

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

Minutes of meeting of the Welfare Reform Working Group held in Committee Room 1 at Council Headquarters, Glenurquhart Road, Inverness on Monday 29 June 2015 at 2.45 pm.

PRESENT

Mr A Christie

Mr B Fernie (by teleconference)

Mrs M Davidson

Mr D Millar (by teleconference)

Dr A Sinclair (by teleconference)

Ms M Smith

Officials in attendance:-

Ms C McDiarmid, Head of Policy and Reform, Chief Executive's Office

Mr A Gunn, Head of Revenues and Business Support, Finance Service

Mrs S Mckandie, Benefits and Welfare Manager, Finance Service

Ms A Clark, Policy Officer, Chief Executive's Office

Ms G Ward, Housing Policy Officer, Community Services

Ms A Macrae, Committee Administrator, Corporate Development Service

1. Appointment of Chair

Ms M Smith seconded by Mr D Millar moved that Mrs M Davidson be appointed as Chair.

On there being no other nominations, Mrs M Davidson was appointed as Chair of the Working Group.

2. Apology for Absence

An apology for absence was intimated on behalf of Mrs D Mackay.

3. Declarations of Interest

Mr A Christie declared a non-financial interest in items 3 to 7 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.

4. Minutes of Meeting

There had been circulated Minutes of the last meeting of the Group held on 27 April 2015, which were approved by the Resources Committee on 27 May 2015, the terms of which were **NOTED**.

Arising from item 3 of the Minute it was confirmed that a rolling action sheet had been prepared and this was currently being reviewed by officers, and thereafter would be included on the agenda for future meetings.

The Group **AGREED** that following review by Officers a copy of the rolling action sheet be circulated to Members of the Group.

Arising from item 7ii of the Minute it was confirmed that a representative of NHS Highland had been invited to attend a future meeting of the Group and would speak in relation to the organisation's welfare reform projects and specifically on the outcome of the evaluation which was being undertaken in relation to those projects.

Arising from item 7iv of the Minute, the Chair referred to the need to give consideration to potential lobbying activity, once the UK Government's intentions were clarified.

5. European Social Fund Priority 2 – Promoting Social Inclusion, Combating Poverty and any Discrimination

There had been circulated Report No WR/06/15 by the Head of Policy and Reform which updated Members on the development of the Strategic Intervention Application to ESF Priority 2 – Promoting Social inclusion, Combating Poverty and any Discrimination. The Report invited Members to consider and agree the proposed operational elements of the Intervention.

In presenting the report the Policy Officer indicated that on the advice of the Employability Team it was proposed to combine the strands under the headings of Intensive Support Service, Mental Health Service approach, and Family Centred Intervention into one operational programme, while retaining the individual elements within that programme. She advised that the Strategic Intervention was required to be submitted to the Scottish Government by Thursday 2 July 2015.

The Benefits and Welfare Manager advised that it was proposed to add in one additional operational element of 'Employment Advice' within Intensive Support Services Programme with the aim of assisting individuals who had secured employment to sustain that employment.

During discussion, Members raised the following points:-

- it was noted that Programme 3: Maximising Incomes and Reducing Poverty within a School setting was intended to target all parents of children entering Primary 1 and within the first year of primary and was intended to build on the success of the Highland Midwifery Project and that this be welcomed; however concern was expressed that would leave a gap in terms of early years which it was suggested was a crucial period in terms of a child's development and it was suggested there was a need to bridge that gap to ensure a holistic approach;
- in regard to the above it was suggested that options to cover early years included the potential to extend the project back to pre-school education or to target health visitors as a professional group in terms of the Intervention on the basis that the health visitor became the named person after the midwife;
- a query was raised about whether NHS Highland would be contributing funds towards Programme 2: Mental Health Service Based Approach; it was confirmed that match funding would be required for each of the operational elements and discussions around funding would follow once the Intervention had been submitted to the Scottish Government;
- a query in regard to current balance of the Council's Welfare Fund and the level of funding that was allocated annually to the Fund; the Head of Policy and Reform confirmed that the current balance of the Fund was £616,859 and that in line with the existing Programme for the Administration the sum of £1m to tackle

deprivation each year had been allocated and that in the first year this had come from core funding and in the second year from the Welfare Fund; this was not recurring funding and clarification would require to be sought from the Director of Finance in regard to whether the Fund could be topped up, noting that this may be a political decision in regard to the use of balances;

