

Agenda Item	4.
Report No	PEO 07/17

## HIGHLAND COUNCIL

**Committee:** People Committee

**Date:** 23 August 2017

**Report Title:** Advice and Information Services: End of Year Monitoring 2016/17

**Report By:** Director of Finance

### 1. Purpose/Executive Summary

1.1 Advice and information services are proven to be a critical approach in alleviating poverty in the Council's Programme and Single Outcome Agreement. This report provides Members with the end of year monitoring of council-funded advice and information services in Highland for 2016/17. It also provides an update on the ongoing review of debt advice and related services.

### 2. Recommendations

2.1 Members are asked to:

- i. Consider the contents of this report, and
- ii. Note the progress on the review of debt advice and related services.

### 3. Background

- 3.1 Research undertaken by various organisations including the Joseph Rowntree Foundation and Child Poverty Action Group has shown poorer households will experience worse outcomes with regard to physical and mental health, educational attainment and employment prospects. These factors will ultimately exacerbate the social costs which are felt hardest by the families and communities who live in poverty.
- 3.2 Low income is a cause of poverty and people living on low incomes are more likely to rely on public services. It is important to recognise that households experience poverty in different ways and to various degrees over their lifecycle. Additionally, the need for advice and support in response to life events is greater among those in poverty than for wealthier households.
- 3.3 Households experiencing poverty have fewer financial or other resources, for example skills or social networks to access in times of crisis. This constrains viable options and exacerbates the impact of changes when they occur. Therefore, it is essential that quality local advice and information services are available and are capable of addressing problems holistically to mitigate the demand on shrinking resources within public services.
- 3.4 During 2016/17, council-funded advice and information services in Highland were provided by eight Citizens Advice Bureaux (CABx) and the Council's Welfare Support Team. Total core and project funding for these advice and information services in 2016/17 amounted to £1,727,120; as reported to the Corporate Resources Committee in June 2017 the near final position for advice and information services was £1,343,000 in respect of the Citizens Advice Bureaux. In addition, £384,120 funding was provided for the Welfare Support Team located within the Revenues & Business Support section of the Finance Service.

### 4. Advice and Information Support

- 4.1 Demand from people seeking support from advice services within the Highlands continues to increase, with the financial year 2016/17 experiencing further growth for overall customer engagement.
- 4.2 Overall, **15,248** customers received support from council-funded advice and information services during 2016/17. This compares to **11,240** customers during 2015/16 and represents a significant increase (**35.7%**) year on year in overall customers engaging with advice providers for assistance with welfare and debt problems.
- 4.3 The following table details the number of customers seeking advice within Highland on various advice and information services:

Teams	15/16	16/17	% + / -
Number of customers reached by	1,987	2,842	43%

the Council's money advice and welfare benefits teams *			
Number of customers reached by the CAB money advice and welfare rights teams	9,253	12,406	34.1%
Number of customers reached by the Council's and CAB money advice and welfare benefits teams*	11,240	15,248	35.7%

\* CABx assumed full responsibility for debt advice on behalf of the Council from 01/04/16

- 4.4 The introduction of Universal Credit Full Service in Inverness Jobcentre during June 2016 has resulted in further need for welfare advice from service providers. This is reflected in the referrals to the in-house Welfare Support Team for benefit related matters which increased significantly (**43%**) during 2016/17 compared to the 2015/16 financial year.
- 4.5 Referrals to the in-house team during 2015/16 included customers seeking money advice for debt issues. Members will be aware from 1 April 2016 the CABx assumed full responsibility for delivering the money advice service on behalf of the Council.
- 4.6 In addition to Universal Credit Full Service, the highlighted increases in demand for welfare advice are as anticipated and most likely reflect the impact of the UK government's welfare reforms. The CABx and the Council's in-house team both reported an increase in people seeking advice and assistance to claim potential benefits and to challenge benefit decisions.
- 4.7 The rise in demand for advice and information services during 2016/17 has also been reflected in the number of customer contacts CAB have received for housing (**3,269 /+1.9%**) and employment advice (**3,334 /+4.8%**). The frequent use of temporary, seasonal and zero hour contracts by employers are regular examples where demand for employment advice exists within the Highlands.

