time to build-up savings, pensions and property. Those in their 80s have net family wealth of £186,000, while someone in their 30s has £55,000 whereas those in the 21-30 age band have only £2,000 in wealth.

People in their 60s have the highest average wealth

Net family wealth per adult, 2014-16



Median figure used. Adjusted for inflation.

Source: Resolution Foundation/ONS Wealth and Assets survey

- 7.4 In contrast, people with unmanageable debts are more vulnerable to experiencing wider problems in their lives including financial exclusion; family breakdown; isolation; poor physical and/or mental health; poorer educational and employment outcomes; and are at greater risk of homelessness.
- 7.5 In Highland during the financial year 2018/19, Citizens Advice report a total **£11,227,348** of debt was presented by **3,985** customers seeking help to stabilise and where possible, to resolve their financial affairs.
- 7.6 Mortgage/other secured loans totalling **£2,426,839** are included in this reported total debt figure of £11m+. It is of note that this group was initially assessed by their lender as being capable of meeting the financial commitment of their mortgage/secure loan. At some point thereafter, they have experienced an adverse change of circumstances resulting in difficulty repaying the loan. The causes are broad and include, but are not limited to, changes in personal circumstances and relationships, employment, and health impacts.
- 7.7 While the £11m+ reported debt is higher than would be desired, it represents a **42%** reduction when compared with the amount of debt presented in 2016/17 (£19.4m) and a **31.6%** (£16.4m) reduction when compared with 2017/18. One possible explanation for such high levels of reductions is that clients are accessing support at an earlier stage of their debt cycle which may be as a result of the proactive steps being taken both nationally and locally to promote the advantages of seeking support at the onset of the debt cycle rather than when in crisis. Tighter credit controls within the credit industry may be another factor and a reduction in overall debt presented may indicate that creditors are intervening earlier and adopting new approaches to recovering outstanding debts.
- 7.8 It is often the case that when a number of the issues described in paragraph 7.4 are experienced that it will trigger an over-indebted individual to seek advice. By this time the issues will quite often be complicated and extensive resulting in the need for

intensive engagement by the advice service to be able to make a difference and stabilise/resolve the financial difficulties.

- 7.9 Therefore, early interventions and a preventative approach continues to be promoted within Highland with the aim of breaking the cycle of households' debts, improving clients' money management skills and their ability to respond to financial shocks. This can be reflected in the average debt presented by customers over the past 3 financial years to Citizens Advice, which has shown a significant overall reduction of over **56%** as detailed in the following table:

Debt presented to Citizens Advice			
Year	Number of customers	Average debt per customer	Increase/decrease average debt
2016/17	3,021	£6,424	-
2017/18	3,038	£5,401	-16%
2018/19	3,985	£2,817	- 48%

- 7.10 The positive local trend of reducing average debt per customer is in contrast to the national picture. StepChange Scotland which is a national debt charity believes there are nearly 700,000 people in Scotland at risk of or in problem debt. During 2018, over 30,000 clients contacted StepChange Scotland for assistance with an average of £11,754 unsecured debt. In addition, the charity estimated over 60% of clients were in debt due to circumstances they couldn't have prevented or planned for e.g. ill-health, reductions in wages, sudden changes to welfare payments or unemployment.

8. Housing Advice

- 8.1 For the majority of households, housing costs will be their biggest, single expenditure and good quality housing advice is fundamental to support those who are vulnerable and at risk of losing their home.
- 8.2 As highlighted in paragraph 4.8, the Council believes early intervention and a preventative approach is crucial in the delivery of advice services, including for those households facing difficulty in paying their rent or mortgage. This aligns with the Council's current Rent Arrears Management Policy which is currently being reviewed and will be subject to a report to this Committee in October 2019.
- 8.3 For the financial year 2018/19, **2,625** customers (including social rented, private rented and home owners) in Highland approached Citizens Advice requesting support primarily for housing advice for a variety of reasons including arrears, housing options, repairs, capital works and anti-social behaviour. This emphasises the level of demand in Highland for consistent accessible advice on these matters.

Designation: Chief Executive

Date: 19 July 2019

Authors: Sheila McKandie, Acting Head of Revenues and Customer Services
Gavin Munro, Policy and Assurance Officer

Background Papers: Performance monitoring and analysis

**Case studies from both
the Council's Welfare Support Team and Citizens Advice**

- 1) With help and assistance from the Welfare Support Team, Mr W's weekly income has increased by £58.70 in addition to receiving a lump sum payment of £2,348.**

A support worker from the Salvation Army referred their client to the Welfare Support Team for assistance to challenge a Personal Independence Payment (PIP) decision which found the client had no entitlement despite significant mental health issues. The client was a young, vulnerable man who lived in temporary homeless accommodation in the city centre.

Having received a supportive letter from Salvation Army, the Welfare Support Officer requested the Department for Work and Pensions to undertake a Mandatory Reconsideration (MR). The MR was ultimately successful and the client was awarded the standard rate of the Daily Living component which was backdated to the start of his original claim.

This resulted in financial gains of a lump sum payment of **£2,348** plus an ongoing weekly award of **£58.70**. The Welfare Support Officer received the following feedback from the Salvation Army *'Thanks for your hard work. It's a fantastic result - especially avoiding going to appeal. It has come at the right time for Mr W as he has just signed for his own tenancy - this will help him to move on from homelessness.'*

- 2) With help and assistance from the Welfare Support Team, Miss X's weekly income has increased by £214.70 in addition to receiving a lump sum payment in of £10,551.83.**

The Welfare Support Team received a referral from a housing association for assistance with benefit claims and debt advice. Miss X's potential options were assessed by the Welfare Officer as being able to access the Scottish Welfare Fund (community care grant) due to a tenancy transfer to a new build property, assistance with issues with a Personal Independence Payment (PIP) claim, and money advice and budgeting support due to reduced income.

