

The Highland Council

Agenda Item	12.
Report No	RES/28/24

Committee: Corporate Resources

Date: 11 September 2024

Report Title: Annual Report on Citizens Advice Bureau Contract

Report By: Assistant Chief Executive - Corporate

1. Purpose/Executive Summary

- 1.1 Welfare, advice and information services are recognised to be essential requisites to improve healthier living, to support residents with changing life events by receiving all entitlements due, to help achieve equalities, and to lessen financial hardship and insecurities. This update report provides Members with information relating to welfare together with 2023/24 performance monitoring of the Council-funded advice and information services which are led by the Head of Revenues & Business Support.
- 1.2 These services are provided by the Council's Welfare Support Team based within the Revenues & Business Support section of the Corporate cluster and via a Highland-wide service delivery contract with Inverness, Badenoch & Strathspey Citizens Advice. Sub-contracting arrangements are also in place with all Citizens Advice Bureaux operating within the Highlands.
- 1.3 The inherent socio-economic benefits of effective welfare support for local communities and businesses across Highland have long been recognised. These benefits are resultant from increased disposable incomes, reduced and managed debts, local spend, participation and social inclusion, positive impacts on educational attainment, and improved health & wellbeing.
- 1.4 Case studies are detailed in **Appendix 1** to this report and provide useful insights into the effectiveness of the services being delivered. The resulting positive impacts for health and wellbeing, the ongoing actions to achieve more meaningful equalities for the Highland population and more agile financial resilience for individual households are also evidenced.
- 1.5 For the purposes of this report, the term welfare services is used to refer to Council-funded welfare, advice and information services led by the Head of Revenues & Business Support.

2. Recommendations

2.1 Members are asked to **consider** and **note** the undernoted performance:

- i. nearly **26,500** residents were supported by the Council's Welfare Support Team and Citizens Advice during 2023/24 with welfare, debt and housing advice services, resulting in more than **111,300** contacts (on average, **4 contacts** per client). Assessing the number of contacts provides workload and throughput data and provides important context when reflecting upon the overall effectiveness and quality of welfare services being provided;
- ii. financial gains for clients exceeded **£26.8 million**. This represents a **£17.32** return for every **£1** allocated to these welfare services;
- iii. a total of **£9.562m** of debt (including **£1.132m** relating to mortgage/other secured loans) was presented by households seeking support to prioritise their bills, reduce and manage their debts, and wherever possible to lower the interest charges they were due to pay;
- iv. Support was provided for **3,132** clients (including social rented, private rented and homeowners) seeking housing-related advice, thus highlighting the demand for consistent accessible support on these critical issues.

3. Implications

3.1 **Resource:** Resource implications are set out in this report.

3.2 **Legal:** The Council has a legal duty to provide specified 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 **Risk:** While it is not possible to fully mitigate associated risks, the welfare services covered by this report help to address the risks of financial hardship, negative impacts on health and wellbeing, poorer educational outcomes, homelessness, an inability to participate and to be socially included, and inequalities.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no Health and Safety implications arising from this report.

3.5 **Gaelic:** There are no Gaelic implications arising from this report.

4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is a monitoring report and therefore an impact assessment is not required.

5. Background

- 5.1 Households experience poverty in different ways and to various degrees over their lifecycle, with low-income households generally experiencing worse outcomes with regard to physical and mental health, educational attainment and employment prospects. The links between deprivation, poverty, social exclusion and social injustice are well publicised. For example, the Director of Public Health for NHS Highland 2023 annual report emphasises *"Improving the health of our population requires a fundamental shift towards prevention and mitigating the underlying issues that can impact on health, such as poverty and deprivation."*
- 5.2 The ongoing 'cost of living' burdens continues to place significant challenges on the welfare services referenced in this report. The Council's commitment to welfare 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.
- 5.3 Furthermore, the Council advocates an emphasis on early intervention and prevention across welfare services with the aim of avoiding people from reaching crisis points. Crises, even when managed, have more long-lasting consequences for individuals and their families. As crisis-based interventions are the most resource intensive responses to clients' circumstances, there is an ongoing focus on encouraging client engagement at an early stage.
- 5.4 Prior to the onset of the pandemic, welfare services had developed blended accessible provision, using a variety of channels, in order to meet the diverse needs of residents. These included community hubs, co-location of services, partnerships, outreach, mobile services (e.g. home visits), online and telephone services.
- 5.5 The Director of Public Health for NHS Highland 2023 annual report highlights *"Social determinants such as poverty, isolation, employment and housing have a substantial effect on people's health. It is estimated that 20% of people visit a GP with non-medical needs and up to one fifth of GPs' time is spent on issues related to social needs rather than issues best solved by medical interventions such as medication. In areas of high deprivation, many GPs report that they spend significant amounts of time dealing with the consequences of poor housing, debt, relationships, and loneliness."*
- 5.6 Therefore, agile welfare delivery models continue to be imperative to allow welfare services to adapt quickly and effectively to seamlessly implement new ways of operating for advisers and volunteers, while ensuring equity with access to such vital support throughout the whole of 2023/24.