- in regard to the above the potential for some of the projects to be progressed using the Welfare Fund if match funding could not be secured and the opportunities to lobby the European Commission for the rules on match funding projects to be relaxed; the Policy Officer advised that at this stage the submission of the Strategic Intervention did not commit the Council to match fund projects and that currently the Council through the separate Employability Intervention was exploring the potential for other organisations who may have available resources to match fund or deliver projects noting that guidance was awaited from the Scottish Government in this regard;
- that the potential for 'in kind' assistance to count as match funding for projects, for example the use of assets such as office space; the Policy Officer advised that she would clarify this point and discussion followed on the difficulties and challenges that may be associated with this type of approach;
- clarification was sought on the Mental Health Service Approach which was to provide a holistic approach to clients in receipt of support within a mental health clinic setting, observing that clients also required support outwith clinics; it was noted that under this Programme the intention was to upskill NHS Highland staff to take a broader view of the issues that may be contributing to a person's mental health and therefore allow for a more holistic approach to be taken in respect of an individual's needs; reference was also made to the importance of involving other staff such as housing support staff to provide this type of intensive support as part of the Intervention;
- it was important that the opportunities for external providers and organisations to deliver some of the projects be explored further particularly in regard to intensive support services and in terms of geography for a pan Highland approach to be taken in delivering the Intervention;
- clarification was sought on whether at this stage it had been defined within the bid how many people may be employed to deliver the Intervention and how many may receive a service in terms of outcomes; the Policy Officer clarified that it had been considered that the added value of the Intervention was clear and that our understanding was that specific numbers were not required at this stage of the process;
- in regard to the above discussion followed on the challenges associated with including numbers in the bid at this stage; however the view was expressed that the Scottish Government would request this information at some stage and it was important to start to capture this information;
- at this stage it was not clear when the outcome of the bid would be confirmed by the Scottish Government, it being noted that there had been no decision as yet in regard to the Employability Intervention which had been submitted in January 2015; at this stage it was not proposed to commence projects before April 2016 in respect of the first phase of ESF funding which had been revised to extend from 2015 to 2018; and
- discussion around the opportunities and availability of other sources of European funding in regard to support the work the Council was undertaking around welfare reform and poverty and reference was made to the applications being taken forward under the other strands of the ESF in this regard, and other programmes such as Leader.

Thereafter, the Group **AGREED** the operational elements of the Strategic Intervention for ESF Priority 2 Promoting Social Inclusion, Combating Poverty and any Discrimination for submission to the Scottish Government with the addition of 'Employment Advice' under Programme 1: Intensive Support Services and subject to the comments in regard to the need to address the gap in early years as detailed above being taken into account in regard to the Programme 3 of the Intervention..

6. Non-Dependant Deductions

There had been circulated Report No WR/07/15 by the Head of Revenues and Business Support which considered the significant increase in non-dependant deductions in Housing Benefit and Council Tax Reduction, the effect on low income families, how this may be inconsistent with the Strategy to get people back to work, and what could be done by Local Authorities, the DWP and Scottish Government to improve the situation.

