

**THE HIGHLAND COUNCIL
RESOURCES COMMITTEE
WELFARE REFORM WORKING GROUP**

Minutes of meeting of the Welfare Reform Working Group held in Committee Room 2 at Council Headquarters, Glenurquhart Road, Inverness on Friday 15 August, 2014 at 3pm.

PRESENT

Mr A Christie
Mrs M Davidson

Mr D Hendry
Mr T Prag

Officials in attendance:-

Ms C McDiarmid, Head of Policy and Reform, Chief Executive's Office
Mr D Lamont, Head of Exchequer and Revenues, Finance Service
Mr D Goldie, Head of Housing, Community Services
Mr B Mackinnon, Employability Manager, Planning and Development Service
Mr G Munro, Advice and Information Officer, Finance Service
Ms G Ward, Housing Policy Officer, Community Services
Ms M Kinsella, District Manager, Health and Social Care Service
Ms L Lee, Committee Administrator, Corporate Development Service

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mrs D Mackay, Ms M Smith and Mrs C Wilson.

2. Declarations of Interest

Mr A Christie declared a non-financial interest in items 3 to 9 below as General Manager and Company Secretary of Inverness, Badenoch and Strathspey CAB but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

3. Practitioner Feedback on the Impact of Welfare Reform to date

There had been circulated Report No. WR/3/14 by the Head of Policy and Reform which described the current and emerging challenges arising from welfare reform, based on practitioner feedback. The report proposed the following Council priorities for responding to Welfare Reform:

- i. Welfare Reform actions to continue to involve every service in the Council and be co-ordinated in a way that helped people most;
- ii. providing enhanced support and hand holding to vulnerable clients, to allow them to navigate the system, including appealing welfare decisions;
- iii. employability support to accommodate a diverse range of needs and include people furthest from the labour market and with challenging behaviour;
- iv. digital inclusion/participation/literacy to be led as a corporate policy co-ordinated across the Council, linked to customer services strategy and agreed and

- delivered in collaboration with community planning partners, notably HIE given its lead in rolling out Next Generation Broadband;
- v. support for financial capability/budgeting skills; and
 - vi. continued lobbying with the UK Government.

In discussion, Members suggested that the following actions be also considered; these measures would assist in combating social exclusion:

- giving consideration to how the Council's approach to welfare reform fitted with the Council's programme and priorities
- developing ways of evaluating the impact of the Council's support including how we gather information and reach people; Officers to give consideration to what might be possible and report back
- increasing the emphasis placed on digital inclusion by improving access to broadband across the Highlands, including
 - public buildings (schools, libraries, service points and other public bodies' buildings) being open to the public in order to facilitate access to broadband, particularly in remoter areas, and that partner agencies should be asked to engage with this
 - enabling/upskilling people to use computers to be raised further up the Council's agenda
- understanding the transport barriers across the Highlands (accepting that other bodies had a steering role in transport and in broadband provision).

The Group **NOTED**:

- i. the views of practitioners in the Council of the current impact of welfare reform on service needs and delivery;
- ii. the challenges identified so far for services and the need for Council services to continue to adapt as welfare reforms are rolled out; and
- iii. that officers would investigate ways in which Members suggestions could be taken forward, including looking into other possible ways of communicating with tenants and others, and report back to the Working Group.

The Group **AGREED** the six priorities for further action as set out above, subject to the need for evaluation to be included, and the comments made in discussion being **NOTED**.

4. Tenant Survey Briefing

There had been circulated briefing note by the Director of Community Services which provided an update on the progress of the recent tenant survey: 'Welfare Reform – Changes ahead for benefit payments'. It also outlined the next steps in relation to tenant consultation and how the outcomes of the process would help to develop services. The overall aim was to help prepare and support tenants through the implementation of Universal Credit whilst safeguarding the rental income stream to the Housing Revenue Account (HRA).

A presentation was given by the Housing Policy Officer, Community Services summarising the questions asked in the tenant survey and the responses received. The survey had targeted tenants in receipt of maximum benefit as such tenants would in future require to make rental payments to the Council. The response rate had been 32%, which was a high rate of return for this type of survey. There were concerns that this group, being "harder to reach", might experience greatest difficulties with the new arrangements.

The survey findings showed the proportion of tenants who thought they would require assistance in completing forms (54%) and in using computers (access issues (44%); confidence issues (73%)); the proportion of people who normally paid utility bills by cash (55%) – cash payments were more expensive for the Council to administer than payment by direct debit/standing order; and those facing issues such as ill health, disability, debt, addiction etc. which would make it more difficult for them to manage their UC (75%). An event for tenants, involving Employability, and Children and Families officers and the money advice team, would be held on 9 September. It was hoped this would build on existing tenant engagement, bring to light ways of identifying vulnerable groups, and find solutions.