## 5. Benefits – Financial gain

- 5.1 Total financial gains:

Teams	15/16	16/17	% + / -
Benefit to customers from the advice given by the Council's welfare benefits team	£4,014,792	£4,651,372	15.9%
Benefit to customers from the advice given by the CAB money advice and welfare rights teams	£12,932,006	£15,044,292	16.3%
Benefit to customers from the advice given by the Council's and CAB money advice and welfare rights teams*	£16,946,798	£19,695,664	16.2%

\* CABx assumed full responsibility for debt advice on behalf of the Council from 01/04/16

- 5.2 The figures detailed in the above table are generally a combination of the backdated benefits gains customers have received plus the annualised weekly entitlement (irrespective of when the claim started during 2017/18).

- 5.3 There has been a substantial increase (**16.2%**) in total financial gains during 2016/17. As previously highlighted in paragraph 4.6, this is likely to be attributed to the cumulative impact of welfare reform and the introduction of Universal Credit Full Service. These causes have resulted in considerable numbers of customers seeking support to make online claims and advice to assist with significantly more complex matters.
- 5.4 The introduction of Universal Credit Full Service in Inverness Jobcentre during June 2016 has resulted in an adverse impact on households, landlords and the local authority. A wide range of administrative challenges including problems getting online and managing accounts, delayed payments and missing housing costs have left advice services experiencing an increase in demand for their services.
- 5.5 In addition, explicit consent\* and data protection have further compounded and exacerbated problems for advice agencies and landlords in resolving problems for Universal Credit claimants' rent payments (housing costs) and the impact on rent arrears.

\*(DWP will not discuss specifics of a Universal Credit Full Service case with advice agencies unless the claimant concerned is present with the adviser or has given "explicit consent" for them to do so by issuing detailed instructions via their online universal credit account. Previously, Universal Credit Live Service allowed "implicit consent" to be utilised where an adviser could discuss the specifics of a case with DWP without the customer being present by answering security questions to ascertain the adviser knew the facts about the case).

- 5.6 Rent arrears for Council tenants was recently reported to the June 2017 Places Committee by Community Services when it was highlighted "*the average rent arrear of £799 for households in arrears for Universal Credit Full Service, where 80% of households in receipt of Universal Credit are in arrears*" and "*if arrears trends for new Universal Credit cases matches the experience to date it is estimated that by the end of 2017/18 rent arrears for mainstream council properties could reach £2.1m. That would be a 40% increase in current tenant arrears.*"
- 5.7 As reported in the 2015/16 advice and information report welfare reforms, Employment and Support Allowance (ESA) and Personal Independence Payments (PIP) still continue to be of particular concern with intensive support being required to resolve customers' complex circumstances.

## 6. Debt presented

- 6.1 Total debt presented:

Teams	15/16	16/17	% + / -
Debt presented by customers for advice given by the Council's money advice and welfare benefits team	£4,726,297	0*	-100%
Debt presented by customers for advice given by the CAB money advice and welfare rights teams	£19,386,982	£19,406,686	0.1%

Debt presented by customers for advice given by the Council's and CAB money advice and welfare rights teams*	£24,113,279	£19,406,686	-19.5%
--	-------------	-------------	--------

\* CABx assumed full responsibility for debt advice on behalf of the Council from 01/04/16

- 6.2 During financial year 2016/17 there was an overall decrease (**19.5%**) in the total debt presented when compared with 2015/16. As previously highlighted in paragraph 4.5, from 1 April 2016 the CABx assumed full responsibility for delivering the money advice service in Highland on behalf of the Council.
- 6.3 Debt presented to CABx during 16/17 increased slightly (**0.1%**). The complexity of individual cases remains high and resource intensive to address customers' debt issues. The CAB money advisers have engaged with Highland residents from a variety of backgrounds who have required support with debt concerns.
- 6.4 A preventative approach continues to be adopted within the Highlands to try and address the cycle of debt and poverty. For example, advice agencies continue to promote a variety of innovative methods to engage customers at an early stage of their debt problem including co-location, outreach surgeries and social media.
- 6.5 The nature and extent of debt experienced varies greatly according to individual household circumstances and problems are rarely attributed to one isolated cause. Instead it is more common for a cycle of debt to occur during which the causes mount and increase, for example unemployment or change in employment, illness, bereavement, separation from a partner or poor money management. The impact of these problems affects relationships with family and friends, health, lifestyle, employment and education.