5.7 The total 2023/24 budget for these services was **£1.547m**. Service delivery was and continues to be provided by the Council's Welfare Support Team within the Revenues & Business Support section and via a Highland-wide contract with Inverness, Badenoch and Strathspey Citizens Advice which is then sub-contracted to all Citizens Advice Bureaux operating in Highland.

6. Cost of Living in Highland

6.1 Cost of living rose significantly throughout the UK during 2021 and 2022 and the annual rate of inflation reached 11.1% in October 2022, a 41-year high. Since then, annual inflation has decreased and was 2.3% in April 2024.

6.2 The experiences of the sharp increases in goods and services for households already dealing with complex financial circumstances and poverty were evident during the period covered by this report. Feedback gathered by Welfare Support Officers and Advisers highlighted negative feelings of hopelessness and uncertainty, poorer physical and mental health, and inequitable participation and access to services.

6.3 The role of both UK and Scottish social security systems, especially Universal Credit for those in and out of work, became more crucial during the economic downturns by aiming to provide a proportionate and appropriate 'safety net' for those individuals and families that are negatively impacted by such economic pressures. All social security payments have the wider benefits of boosting local economies as result of spend in local shops and businesses, supporting responsible social behaviours and positively impacting health outcomes.

6.4 Highland has a relatively high proportion of zero hour and part time workers; it also experiences greater seasonal fluctuations in unemployment than the rest of the country due to the nature of the dominant service sector economy, hence the ongoing need for quality welfare services.

6.5 Universal Credit

6.5.1 Universal Credit supports those in work on low incomes and out of work households. Universal Credit includes a monthly payment to help with living costs, it can include an amount to help with the costs of looking after children and may provide an element of support for those responsible for paying rent or a mortgage.

6.5.2 In Highland **19,188** claimants were in receipt of Universal Credit in March 2024, of which approximately **7,252 (38%)** were in some form of employment. This represents a **9.7%** increase in Universal Credit claimants in Highland since March 2022. The following table details the increase/decrease in UC claimants in Highland:

	Employment	March 2022	March 2023	March 2024	% shift 2022 – 2024
Dingwall	Not in	837	887	955	14.10%
	In	566	603	599	5.83%
	Total	1,407	1,489	1,555	10.52%
Fort William	Not in	748	865	908	21.39%
	In	604	584	641	6.13%
	Total	1,351	1,444	1,544	14.29%
Invergordon	Not in	1,526	1,592	1,673	9.63%
	In	902	906	920	2.00%
	Total	2,429	2,496	2,597	6.92%
Inverness	Not in	5,143	5,670	6,043	17.50%
	In	3,924	3,892	3,871	-1.35%
	Total	9,062	9,561	9,918	9.45%
Portree	Not in	490	482	475	-3.06%
	In	277	276	272	-1.81%
	Total	767	753	746	-2.74%
Wick	Not in	1,618	1,780	1,885	16.50%
	In	854	862	946	10.77%
	Total	2,478	2,645	2,830	14.21%
Total	Not in	10,371	11,273	11,943	15.16%
	In	7,122	7,121	7,252	1.83%
	Total	17,489	18,391	19,188	9.71%

Source: DWP stats-xplore

6.5.3 This data shows that whilst overall the total number of Universal Credit claimants has increased since March 2022, overall the number of claimants in some form of employment has slightly increased by **1.8%**. However, both Inverness (**-1.35%**) and Portree (**-1.81%**) have seen a decrease in UC claimants in-work claims. Given the buoyant labour market which currently exists in Highland, it is difficult to validate the reasons for this. However, the decrease may to some extent be attributed to annual pay increases which would take some people above the earnings threshold to receive Universal Credit.

6.5.4 Council-funded welfare services continue to support a diverse range of clients with increasingly complex situations.

