

Agenda Item	8.
Report No	RES/20/20

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 12 August 2020

Report Title: Annual Performance Monitoring: Welfare, Advice and Information Services 2019/20

Report By: Executive Chief Officer – Resources and Finance

1. Purpose/Executive Summary

- 1.1 Welfare, advice and information services are proven to be critical levers to alleviate poverty. This report provides Members with the annual performance monitoring of the Council's Welfare Support Team and the commissioned services that are managed by the Interim Head of Revenues & Customer Services and provided by Inverness, Badenoch and Strathspey Citizens Advice Bureau.
- 1.2 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 economic contribution for local communities and across Highland arising from increased benefit and reduced debt.

2. Recommendations

- 2.1 Members are invited to scrutinise the undernoted performance:
 - i. in excess of **26,500** customers were assisted by the Council's Welfare Support Team and Citizens Advice during 2019/20 for support with welfare, debt and housing issues;
 - ii. financial gains for customers exceeded **£23.7 million**. This represents a **£14.64** return for every **£1** allocated to welfare, advice and information services by the Council;
 - iii. a total of **£11.6 million** of debt (including £2.1m relating to mortgage/other secured loans) was presented to Citizens Advice, which represents a **28.7%** decrease compared to 2017/18; and

- iv. Citizens Advice supported **3,029** customers (including social rented, private rented and home owners) seeking housing-related 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) – this report highlights a range of issues that impact on rural areas. The whole report seeks to consider and address the issues arising from welfare and provides a forward look arising from the COVID-19 pandemic. The welfare, 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 October 2019, the Joseph Rowntree Foundation (JRF) published a report *Poverty in Scotland 2019*. JRF report:

- Overall, poverty was lower in 2015-18 than it was in 1999-2002, but since 2009-12, poverty rates have started to shift upwards.
- Pensioners have experienced the greatest fall in poverty rates since 1999, followed by children, but poverty rates for both now appear to be rising.

- Working-age people without children have not experienced much change in their poverty rate over time. The poverty rate for this group tends to be lower than for other sections of the population, but there are notable exceptions – demonstrated by the high rates of destitution for single men under the age of 25.

The full report can be found: <https://www.jrf.org.uk/report/poverty-scotland-2019>

- 4.3 Critically, welfare, advice and information services alleviate poverty and are vital for 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 duties, as set out in Section 2 above, to provide advice and information services for the general population and for specified groups. Customers receiving this important support, often express the relief they feel, the positive impacts on their mental and physical wellbeing, and relationships.
- 4.4 The Council advocates an emphasis on early intervention and prevention across all services. For welfare services, this approach aims to prevent people reaching crisis point and consequently, 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.
- 4.5 Agile delivery models seek to ensure that there are effective and proportionate responses to the changing and increasingly complex needs of the customer base. This provides for positive health and inequalities outcomes which can have a significant positive effect on the most vulnerable in society. These include 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 addressing the wider social causes of health, the merits of quality welfare services are well recognised.
- 4.6 In addition to advice, this agile approach is underpinned by strong partnership working and collaboration across the public, private and third sectors. For example, this enabled households to be supported with the provision of food throughout 2019/20 and included:
- provision of food parcels for those receiving a Community Care Grant;
 - food parcels for those in crisis and signposting to local provision of cooked food and hot drinks;
 - purchased, donated and surplus food, provided by FareShare, was distributed via the Welfare Support team during 2019/20;
 - referrals by Council Services to Blythswood Food Banks.
- 4.7 Service delivery contract funding in 2019/20 was **£1.211m**. Council-funded commissioned advice and information services in Highland for the last financial year were provided via a Highland-wide contract with Inverness, Badenoch and Strathspey Citizens Advice. In addition, **£0.409m** was provided for the Council's Welfare Support Team located within the Revenues & Customer Services section of the Corporate Resources Service.
- 5. Welfare, Advice and Information Support – customer contacts**
- 5.1 More than **26,500** people within Highland sought support from these Council funded welfare services during the financial year 2019/20. This comprises **3,846** customers supported by the Welfare Support Team and **22,714** clients assisted by Citizens Advice.