## 7. Money Advice Improvement report

- 7.1 Following a meeting with the Leader of the Council and Highland CABx network, CABx produced a Development Plan in March 2017 to provide the Council with information about:
- current CABx debt advice provision;
  - uptake and outcomes of CABx debt and related advice services;
  - the context for future service development;
  - the impact of the Money Advice Service's Quality Framework;
  - opportunities for service development; and
  - potential additional support from the Highland Council.
- 7.2 In July 2017, an update on actions undertaken and activities carried out to date in relation to the opportunities for service development to improve money advice was provided.
- 7.3 The Leader of the Council acknowledged these developments to advance delivery of money and debt advice services in Highland. The Leader said *"such developments are absolutely critical in order to meet the changing needs of Highland residents within the context of welfare reform, the changing labour market and zero hour contracts, and other financial shocks facing so many families."*

7.4 The *money advice improvement report* forms part of the wider ongoing review into advice services in Highland which is currently being undertaken and led by the Head of Revenues and Business Support. Further information about the advice service review is detailed in paragraphs 9 of this report.

## **8. Projects delivered during 2016/17**

### **8.1 *Project funding provided by The Highland Council***

8.1.1 Project funding has been in relation to 2 projects: Mental ill-health project and Midwifery project. The remainder of paragraph 8.1 details the funding provided by the Council. Paragraphs 8.2 and 8.3 discuss each project in more detail including outcomes.

8.1.2 Funding for the Mental ill-health project was initially agreed in November 2014 for a 15 month period at a cost of £160,920.

8.1.3 Funding of £90,000 was agreed on 25 February 2015 for a 12 month period for CABx to deliver the Midwifery project.

8.1.4 In February 2016, the Resources Committee agreed combined funding of £102,000 to continue delivery of both of these projects until 31 March 2017.

8.1.5 The Council's total **combined approved funding** for both projects from project commencement dates to 31 March 2017 was **£352,920**.

### **8.2 *Mental ill-health project (Delivered by CABx- project extended to 31 March 2018)***

8.2.1 Funding from the Council has enabled each CAB to provide tailored welfare advice clinics from January 2015 in local areas and settings to meet the needs of those experiencing mental ill-health.

8.2.2 Funding was initially agreed by members of the Council's Resources Committee in November 2014 on the understanding that paid staff require the same amount of time to carry out the follow up work from a clinic as is required to deliver that clinic.

8.2.3 Clients experiencing mental ill-health predominantly require longer appointment times than those who do not as they often have multiple and complex needs including learning disabilities, substance dependencies, physical disabilities, homelessness and/or long term conditions.

8.2.4 This client group depends on a range of specialist advice and support services from a number of agencies for the following reasons:

- challenges engaging with mainstream services;
- potential cost of identifying and meeting housing, benefit and debt needs;
- low demographic prevalence and high cost of required skill set to respond appropriately to the complexity of need;
- access to tailored services – often involving a complementary blend of specialist, non-statutory and statutory services;

- recognition that a single agency cannot address all of the presenting issues.

8.2.5 Performance for this project is detailed below:

CAB	Mental ill-health	
	Customers assisted	Financial gain
1 <sup>st</sup> April 15 to 31 <sup>st</sup> March 16	1,932	£1,139,176
1 <sup>st</sup> April 16 to 31 <sup>st</sup> March 17	1,496	£1,507,638

8.2.6 The customers assisted and financial gains from this project are reflected in the CABx performance information at paragraphs 4.3 and 5.1 above.

8.2.7 CABx advise feedback from health professionals and recipients of this service has been highly positive.

8.3 **Midwifery project**  
**(Delivered by CABx – project extended to 31 March 2018)**

8.3.1 Following the successful pilot in Ross & Cromarty by the Council’s in-house advice teams, members of the Council’s Resources Committee agreed to provide 12-month funding to the Citizen Advice Bureaux to deliver a pan-Highland advice service for pregnant mums. This project commenced on 1 June 2015.