The Head of Revenues and Business Support advised that at a recent conference he attended, the Convener of the Scottish Parliament's Welfare Reform Committee had requested and been sent a copy of the above report, so that he could look into this matter further. The Head of Revenues and Business Support also advised that notification had been received from the above Committee that they were to visit Highlands on a fact finding mission on the implementation of Universal Credit in practice and the work of the pathfinder and also to hear views about the Universal Credit proposals within the new Scotland Bill. The date for that visit had been confirmed as 31 August 2015 and it was explained that a draft itinerary had been prepared for the visit. During discussion, Members raised the following points:-

- a query in regard to whether all housing benefit claimants would migrate on to Universal Credit; it was explained that currently the plan was that all non-pensioners would transfer to Universal Credit by 2018/19 but there were no current plans in this regard for those of a pensionable age (persons aged 65 and over);
- concern that the legislation would lead to an increase in rent arrears and therefore an increase in evictions, and create unfairness in the system by discriminating against those on Universal Credit, compared to those on legacy benefits;
- it was suggested that strong lobbying action was required both with the UK and Scottish Governments given the serious impact the legislation would have in terms of increasing the debt to be serviced by the Housing Revenue Account and therefore on the Council's ability to build houses; and
- that in advance of the visit of the Welfare Reform Committee that further work be undertaken 'in house' to understand and articulate the impact of welfare reform on the Highlands and in particular the rural poverty element; in this regard the Chair requested that briefings for the Committee be prepared under individual headings such as the impact of the under occupancy policy.

The Group:-

- i. **NOTED** the contents of the Report; and
- ii. **AGREED** to undertake the following lobbying activity to seek changes to the non-dependent rules and rates:-

- to write to Ian Duncan Smith MP, Secretary of State for Work and Pensions and the Senior Civil Servant, within the DWP at a national level, with a copy to the senior official in the local DWP; (*letters to be drafted for signing by the Chair*);
- the issue be raised by officers through COSLA's Local Authority Welfare Reform Advisory Group and also by Mr B Fernie through its Resources and Capacity Group and with the Chief Executive of COSLA during his visit to Council Headquarters in August 2015;
- a briefing on the issue be prepared for David Mundell MP, Secretary of State for Scotland for his forthcoming visit to the Highlands in August 2015;
- the Chair seek a meeting with the three local MPs to discuss the matter; and
- that as requested by the Chair and detailed above, briefings be prepared for the Welfare Reform Committee in regard to impact of welfare reform on the Highlands and in particular the rural poverty element.

7. Any Other Competent Business

The Benefits and Welfare Manager advised that funding of £8,400 was being sought from the Welfare Fund for the production in 2015/16 of two booklets that the Council published i.e. an essential guide to benefits and money advice, energy advice and other support and also a funeral guide. She advised that the booklets had proven extremely popular and were aimed at both professionals and customers. The essential guide booklet had been introduced as a preventative measure to try and reduce the volume of contacts with advice services. Whilst there was no empirical evidence, she advised that the anecdotal evidence was that professionals were using the guides rather than approaching advice services. The funeral guide had been produced at the request of funeral directors who were concerned that many of their clients were going into debt to pay for family funerals.

In response to questions, it was confirmed that in the past the cost had been met from the Revenues and Business Support budgets but that due to pressures and savings to be identified on that budget, funding was being sought from the Welfare Fund. The funding would pay for the publication of 6,000 booklets and it was explained that the essential guide was distributed widely to GPs surgeries; advice agencies; schools; churches; the third sector; hospitals; service points. The funeral guide was mainly issued to funeral directors but they were also distributed to service points and registrars.

In discussion a point was raised in regard to the potential to develop an app for professionals which provided the information contained in the booklets, thereby reducing printing costs.

It was confirmed that the supply of the booklets required to be replenished at the earliest opportunity and as the next meeting of the Resources Committee would not be held until 26 August 2015, it was suggested Chair of that Committee be asked to approve the funding request using the recess powers granted to him by the Council.

Thereafter, the Group **AGREED** to recommend that funding of £8,400 be awarded from the Council's Welfare Fund, and that the Chair of the Resources Committee be asked to approve this funding under the recess powers granted to him by the Council on 25 June 2015.

The meeting ended at 3.50 pm.