5.2 The following table details the number of customers supported with benefit and money advice over the past 3 years:

	17/18	18/19	19/20
Number of customers reached by Council's welfare support service	3,713	3,732	3,846
Number of customers reached by the Citizens Advice money & benefits advice	13,877	16,152	19,685
Total	17,590	19,884	23,531

5.3 During 2019/20, there was a **18.3%** increase in customers accessing benefit and money advice services compared with 2018/19. In the past 3 years, there has been an overall increase of **33.8%** in demand. Universal Credit and Personal Independent Payments continue to present significant challenges for customers across Highland and has resulted in additional and more complex demand for support.

5.4 This includes supporting customers with the entitlement application process, drafting and submitting appeals to challenge adverse decisions and representing clients at appeal tribunals. In addition, increased support for non-working age customers to claim benefit entitlements, for example Pension Credit and Attendance Allowance was one of the main presenting features during 2019/20.

5.5 The most recent figures published by the Department for Work and Pensions (DWP), estimates that in 2017/18 up to **1.2** million families in the UK, who were entitled to receive Pension Credit, did not claim the benefit. DWP report that **£2.5** billion of available Pension Credit went unclaimed – this amounts to an average of **£2,000** per year for each eligible household.

5.6 Some households are impacted simultaneously by multiple welfare decisions, thereby placing increased pressures on for example, their finances, family life, health, relationships and participation in society.

6. Welfare Financial Gains

6.1 In Highland, financial gains derived for customers during 2019/20, by these Council-funded services, exceeded **£23.7m**. This is generally a combination of the backdated benefits customers have received plus the annualised weekly entitlement (irrespective of when the claim started during 2019/20).

6.2 The Council's Welfare Support Officers and advisers in Citizens Advice 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:

	17/18	18/19	19/20
Benefit gain to customers by Council's welfare support	£6,024,983	£6,188,835	£6,651,012
Benefit gain to customers by the Citizens Advice money & benefits advice	£18,186,146	£16,438,822	£17,071,488
Total	£24,211,139	£22,627,657	£23,722,500

6.3 Overall total benefit gains increased by **4.8%** during 2019/20 compared with 2018/19. When compared with 2017/18, there has been a **2%** reduction in the amount gained. Universal Credit claimants continue to require recurring and ongoing support to maintain their claims requiring more of an adviser's time than was the case under the legacy benefits. The presenting factors are often complex and require a holistic approach. Furthermore, as highlighted in paragraph 5.3 above, there is a notable increase in support for non-working age households. Feedback from those providing support identifies the reluctance among these households to accept welfare payments.

6.4 These substantial benefit gains in Highland during 2019/20 represents a **£14.64** return for every **£1** the Council has allocated to these services (**£14.07 return for 2018/19**). The wider economic and social impacts of these gains enable increased local spend, supporting local businesses, strengthening local communities and the Highland economy.

7. Debt presented to Citizens Advice

7.1 Personal wealth is a key characteristic of a person's standard of living. Wealth improves social mobility as it generally improves current or future living standards, to invest in opportunities such as education or entrepreneurial activities, and to provide financial resilience, reducing vulnerability to shocks such as unemployment or illness. Many people will try to grow their wealth throughout their working lives, in preparation for retirement, but households with low income and low starting wealth will find this more difficult.

7.2 The amount of wealth someone has will vary and be affected by several factors, for example, those nearing retirement will have accumulated a substantial amount of wealth over their working lives whereas many young people are only starting to build wealth. While this build-up of wealth over time and with age is natural, some groups of the population are unable to achieve this. These groups may not have any income to spare for savings, or cannot afford home ownership, or do not have the opportunity to obtain a private pension.

7.3 The table at *Appendix 2* to this report, extracted from a Scottish Government publication *Wealth in Scotland 2006-2018*, highlights the total wealth of a typical household (median wealth) for a wide range of household characteristics, comparing each group with the Scotland average.

7.4 Some households not only have no financial wealth, they also have debt, and for some their debt is unmanageable. The Office for National Statistics define a household with unmanageable debt as having liquidity problems or solvency problems, or both. Liquidity problems mean people struggle with their debt repayments and are falling behind with

bills. Solvency problems mean people have a large amount of debt and feel heavily burdened by it.