8.3.2 The midwifery project has received national recognition as an exemplar model for delivering universal services. This model of assisting expectant mothers supports two of the Early Years Collaborative key changes of:

- Early support for pregnancy and beyond; and
- Addressing child poverty

8.3.3 Performance for this project is detailed below:

CAB	Midwifery	
	Referrals	Customers assisted
1 <sup>st</sup> April 15 to 31 <sup>st</sup> March 16	1,114	791
1 <sup>st</sup> April 16 to 31 <sup>st</sup> March 17	1,355	976

8.3.4 Many of the entitlements are available after the baby is born or upon a return to work. For example an adviser may have provided information regarding the potential to claim Working Tax Credits, Child Tax Credits, Child Benefit, Income Support, Healthy Start vouchers, or dependent upon where they live, Universal Credit.

8.3.5 For this reason, it is very difficult to calculate the actual “financial gains” overall without expending significant resource. However, it would appear that the potential average gains per customer can range from £165 to £2,500 dependent on individual circumstances.

#### 8.4 **Reaching the Unreached: Scottish Legal Aid Board funded** *(Delivered by THC- project extended to 31 March 2018)*

8.4.1 Following a competitive application process, The Scottish Legal Aid Board approved funding for The Highland Council to deliver the “*Reaching the Unreached*” project. This assists tenants and owners who are at immediate risk of losing their homes by substantially reducing their rent/mortgage arrears through an affordable payment plan. Advisers also assist customers to maximise their income and to claim relevant backdated benefits. When appropriate, referrals are made to specialist agencies to receive appropriate services.

8.4.2 The large majority of customers have multi-faceted challenges, many of which are the underlying causes of their debt issues. During 2016/17 this project achieved:

THC	Reaching the Unreached	
	Customers assisted	Debt presented
1 <sup>st</sup> April 15 to 31 <sup>st</sup> March 16	152	£865,070
1 <sup>st</sup> April 16 to 31 <sup>st</sup> March 17	147	£882,308

8.4.3 All 147 households who engaged with this project received intensive support from the council’s advisers to address their arrears issues. As a result of this support a 100% success rate was achieved in preventing any individual or family being evicted from their property during 2016/17 financial year.

8.4.4 This project was originally scheduled to finish in March 2016. The Scottish Legal Aid Board then extended the project to March 2017. A further extension has been funded until March 2018 reflecting the ongoing achievements being delivered for our customers.

### 9. **Advice services review**

9.1 At the Highland Council meeting of 9 March 2017, Members agreed to “undertake a wide ranging review of debt advice and related services”.

9.2 Such services can be described as:

- Debt Advice (sometimes known as *Money Advice*)
- Benefits Advice / Income Maximisation (helping customers claim all the benefits to which they are entitled)
- Housing Advice (e.g. tenancy disputes)
- Employment Rights (e.g. employee disputes with their employer)

9.3 The Council has 8 contracts with the 8 Citizen’s Advice Bureau (CAB) to deliver these services. All contracts are currently due to end on 31 March 2018. The total contract value for 17/18 is approximately £1.3m. This includes £0.05m targeted funding for 2 projects for 2017/18 to maximise benefit take-up for the customers groups of: Mental Health (as discussed earlier at 8.2) and Midwifery (8.3).



- 9.4 The Council's Welfare Support Team, within Revenues & Business Support, provides "Income Maximisation" services. The staff also undertake "Revenues" visits such as Council Tax inspections (e.g. discounts) as part of the overall governance of Council Tax. Such visits to all parts of Highland can be combined where possible to maximise the efficiency of the service areas delivered. The total cost of this team is approximately £0.45m.
- 9.5 In terms of performance reporting, this report is a good example of the information reported to Members. It is also evidence of the **significant** return on the budget spent on both the CAB and Welfare Support Team in these service areas. In addition to the financial gains for our customers, there are "non-financial" gains too that can carry equal, or higher, importance. Examples include supporting individuals' health and dignity and whilst it can be more challenging to evidence a "causal link" and benefit, it is important to recognise such.
- 9.6 Utilising the Council's existing contract with the Centre for Remote and Rural Studies (UHI) for research-related activities, the UHI are undertaking a literature review into this service area. Their report will include identifying recurrent themes/issues and how they relate to customers including older people and those with disability, gaps in information/knowledge, and how the challenges etc. apply to rural regions such as the Highlands, including accessibility. The final report will be completed by early September 17.