An update was also provided on the roll-out of Universal Credit (UC) in the Inverness job centre area. Currently 15 Council tenants were in receipt of Universal Credit. All were in arrears, the average sum being £616, compared with average arrears of £265 for those in receipt of housing benefit. Experience was showing that the new system led to difficulties when people were in and out of work or in temporary accommodation.

Members welcomed the survey and the proposed next steps as set out in the report. In discussion, concerns were raised at the level of rent arrears for those on Universal Credit (UC), albeit that the figures were drawn from a small number of people, there was potential for serious impact on the Housing Revenue Account. It was noted that these survey results appeared to differ from Department of Work and Pensions (DWP) figures.

Whilst it was understood that the DWP recognised that Local Authorities would need to support people claiming UC, the Head of Exchequer and Revenues cautioned against the Council investing heavily in this area until such time as funding from the Government was in place. National negotiations on costs for the Local Support Services Framework were ongoing and the baselining of current costs would be a factor likely to be taken into account in the calculations.

Members asked that the Council's tenant survey findings be shared with partners, in particular health and police. Officers gave an assurance that Welfare Reform was a standing item on the Health and Equalities Working Group agenda and also informed Members about research to be undertaken by National Health Service Highland (NHS) into the impact on people with addiction.

The Working Group **NOTED** that further feedback would be provided by the Policy Officer as matters progressed, and **AGREED**:

- i. the next steps as set out in the report; i.e. further exploration of
 - support mechanisms and facilities required to upskill tenants in relation to their internet skills, budgeting and employability
 - availability and access to the internet
 - alternative and cheaper payment methods
 - alternative and more efficient methods of customer contact/engagement, including SMS, Email, Social Media and Peer to Peer monitoring
 - identifying vulnerable customers with greater support needs; and
- ii. that a report on the research being carried out by NHS into the impact of UC on those with addictions, be brought to a future meeting.

5. Adapting services and proposals for deploying the Council's Welfare Fund

There was circulated Report No. WR/4/14 by the Head of Policy and Reform which set out proposals in regard to how some services could adapt further and make use of the Council's welfare fund. The Head of Policy and Reform drew attention to the six priorities identified in the report, as agreed at item 3 above, and highlighted a wide range of established and potential projects designed to get information and assistance to hard to reach people and vulnerable groups. Resources would be needed for some of the projects; if the Council's Welfare Fund was not replenished after 2015/16 this could give rise to sustainability issues. In order to maximise EU funding, the Council would need to provide match funding year on year, possibly from the current employability schemes.

In discussion, Members supported the proposals, and in particular emphasised the need for digital inclusion. It was commented that whilst the Council supported this, Highlands and Islands Enterprise also had a role and needed to be involved too. A number of points were raised relating to the importance of evaluating the effectiveness of projects with time-limited funding before deciding if any future support from the Council should be made available. Initial funding was due to cease from March 2015, but the full impact of Welfare Reform had yet to be felt – only 15 tenants were in receipt of UC to date. There was concern that social inequalities would escalate. Money needed to be spent in a way which would meet future demand, perhaps geared towards empowering communities to take ownership of their own issues by upskilling. There was a need to take time to scope out and analyse what worked, before seeking funding approvals in a future report to the Resources Committee.

Members also discussed the need to publicise food banks, and verbal reports that food banks (a) might be used as advice centres and (b) were reluctant to support people who needed repeated assistance.

The Group **AGREED**:

- i. the recommendations set out at paragraph 4.1 of the report, namely that the following project ideas be developed and costs quantified for using the Council's Welfare Fund in 2014/15 and 2015/16, with a report being taken to the Resources Committee for consideration:
 - additional welfare advice clinics run by CABs for people with mental ill-health and located in places they attend for other services;
 - HUG training and awareness raising for all advice workers on how best to support people with mental ill health when providing advice;
 - additional funding for advice providers from January 2015 to deal with PIP appeals and representation;
 - a project to support financial capability and affordable credit awareness; and
- ii. that if the Council were approached to fund existing time limited projects where external funding was to cease, officers would evaluate the projects' effectiveness, and report this to a future meeting of the Resources Committee.