7. Financial Support Available for Families/Households

7.1 As highlighted above, the ongoing cost of living had far reaching impacts on low-income households during the period covered by this report. During 2023/24, the Revenues & Business Support section administered welfare payments to vulnerable and marginalised Highland residents, totalling in excess of **£53m**. These payments were a mixture of regular welfare payments, one-off covid related expenditure and one-off specific awards toward mitigating cost of living challenges.

7.2 A variety of funding sources including UK Government, Scottish Government and from the Council's reserves enabled payments to be made, these include:

- Help with Housing Costs: **£49.689m**
- Education/children benefits: **£1.372m**
- Emergency payments: **£1.276m**
- Scottish Welfare Fund: **£1.158m**

7.3 As the Department for Work and Pensions administer Universal Credit, and Social Security Scotland are rolling out devolved benefits, this figure excludes the total amount of Universal Credit and social security awarded to Highland residents.

7.4 Increasing households' disposable incomes through benefit take-up, and ensuring that the right people receive the right benefit at the right time provides a variety of positive health, wellbeing and equalities outcomes which can have a significant effect on the most vulnerable and marginalised in society including: lower stress and anxiety, better sleeping patterns, more effective use of medication, smoking cessation and dependency reductions, improved diet and physical activity, broader and ambitious aspirations, and improved engagement with services. In the context of tackling the wider social causes of ill-health, the benefits of quality welfare services are well evidenced.

8. Council-funded Welfare, Advice and Information Support Services

8.1 More than **26,500** residents within Highland sought support from Council-funded welfare services during financial year 2023/24. This generated in excess of **111,300** client contacts seeking advice on a variety of issues including welfare, money and housing.

8.2 The collaboration between the Council's Welfare Support Team and Council-funded advice services provided by Citizens Advice enables service delivery to provide effective and proportionate responses to the changing and increasingly complex needs of the client base. Clients continue to seek considerable and ongoing support with Universal Credit, this includes giving advice on the appropriate benefits to claim, completing clients' application processes on their behalf, drafting and submitting appeals to challenge adverse decisions and representing clients at appeal tribunals.

8.3 The Council actively promotes benefits, entitlements and the availability of advice and support in order to maximise take-up and households' incomes.

9. Welfare Financial Gains

9.1 In Highland, financial gains derived for clients during 2023/24, by these Council-funded welfare services, exceeded **£26.8m**. In addition to providing direct support for individual clients, there are much broader socio-economic benefits for businesses and communities alike from this £26.8m through local spend, improved health, etc.

9.2 Welfare advisers 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 as a key barrier to being able to self-serve. The repercussions of the effects of increased living costs caused a significant number of households with no

previous experience of UK or Scottish welfare and social security systems struggling to self-identify the financial and other support available, based on their individual circumstances.

9.3 These substantial benefit gains in Highland during 2023/24 represents a **£17.32** return for every **£1** the Council has allocated to these services. The multiplier effect of the wider economic and social impacts of these gains enables increased local spend, supporting local businesses, strengthening local communities and the Highland economy.

10. Debt Presented

10.1 During June 2023, the Joseph Rowntree Foundation (JRF) published *Unable to escape persistent hardship: JRF's cost of living tracker, summer 2023*. The full report can be accessed at <https://www.jrf.org.uk/cost-of-living/unable-to-escape-persistent-hardship-jrfs-cost-of-living-tracker-summer-2023>.

10.2 JRF reported:

- as many as 4.5 million low-income households (39%) are behind on at least one bill, with average arrears totalling almost £1,600. These figures have not moved below 4.5 million since October 2021, further embedding a picture of persistent financial distress.
- Almost 3 million low-income households (24%) have tried to take out a loan but have been declined during the cost of living crisis, with almost every household that had been declined lending (92%) also reporting going without essentials.
- The falling availability of credit has seen many low-income families needing to turn to high-cost credit, despite its increasing unaffordability: 2.6 million low-income households (22%) have high-cost loans.

10.3 In Highland during the financial year 2023/24, Council-funded welfare services report the total debt presented amounted to **£9,562,441** involving **4,213** clients seeking help to stabilise and where possible, to resolve their financial affairs. (An average debt of **£2,269.75**) Mortgage/other secured loans totalling **£1,132,007** are included in this total debt figure.

10.4 The key reasons clients access debt advice in Highland are:

- a reduction in income or benefits
- employment changes, unemployment or redundancy
- ill-health or injury.