- 7.5 In Highland during the financial year 2019/20, Citizens Advice report the total debt presented amounted to **£11,686,542** by **5,076** customers seeking help to stabilise and where possible, to resolve their financial affairs. (An average debt of £2,302.31.)
- 7.6 Mortgage/other secured loans totalling **£2,157,377** are included in this total debt figure of **£11.7m**. 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.
- 7.7 While the **£11.7m** reported debt represents a **4.4%** increase when compared with 2018/19 (**£11.2m**), the number of customers seeking help in 2019/20 increased by **27%**. While this increasing debt trend is of concern, the total debt presented in 2019/20 represents a **28.7%** reduction when compared with the amount of debt presented in 2017/18 (**£16.4m**).
- 7.8 The **average** debt presented by customers over the past 3 financial years to Citizens Advice has shown a significant overall reduction of over **57%** as detailed below.

Debt presented to Citizens Advice			
Year	Number of customers	Average debt per customer	Increase/decrease average debt
2017/18	3,038	£5,401	-
2018/19	3,985	£2,817	- 48%
2019/20	5,076	£2,303	- 18%

- 7.9 The local trend of reducing average debt per customer contrasts with the national picture. StepChange Scotland's 2019 annual report '*Scotland in the Red*' identifies some of the key characteristics and debt situations of their clients. During 2019, over 40,000 clients contacted StepChange Scotland for assistance with an average of £11,656 unsecured debt.

The full report can be found <https://www.stepchange.org/policy-and-research/personal-debt-statistics-in-the-uk/scotland-in-the-red-2019.aspx>

- 7.10 Locally and nationally, the key reasons customers access debt advice are:
- a reduction in income or benefits
 - employment changes, unemployment or redundancy
 - ill-health or injury.
- 7.11 In addition, Citizens Advice in Highland report during 2019/20 they had a significant increase in clients presenting with rent debt as opposed to issues with mortgages. Rent debt settlements are usually of a lower financial value compared to secured debt and in turn quicker to resolve enabling more clients to be supported. This has been reflected in both the increased number of clients presenting for debt advice and to a certain degree housing advice as reported in Section 8 of this report.

- 7.12 Once debt becomes unmanageable, this is often the trigger point for individuals to seek advice. However, by that stage the issues are complicated and extensive, and are often exacerbated by increasing penalties and charges. Intensive support from advice agencies is therefore essential in order to stabilise the situation for individual clients.
- 7.13 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 abilities to respond to financial shocks.
- 7.14 Citizens Advice' digital publication - *If you can't pay your bills because of coronavirus* is used extensively by their advisers and has proven very popular with their clients. This publication is available at the following link:

<https://www.citizensadvice.org.uk/scotland/debt-and-money/if-you-cant-pay-your-bills-because-of-coronavirus/>

8. Housing Advice

- 8.1 For most households, housing costs will be their largest, 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 throughout this report, the Council promotes early intervention and prevention, including for those households facing difficulty in paying their rent or mortgage. These principles also underpin the Council's current Rent Arrears Management Policy which was approved at the Housing & Property Committee on 29 January 2020.
- 8.3 For financial year 2019/20, **3,029** customers (including social rented, private rented and home owners) in Highland approached Citizens Advice requesting support for a range of housing-related advice, including arrears, housing options, repairs, capital works and anti-social behaviour. This represents a **15.4%** increase compared with 2018/19 and underlines the level of demand in Highland for consistent and accessible housing advice.

9. Forward Look

- 9.1 Highland has a relatively high proportion of zero hour and part time workers; the area also experiences greater seasonal fluctuations in unemployment than the rest of the country due to the nature of the dominant service sector economy. The COVID-19 pandemic has further exacerbated welfare, debt, housing and employment issues. Individuals and households, who have never experienced the welfare system or difficulties with their financial affairs, are now seeking support from Council services and Citizens Advice.
- 9.2 For example, Highland Citizens Advice report the number of employment advice enquires they dealt with prior to COVID-19 was approximately **8%** of all enquires per month. For the second half of March 2020 this figure increased to **60%** of all enquiries. Inverness Citizens Advice report they are running at capacity and employment advice continues to be **45%** of all enquiries.
- 9.3 For the Highland Food Bank, Blythswood Care, total food provision had increased by 97% in April 2020 compared to the same period in 2019. This included a 186% increase in parcels going to families with children. In April and May 2020, the Highland

Food Bank helped 2,119 clients whereas for the same period in 2019, 1,349 clients were helped (+57%).