Miss X finds it difficult to engage with agencies, so the Welfare Officer's skills and experience were key enablers to building rapport and a trusting relationship with her client. This rapport and trust enabled the Welfare Officer to quickly recognise that due to the client's mental health, she required additional support in order to access services and medical advice. Therefore, the Welfare Officer contacted the NHS community mental health team for assistance and following initial assessment a social worker was appointed.

The Welfare Officer secured Miss X a Scottish Welfare Fund award for new carpets and a cooker for her new property, which were valued at **£396**.

The Welfare Officer completed a Mandatory Reconsideration for Miss X's PIP application which was unsuccessful and therefore had to be considered via the formal appeals process. The Welfare Officer prepared the written submission, prepared the customer for the appeal hearing and represented

Miss X at the appeal tribunal. Miss X's appeal was successful and she was awarded the enhanced rate for both the daily living and the mobility component of PIP. This resulted in a lump sum gain of **£7,051.83** and an on-going weekly payment of **£148.85**.

As the PIP was now back in payment, this also resulted in Miss X being entitled again to the severe disability premium within her Employment and Support Allowance (ESA). The Welfare Officer worked with Miss X to ensure this was re-instated and she received a lump sum gain in excess of **£3,500** and an on-going top up to her ESA of **£65.85** per week.

3) Citizen Advice – housing advice

Age Range :- 70-80	Gender :- Female
Nationality:- Scottish	Household Type :- Pensioner couple
Employment Status :- Retired	Health Issue/Disability :- Yes
Financial Gain if Any:	£1,916

Presenting Issue:-

Clients both have medical issues then client's husband developed sepsis and became immobile. Once home he did not get an OT assessment and they were struggling with basic duties such as going to the toilet as he did not have the power to lift himself off the toilet.

He could not get in or out of their house as they had steps at the front and back door and his bedroom was upstairs and could not gain access.

CA Adviser Intervention/Advice options

We have applied for AA for them both.

Contacted local GP got an OT assessment done and very quickly on the back of that a local company was engaged to install a ramp and a raised toilet seat

We sourced a stair lift for client from an ex employer worth £8,500 which had been installed previously in an ex- employees' home, all we had to do was engage a certified installer to fit the lift, this would cost £500.

We contacted RSAIB, land charity as clients husband worked on a farm when employed, they have agreed to pay for the installation and assessed their income and they are going to pay clients £118 pcm to assist in expenses

Outcome for Client (including softer measures if known)

Client can now get outside and get upstairs and has extra financial help, they at one time thought that they would have to ask LA to assist with a change of housing suitable for their needs. This caused distress as the have lived in the LA house for a number of years and it very close to the centre of town so they can still access shops etc. with use of mobility aids. Without this intervention the wife feared that her husband would be taken back into hospital as he could not access bathroom facilities.

4) Citizens Advice – benefit advice

Age Range :- 20s	Gender :- Female
Nationality:- British	Household Type :- Single person
Employment Status :- Unable to work due to long-term sickness	Health Issue/Disability :- Yes
Financial gain if Any	£12,242.89

Presenting Issue:-

Vulnerable client moved from ESA to universal credit. There is a regulation stating claimants with an ESA entitlement at the start of their UC claim should immediately be placed in the equivalent UC group, with no reassessment and no waiting period. This was never applied to client's claim. There was also an issue with her housing element, which was not paid despite client requesting this at the beginning of her claim. Client was referred to us 5 months after the start of her claim, when she was facing eviction due to significant rent arrears and severe financial hardship due to incorrect payments.

CA Adviser Intervention/Advice options

Numerous contacts were made with client's UC case manager over the telephone and via her online journal. The housing element was reinstated and arrears paid after three months of CAB negotiating, 10 months after client made her claim. Shortly afterwards client told she should not have received this, and had been overpaid, causing great distress. Client not given a decision letter outlining her appeal rights and was told by JCP there was no way to challenge this.

CA advisor spent 6 months trying to have the appropriate regulation applied to client's claim so that she could be placed in the appropriate group and receive her arrears payments. We were given incorrect advice on numerous occasions and assured repeatedly that it would be looked into. We were told that there was no such regulation and client was not due any extra payments. A payment was issued at one point, but withheld because of a housing element overpayment that did not exist (see previous).

Outcome for Client (including softer measures if known)

A 4-page long complaint letter was sent to JCP outlining the various issues encountered during the six months since client had been referred to CAB. Within days, client received a formal response apologising for the mistakes made. All arrears were issued, her regular payments increased to the expected amount, she was placed in the correct group and the housing element overpayment (which was a 'computer generated mistake) was cancelled. Client's eviction was recalled and she was able to remain in her home.

5) Citizens Advice – Money/debt advice

Age Range :- 40 - 50	Gender :- Female
Nationality:-Scottish	Household Type :-1 Adult 2 Children
Employment Status :-Unfit for work	Health Issue/Disability :- Yes

Financial gain if Any	£5,357.92
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Presenting Issue:-

Client was struggling with meeting her financial responsibilities; she needed assistance with paperwork as she was having great issues with her short-term memory.

She is off from work at present due to mental health difficulties; she had made a UC application before speaking to me so we needed to establish what was going wrong.

CA Adviser Intervention/Advice options

We completed a Money Advice pack and Benefit check, client came to CAB and accessed her UC journal we discovered there had been a mistake at the DWP side and they had not verified clients housing costs or followed anything up re this, the client had not understood this or picked up this error.

As a result, the housing element was attached to client claim,

Outcome for Client (including softer measures if known)

Client finances were stabilised and she did not lose her home