The Group **NOTED** the recommendations set out at paragraph 4.2 of the report, namely that further projects would be developed and might require a contribution from the Council's Welfare Fund, in relation to:

- i. the roll out of the advice/midwifery project;
- ii. the co-location of advice services with other universal or targeted services;
- iii. additional support for Council housing tenants;
- iv. sustaining SLAB funded projects should the funding be stopped in March 2015;
- v. better networking of staff involved in welfare provision, particularly with mental

- health teams;
- vi. avoiding problems for carers in giving care where benefit delays may mean care is affected;
- vii. match funding for future EU supported employability projects;
- viii. digital inclusion – rural areas and social housing tenants.

6. UK Government call for Evidence on Credit Unions

There was tabled Report No. WR/5/14 by the Head of Policy and Reform advising that the UK Government was calling for evidence around how best to support the development of credit unions across the UK. The aims of the consultation were to allow credit unions to set out their vision for the future, and to encourage the private sector and wider society to consider how they could support credit unions. The report identified which questions in the document were of relevance to local government, namely, what could the Government do to encourage wider knowledge and understanding of credit unions; and what could it do to help credit unions to grow, ensuring there was responsible lending.

The Head of Policy and Reform provided background information, including that the Council supported the Hi-Scott Credit Union through publicity rather than giving financial support, and that it was not possible at this time for Hi-Scott to offer current accounts. In discussion, Members commented that people often needed to borrow money at short notice - the length of time taken for Credit Unions to process applications for loans meant people were more likely to use payday loans companies. If such short-term loans could be underwritten by the Government, this would enable Credit Unions to respond more quickly.

The Working Group **NOTED**:

- i. the report, the information given and the points raised;
- ii. that any further comments needed to reach officers by 25 August; a draft response would be circulated to Working Group members prior to submission, for final comment.

7. Identifying Lobbying Issues

In discussion, the view was expressed that the ideology of the Welfare Reform Act was for people to take control of their own finances; however, when a substantial proportion of those in receipt of benefit could not fill in forms, difficulties were foreseeable. Concerns were expressed that whilst it was understood to be possible for a customer to return to direct payments should it transpire that they were not able to manage their budgets, there did not appear to have been any substantial progress in implementing this – in particular concerns were expressed in relation to people with addictions. Given the higher rent arrears already appearing for those on UC, as reported under item 4, Members wished to see a mechanism to return people to direct payments put in place in early course, with a trigger identified for when such a return could be made, before substantial problems arose for the Council. The information provided by the Policy Officer relating to rent arrears for those on UC could be useful when lobbying in this regard.

In discussion, Members proposed that the Council should lobby on direct payments, PIP, carers' allowance and digital inclusion. Previous lobbying, where the Council had highlighted problems but also put forward solutions, backed up by evidence, had been successful – this approach should be repeated.

The Working Group **AGREED** that lobbying be taken forward with regard to direct payments, PIP, carers' allowance and digital inclusion - this to include suggested solutions to issues, backed up by evidence; and that further lobbying issues could be added to the above.

The Group **NOTED** that a seminar for Members on Personal Independent Payments (PIPs) was being arranged for 30 September 2014, and that further details would be confirmed.

8. Operation of the Working Group

The Chair sought the Group's views as to whether it would be useful to ask charities, user groups and individuals to attend meetings, to allow them to provide feedback on the effectiveness of the measures the Council was putting in place, and to highlight any frustrations or challenges they were experiencing. This activity would help inform the evaluation of the Council's work. Given the recent pilot of the money advice/midwifery project, he suggested that this group be invited in the first instance.

In response to questions raised, the Head of Policy and Reform reminded Members that the remit of the Working Group was to consider the local implications of Welfare Reform for The Highland Council and to take any mitigation actions that might be appropriate. Having been so advised, Members supported the Chair's suggestion, on the understanding that such discussion would not comprise the bulk of the meeting. It was recognised that in order to have an impact, the Council had to be able to demonstrate that it was working with other bodies.

Members further suggested that an invitation be also extended to appropriate MPs and MSPs. Should discretionary housing payment be reduced for example, this could become a significant issue for the Council. Responding quickly to emerging trends was vital.

The District Manager, Health and Social Care Service having provided a brief update on the money advice/ midwifery pilot, the Working Group **AGREED** that charities, user groups, individuals and MPs/MSPs as appropriate be invited to address meetings of the Group, with representatives from those involved in the money advice/midwifery project being invited in the first instance.

9. Possible Future Items

The Group **NOTED** the following possible future items for the agenda:-

- Sanctions up-date
- Hearing testimony of people's experience of welfare reform
- NHS Highland research project on impacts of welfare reform
- Engagement with tenants – proposals for and
- Invitation to those involved in the money advice/midwifery project

Other items could be intimated to the Chairman.

The meeting ended at 4.00 p.m.