9.4 A survey of 2,000 Scottish households identifies the economic impact of lockdown for households across different housing tenures, and in different parts of the country.

9.5 The findings of this survey are available at the undernoted link and a high-level summary is as follows:

- Almost a third of households (31%) across Scotland have reported a drop in their incomes since March 2020. **In the Highlands and Islands this rises to 44% - the most affected areas in Scotland.**
- Almost half of renters who have experienced a drop in their income since March are worried about their ability to pay rent.
- Households that saw a decline in income were at the same time more likely to face extra costs than those whose incomes had stayed the same or increased.
- Nearly a quarter of all those facing increased costs say they are struggling to cover them (23%). The most commonly reported extra costs for all respondents were food (42%) and gas & electricity (30%).

The full report can be accessed at the following link:

<https://www.jrf.org.uk/press/almost-third-scots%E2%80%99-incomes-have-reduced-lockdown-half-affected-renters-worried-about-paying>

9.6 In Highland, there has been around a 79% increase in the number of people claiming Universal Credit for the period March to June 2020. On average, 62% of those claiming are not in employment, with the remaining number requiring their income to be topped up through the Universal Credit system. The following table provides a breakdown by Jobcentre and provides some insights into the local impacts of the pandemic.

People on Universal Credit					
Jobcentre	Mar-20	Apr-20	May-20	Jun-20	% increase
Dingwall	965	1,345	1,563	1,633	69.00%
Fort William	818	1,367	1,636	1,733	111.86%
Invergordon	1,584	2,049	2,318	2,390	50.88%
Inverness	5,900	8,536	10,250	10,673	80.90%
Portree	411	880	1,164	1,201	192.41%
Wick	1,612	2,210	2,500	2,616	62.28%
Total	11,301	16,385	19,434	20,250	79.19%

9.7 To provide an appropriate response to future demand, steps are being taken by Officers to enhance close working across Council services; to build upon the strong partnerships that have already been developed across the public, private and third sectors; and to develop the very positive and much-valued role of communities.

Designation: Executive Chief Officer – Resources and Finance

Date: 17 July 2020

Authors: Sheila McKandie, Interim Head of Revenues & Customer Services

Background Papers: Performance monitoring and analysis

- Joseph Rowntree Foundation report *Poverty in Scotland 2019*.
<https://www.jrf.org.uk/report/poverty-scotland-2019>
- Scottish Government Annual report on Welfare Reform 2019
<https://www.gov.scot/publications/2019-annual-report-welfare-reform/>
- StepChange Scotland 2019 annual report '*Scotland in the Red*'
<https://www.stepchange.org/policy-and-research/personal-debt-statistics-in-the-uk/scotland-in-the-red-2019.aspx>
- Scottish Government publication *Wealth in Scotland 2006-2018*
<http://www.wealthandassets.scot/2020report.html>
- Citizens Advice Scotland *If you can't pay your bills because of coronavirus*
<https://www.citizensadvice.org.uk/scotland/debt-and-money/if-you-cant-pay-your-bills-because-of-coronavirus/>

Case studies

Provided by the Council's Welfare Support Team and Citizens Advice

- 1. With help and assistance from the Welfare Support Team (WST), Mrs B's weekly income has increased by £88.20 in addition to receiving a lump sum payment of £1,234.80.**

An elderly woman who lives alone in a rural location, attended one of the flu clinics. A Welfare Officer observed that the lady appeared to have a health condition as she had difficulties walking. She was approached by a Welfare Officer who after a short discussion gave the lady her business card and details about the team.

The lady phoned the WST freephone number the following day.