9.7 Consultations are ongoing and include:

<b>Stakeholder</b>	<b>Approach</b>	<b>Status</b>
<b>CAB</b>	Workshop with CAB Managers	Complete. The types of issues discussed include what works well at present; what can be improved; how do we know performance is good (effective/efficient); what would be the key performance indicators (KPIs).
<b>THC Welfare Support Team</b>	Workshop with all staff	Complete (with the types of issues discussed as above)
<b>Customers</b>	Council's Annual Performance & Attitudes Survey (Citizens Panel)	A section specific to this service area was added to the survey for the first time. The 2017 annual survey issued was in May 2017. Survey results are expected September 2017.
<b>Council Services</b>	Workshops	Workshops have taken place with all Services who may provide some "advice" / related services. Namely: <ul style="list-style-type: none"> <li>• Community Services (Housing)</li> <li>• Care &amp; Learning</li> <li>• Development &amp;</li> </ul>

		Infrastructure (Employability) & Corporate Development (HR & Legal)
<b>Community Partnerships</b>	Brief presentation followed by "Q&A" and feedback	At the time of writing, the Head of Revenues & Business Support and Benefits & Welfare Manager have been invited & attended Easter Ross CP and Inverness CP. Invited to / attending Badenoch & Strathspey and Sutherland CPs during August.
<b>Members</b>	Welfare Reform Working Group	Officers will discuss this review in detail with Members when further information is completed including results from the aforementioned Performance & Attitudes Survey.

- 9.8 On the one hand, The Highland Council requires to deliver significant budget savings. In December 2014, the Council agreed a budget saving of £0.130m for 18/19 for this service area. On the one hand, a reduction in demand for Money Advice services is reported at 6.1. However, since December 2014, there has been the impact of Welfare Reform including the roll-out of Universal Credit across Highland. Examples include the increase in rent arrears and the increase in demand for Benefits/Income Maximisation as reported at 4.3 (a 35% increase in 16/17 compared to 15/16). So whilst such challenges in meeting increased demand are very real within existing resources, this review will nonetheless aim to deliver a solution/s that can meet both challenges of demand and budget/efficiency wherever possible.
- 9.9 A final report will be presented to this Committee in October 2017. This will include recommendations as to how these critical service areas should continue to be delivered post April 2018 taking into account various factors such as the geographical challenges of Highland and accessibility, funding, impacts of welfare reform and, ultimately, the welfare of our customers.
- 10. European Social Fund (Priority 2 : Promoting Social Inclusion, Combatting Poverty and any discrimination)**
- 10.1 As reported to the Council's Resources Committee in November 2015, the Council is the lead partner for a number of strands within the European Structural Funds Programme 2014-2020. This includes Priority 2: Promoting Social Inclusion, Combatting Poverty and any discrimination.
- 10.2 The aims of the ESF Priority 2 strand focus on employment, equal opportunities and active participation while recognising the need to further assist individuals who require more intensive and long term support to enter the job market. There are 2 activities within Priority 2.
- 10.3 **Activity 1** is a Move On support service which will adopt a targeted, problem solving approach in relation to individuals with multiple barriers by utilising existing service referral pathways to identify and target those most in need. This project will be delivered in-house.

10.4 **Activity 2** will adopt a preventative approach within early years and school settings, with the key aim being to ensure that families are in receipt of all appropriate entitlements, ensuring any debt issues are explored and that the client is empowered to manage their financial matters. These components are critical in the prevention and alleviation of poverty.

10.5 Activity 2 is an externally procured service. Following a tender exercise, the sole bidder, namely Inverness, Badenoch and Strathspey CAB (IBS CAB) was awarded the contract. IBS CAB will sub-contract local delivery of this project to other CABx within Highland.

## 11. **Implications**

11.1 Resource – Implications are set out in the paper.

Legal - there are no implications.

Community (Equality, Poverty and Rural) - the report highlights a range of issues that particularly impact on rural areas. The whole report seeks to consider and address the issues arising from welfare reforms that impact on poverty and vulnerability. The whole report aims to acknowledge current welfare issues which exacerbate the causes of debt and poverty within the Highlands.

Climate Change/Carbon Clever - there are no implications.

Risk – implications are set out in the paper.

Gaelic - there are no implications.

Designation: Director of Finance

Date: 15 August 2017

Authors: Allan Gunn, Head of Revenues and Business Support  
Sheila McKandie, Benefits and Welfare Manager  
Gavin Munro, Policy and Assurance Officer, Benefits and Welfare

Background Papers: None