10.5 The nature and extent of debt varied greatly according to individual household circumstances, and cycles of debt are rarely attributed to one isolated cause. Instead, it is more common for debt patterns to emerge and persist as the causes mount and increase. By way of examples, this can be as a result of unemployment or changes in employment, illness, bereavement, separation from a partner, spending choices, increasing living costs outstripping disposable incomes, and limited money management skills. Spiralling debts and the impact these have on an individual's mental and physical health often influences relationships with family and friends, health, lifestyle, employment and education.

- 10.6 When liabilities and bills become unmanageable for a household, it is only at this point that some individuals will ask for help. However, by that stage the issues are complicated and extensive, and are often worsened by mounting interest charges, penalties and other charges. In these circumstances, intensive support from welfare services is therefore essential to stabilise the situation for individual clients.
- 10.7 Early interventions and a preventative approach continue to be promoted within Highland with the aim of breaking the cycle of households' debts and improving an individual's financial capabilities and resilience to respond to monetary shocks and to improve their overall wellbeing.

11. Housing Advice

- 11.1 For many households, housing costs are their largest, single expenditure. Good quality housing advice is vital to support those who are vulnerable and at risk of losing their home, whether that be social or private renting, or homeownership.
- 11.2 Arrears for mainstream Council tenants' rent had stabilised by the end of 2023/24. Within the Council, Housing Officers continue to provide a supportive approach for all tenants and homeless clients who have faced financial hardship. Officers continue to signpost tenants to the Council's Welfare Support services and Citizens Advice.
- 11.3 For financial year 2023/24, **4,794** clients (including social rented, private rented and homeowners) 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 provides an indicator of demand in Highland for consistent and accessible housing advice, albeit it is not wholly reflective of demand needs in a typical year because many households seeking assistance will require support with a range of issues, i.e. while welfare or debt may typically be the primary presenting issue, a broad range of other advice, including housing advice, is also often provided.

12. Forward Look

- 12.1 Households in financial hardship continue to access the Council-funded welfare services set out in this report, to seek support with applying for benefits, to challenge adverse decisions, to manage debt and respond appropriately to creditors, and to be supported with housing-related matters.
- 12.2 The Department for Work and Pensions continues its migration of legacy benefit claimants to Universal Credit. Given the complexities of this process, experience tells us that navigation of welfare and social security will be a challenge for some households.
- 12.3 Officers continue to collaborate with Citizens Advice to meet this anticipated demand during 2024/25. Our long-standing focus on prevention will continue.
- 12.4 In order to inform decision making and service design, Officers will continue to analyse and share national and local statistics/business intelligence as these become available.

Designation: Assistant Chief Executive - Corporate

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Background Papers: Performance monitoring and analysis

<https://www.jrf.org.uk/cost-of-living/unable-to-escape-persistent-hardship-jrfs-cost-of-living-tracker-summer-2023>

Appendices: Appendix 1 – Case Studies

Case studies

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

Example 1

Mr A was referred to the Welfare Support Team by his occupational therapist. A Welfare Officer discussed his current income with a family member who was present – Mr A was receiving the incorrect benefit. The Welfare Officer intervened and after a long period of time spent liaising with multiple public agencies, the correct benefit was successfully awarded.

This resulted in a backdated lump sum payment of £3,300, a weekly increase of £31 per week as Mr A is now in receipt of passported income. This type of income opens other avenues of entitlements, one of which was increased amount of Council Tax Reduction and Housing Benefit. Mr A was awarded a Housing Benefit lump sum of £655, and £93 per week on an ongoing basis, and a Council Tax Reduction lump sum payment of £127 and £18 per week ongoing. Mr A and his family were extremely grateful for the assistance they received as a result of the Mr A's Occupational Health Advisor's referral to the Welfare Support Team.

Example 2

Client's daughter contacted the Welfare Support team to request a benefit check for her parents. A Welfare Officer made contact and arranged a home appointment for Disabled Band Reduction (DBR) based on a second walk in shower room to meet Mrs B's needs. The DBR application was successful, and the Council Tax band was reduced from a band E to a D.

During the home visit, the Welfare Officer carried out a benefit check with Mr B, this identified that the couple were living below their applicable amount. The Welfare officer assisted the couple in a successful application for pension credit. The welfare officer also had a conversation with Mr B regarding Attendance Allowance for his wife. Mr B had ordered the forms but had not managed to complete them himself. The Welfare Officer was able to complete the application with Mr and Mrs B there and then. Subsequently, Mrs B was awarded Attendance Allowance at the higher rate.