When the benefit check was carried out, it was established that the client was already in receipt of Attendance Allowance and taking all other income/savings into account, the Welfare Officer established that she would qualify for Pension Credit. Our Welfare Officer phoned the client and advised that they would support her to make an application for Pension Credit.

A home visit was arranged and an application for Pension Credit was completed. The application for Pension Credit was successful and the client was awarded Pension Credit Guarantee Credit (PCGC) as follows:

Total gains were £5,821.20 and this entitlement to Pension Credit protects this lady's entitlement to a free TV licence from August 2020. This lady was delighted with the outcome as she was not aware of her entitlement to Pension Credit and the link with TV licencing.

- 2. With help and assistance from the Welfare Support Team, Miss T's weekly income has increased by £81.90 in addition to receiving a lump sum payment of £819.30.**

The Welfare Support Team received a referral from a client who had been made aware of our services from a neighbour.

The client is working age and although she has a long-term health condition, she has a part-time job. She lives in a small town with her husband.

During the appointment with our Welfare Officer, an application for Personal Independence Payment (PIP), Daily Living and the PIP Mobility components, was made and resulted in the following awards:

- a one-off lump sum payment for PIP Mobility standard of £232.20
- and an ongoing payment of £23.20 per week
- a one-off lump sum payment of PIP Daily Living standard of £587.00
- and an ongoing payment of £58.70 per week

This lady was overjoyed with the outcome of her application.

3. Citizen Advice – housing advice

Female Age 26 Cohabiting
LA Tenant (2 bed)
Employed p/t (16 hrs)
Two dependent children 1xboy 1xgirl age 7 & 18mths
In receipt of UC, CHB
No health issues

Visited bureau as she currently resides in a 2 bed property and has applied to HHR and been awarded 40 points.

She is aware of a property which is due to be advertised and would like advice on how to go through this process successfully.

The adviser went through a benefit check and the client's application. The client has no medical needs or access to other children and although her housing situation isn't ideal it is still considered to be acceptable for her two children to share a room. The adviser assisted client to build a case and help her put this forward to the housing team. The client was successful in her application and awarded the 3-bed house that she sought.

The adviser then assisted the client with clothing grant, free school meals for her oldest child and Best Start payment for her younger child. The adviser also advised of the Best Start Nursery Grant when son turns 2 years of age. Client may require assistance with carpet for new property and assisted with application for CCG.

Also offered client budgeting advice and signposted to MAS website for online tools to assist her manage her money more effectively.

Client was not successful with SWF as meantime her partner returned to work and her income increased slightly but is extremely happy to have been successful in obtaining the house she had hoped for.

4. Citizens Advice – benefit advice

Our client was a long-standing claimant of income-related Employment and Support Allowance (ESA) which was his sole source of income, due to being unable to work because of a combination of physical and mental health conditions.

They originally presented at the Outreach office at the local general practice in an extremely distressed state as their ESA award had been terminated after they were found to be fit for work following a Work Capability Assessment. As a result, they now had no regular income and their Housing Benefit award was also at risk given it was dependant on ongoing entitlement to ESA.

The Outreach advisor firstly helped client apply for a Crisis Grant to ensure he had finances in the short-term. They also liaised with client's GP in order to source supporting evidence to challenge the ESA decision and referred him to the Welfare Rights Office to assist him with the appeals process and ultimately provide representation at a tribunal hearing.

Following registration of a benefit appeal, the client's ESA claim was reinstated which ensured his Housing Benefit would also remain in payment during the appeals process. As a result of the initial intervention from Outreach, the client was able to get a supporting letter from their GP to add to the appeal evidence in a timely manner. Client was previously in the ESA Work Related Activity Group (WRAG), however in light of the commentary provided by the GP the tribunal panel deemed that the client met the criteria to be placed in the Support Group (SG), thereby giving them a higher ESA award.

Client was delighted with this outcome and stated there was no way they could have managed appealing a benefit decision independently. In addition, they have been contending with other unrelated matters that have exacerbated their stress and anxiety and therefore they are especially pleased that being in the SG also means they do not have to carry out any work-related commitments at all, whereas they would have struggled to carry out requirements of claimants in the WRAG group in their current state of mind.

In addition to ongoing consultations with their GP, the client has also engaged with a psychiatrist and the local Pain Management Clinic to help with treating their conditions. Client was previously reluctant to engage with health services, but is now aware of the importance of doing so, not only to help with managing and improving their health but also to be able to provide additional evidence for future benefit claims / reviews.

As a result of these interventions, the client has since felt encouraged to make a claim for Personal Independence Payment (PIP) and also to apply for Accessible Housing through the local council, both of which are currently in progress.

Financial gain: £7,716.53

5. Citizens Advice – Money/debt advice

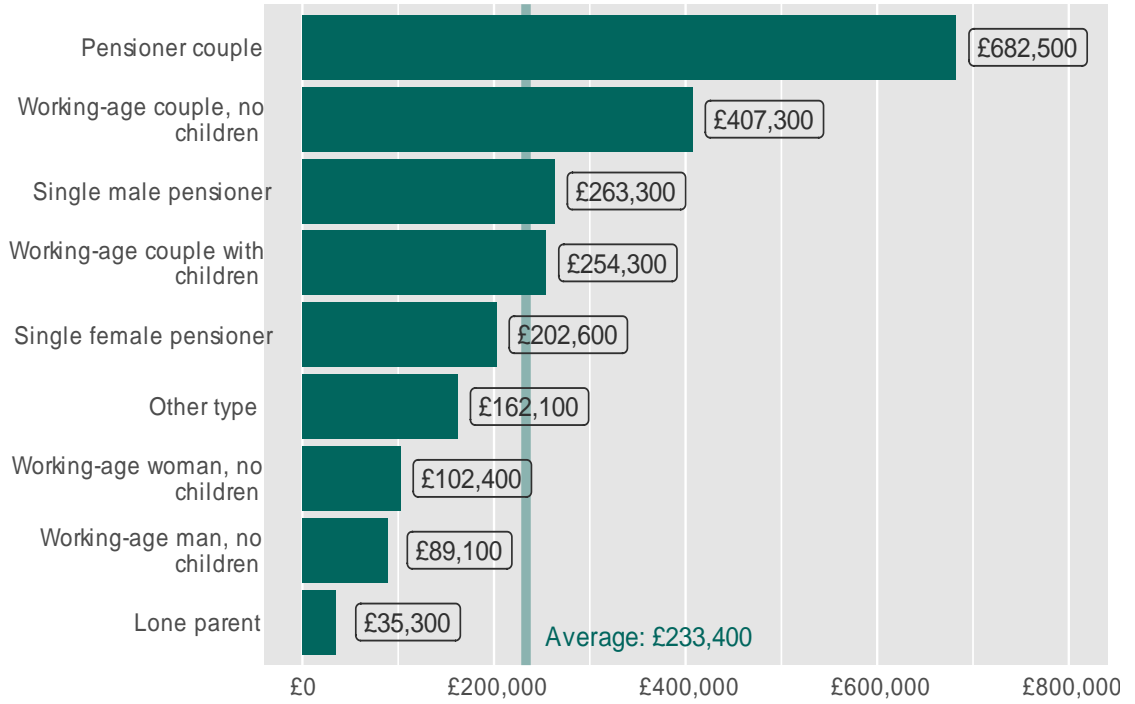
Client has been diagnosed with Motor Neuron Disease. He has had to give up work and his wife has had to reduce her hours to care for him. As a result, the client is struggling to maintain payments to his creditors. Client was concerned that on his death any debt could impact on his wife and 15-year-old daughter and place the family home at risk as it is in his name and would be deemed part of his estate.

We obtained a letter from the client's GP and specialist consultant confirming his medical diagnosis and were successful in getting **£30,000 of debt written off**. The Bureau also assisted the client in applying for PIP and was awarded enhanced rate Daily living and mobility component. Both the removal of the debt and the increased income was a huge relief for the family as it has removed the debt issue and will allow them to focus on spending as much quality time together as possible in the coming weeks and months.

Median Household Wealth by Household Type, Scotland 2016-2018

Pensioner couples wealthiest on average, lone parents the least wealthy.

Median household wealth by household type, Scotland 2016-2018



Source: Wealth and Assets Survey