This resulted in this couple receiving a total lump sum gain of £4,432, and a total weekly increase of around £200. Mr and Mrs B advised that this has had a big impact on their day-to-day life and has alleviated much of the financial stress they were experiencing prior to being put in touch with the Welfare Support team.

Example 3

Client contacted CAB after they had applied independently for Child Disability Payment (CDP) (new disability benefit claim) for their 12-year-old daughter who has anxiety and possible autism (awaiting assessment) and had been awarded Low-rate Care & Low-rate Mobility Allowance. The client was happy with CDP Mobility composition outcome but believed that their daughter merited a higher award of the Care composition of CDP.

CAB was able to support the client to gather evidence and submit the CDP redetermination request. As a result of this the client's daughter was awarded High-rate Care and Low-rate mobility. This increased their weekly income by £74.85 which was backdated 9 months. In addition to this, the redetermination meant the family were then entitled to a number of other benefits, grants and payments.

The total financial gain in this case was £18,785 plus grants and other funds to follow. The additional monies will help to support the client's daughter in her hobbies and craft activities which assist with her education, currently being unable to attend school, due to her health.

Example 4

Client lived with her partner and 9-year-old son in a Council rented property. The client's son has severe physical and mental health disabilities and receives one to one teaching support at school. The client works from home and recently had to significantly reduce her full-time working hours to care for her son.

The client had been struggling to pay household bills due to the reduction in her work hours and had resorted to making purchases through credit cards. Subsequently, her total debt had risen to £10,809 and making repayments was becoming unaffordable. In addition to the debt and caring responsibilities, the client had not told her partner about the debt which was causing further stress and anxiety. The client contacted CAB seeking advice on how to eliminate or reduce the monthly payments to a more affordable level.

CAB assisted the client in completing a financial statement showing the amount of disposable income available to creditors and explained the various debt options available to the client. A DAS application was submitted to Accountant in Bankruptcy (AIB) and was accepted by the client's creditors.

The client expressed her relief as the money advice and support given by CAB had resulted in her saving £400 per month in payments to creditors. This relieved her anxiety greatly and allowed her to put her finances in order and save for the future.

Example 5

The client presented at the Citizens Advice Bureau as a self-employed individual residing as the sole tenant in a private residential tenancy with her four-year-old daughter. This client contacted the Bureau as she received a notice to leave on the grounds that the landlord intends to sell the property.

The client sought advice from the Bureau regarding her rights in relation to the notice to leave. This individual presented in a distressed and confused state as her landlord, whom she had rented from for three years, had advised she would be trying to sell the property with a 'sitting tenant' despite the eviction ground used in the notice being the landlord intends to sell the property.

The client was advised of her rights under the Private Housing (Tenancies) (Scotland) Act 2016 and the Bureau was able to check that the landlord had adhered to the relevant legislation surrounding evictions. In checking this, it transpired that the landlord had not communicated to the tenant the fact that there is a limited ban on the enforcement of evictions in place in Scotland.

CAB were able to explain that under emergency legislative measures introduced by the Cost of Living (Tenant Protection) (Scotland) Act 2022, unless a landlord seeks to rely on one of the prescribed exemptions, a landlord cannot enforce any eviction order until such time as the moratorium is lifted. At the time of advice provision to the client the moratorium was in place until the end of March 2023, however the Scottish Government moved to extend this period until at least 30 September 2023. Therefore, the client's existing tenancy was protected by the moratorium and if after the period of notice had expired, the landlord was to apply to the First Tier Tribunal (Housing and Property Chamber) to obtain an eviction order, the enforcement could not legally take place whilst the moratorium was in effect.

The client was also experiencing fuel poverty as a result of living in an energy inefficient property with a young child. CAB identified that she was eligible for financial assistance through the Home Heating Advice grant fund and an application was made on her behalf - the client was granted £684.49. The Bureau was able to explore other housing options with the client and give information about the Highland Housing Register and other schemes available suited to her needs.

This client was extremely grateful for the help provided and was very appreciative regarding the advice on her legal rights in relation to the eviction notice. The help she received from the Bureau empowered her with the confidence and understanding around how the legislation in place to protect her tenancy operates.

The advice CAB provided helped the client to sustain her private residential tenancy for the short to medium term, providing the necessary security for herself and her four-year-old daughter. At the end of the winter months this client successfully moved to an alternative private residential tenancy.