

## **Item for Information**

The attached report is for information only and does not form part of the agenda for discussion.

Should members have questions regarding any aspect of the report please contact the relevant officer named in the report.

## **SSDC Welfare Advice Work in South Somerset (For information)**

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### **Purpose of the Report**

To update and inform Members on the work of the Welfare Advice Team for the financial year 2016/17.

### **Public Interest**

The report gives an overview of the work of the SSDC Welfare Advice Team across South Somerset.

### **Recommendation**

That members note the report.

### **Service Summary**

Established in 1999, the Welfare Advice Team consists of 2.1 full time equivalent staff responsible for undertaking casework for clients across the whole of South Somerset.

The Team are situated within the Housing and Welfare Service and provides free, confidential and impartial information, advice and advocacy on Welfare Benefits.

We carry out specialised case work; preparing claims, representing clients at Appeals, up to and including First-Tier and Upper Tier Tribunals.

The service is provided by telephone & appointments at Petters House, the Area Offices, local Advice Surgeries and also by home visits where appropriate.

### **Impact Summary**

In the year 2016/17 the Welfare Advice Team delivered:

- Helped **482** clients across South Somerset
- Achieved an annual increased income of **£1,025,202.19**
- Lump sum payments total of **£175,940.53**
- Combined total of **£1,201,142.72** – over **10 times** the cost of the service (£111,047)

We also challenged 90 decisions at Mandatory Reconsideration or Appeal (19% of our caseload):

## Mandatory Reconsiderations (MR's)

- 16 Mandatory Reconsiderations were successful
- 7 clients with unsuccessful Mandatory Reconsiderations did not wish to pursue an appeal.

The unsuccessful MR's, can be progressed to appeal (First Tier tribunal) stage, if our clients agree.

Some cases that come to us are already at appeal stage.

## Appeals to the Tribunals Service

- 67 decisions were challenged at First Tier Tribunal
- 58 Tribunals were successful
- 6 Tribunals unsuccessful
- 3 Tribunals remain outstanding

70% of the lump sum payments and 35% of the annual increased income was achieved by appeal work.

Please note that these figures are provisional (12/01/2018) due to some case work remaining outstanding. We would expect these figures to show a further increase as some cases await outcomes.

It is also worth noting that of all the 90 disputed decisions, 66 were for working age disability benefits – 1 Disability Living Allowance (DLA), 45 Personal Independence Payment (PIP) and 20 Employment and Support Allowance (ESA).

According to national statistics from the Ministry of Justice (1), the number of PIP and ESA appeals October to December 2016 were up by 71% and 58% respectively compared to the same period the previous year. ESA and PIP appeals now comprise 85% of the total number of appeals received.

The figures also show that, of the 39,696 appeals cleared at hearing, 63% were overturned (found in favour of the claimant). Broken down by benefit type –

- 65% of PIP appeals were overturned
- 68% of ESA appeals were overturned

Our success rate for ESA is 95% and for PIP is 88% highlighting how important it is to have representation at a First Tier-tribunal.

## Area North:

- Helped 62 clients across the area
- Achieved an annual increased income of **£151,700.92**.
- Lump sum payments total of **£24,873.58**.
- Combined total of **£176,574.50**

## **Saved and Maintained Tenancies**

Historically, saved and maintained tenancies have been gradually reducing over the years due to a shift in the way the Welfare Advice team works.

Early intervention is key in the current financial climate and our updated referral processes and multi-agency working ensure that our clients receive immediate advice and support when their issues are identified.

This can often mean that clients receive Housing Advice from our own Housing Advice Centre (HAC), Debt, housing and preliminary benefit advice from Citizen's Advice South Somerset, with the SSDC Welfare Advice team undertaking more complex and specialised appeal work further down the line once the immediate tenancy issues have been resolved.

The need for support for people to retain their homes has never been greater than now given the consequences of Welfare Reform so we strive to work alongside other agencies to ensure that our clients are given the correct support at the correct time, no matter where their first point of contact is.

## **Ongoing Changes in Social Welfare**

The 2012 Welfare Reform Act represents the biggest change to the welfare system in over 60 years. All these changes are also taking place against a backdrop of reductions in funding from central government across both the statutory and third sectors.

2013 saw the application of the Spare Room Subsidy and the Benefit Cap in addition to households with private tenancies already subject to the Local Housing Allowance.

Benefit Cap – The second stage of the benefit cap came into force in November 2016, at £20,000 for lone parents and couples, and £13,400 for single childless people.

The figures for the households in South Somerset receiving extra help with housing costs through Discretionary Housing Payments (DHP) are shown below:

- 230 in 2012-13
- 487 in 2013-14
- 513 in 2014-15
- 357 in 2015-16
- 406 in 2016-17

The Local Assistance Scheme continues in place of the Social Fund.

In 2014-15 CASS processed **136** LAS applications and in 2015-16, **179** applications. This excludes food & fuel parcel only cases. In 2015-16, **209** food and fuel parcels were awarded.

In 2016-17 **259** clients were awarded LAS grants and **142** food and fuel parcels awarded.

## **Universal Credit**

Most of the means-tested benefits system for working-age families has now been replaced with a single payment called Universal Credit (UC), which went full service for most people in our area in April 2017.

The IFS Green Budget 2016 (2) was the first comprehensive analysis of the effects of UC since the cuts in the July 2015 budget. It found that a series of pre-emptive cuts means that introducing UC will in the long run reduce the financial benefit of the new system – including to working families.

When first proposed UC was intended to be more generous than the current system, but cuts to how much recipients can earn before their benefits start to be withdrawn have reversed this. Robert Joyce, an Associate Director at the IFS and an author of the report, said: *“The long run effect of universal credit will be to reduce benefits for working families on average – a reversal of the original intention. However, the potential gains from simplifying the working-age benefit system remain mostly intact: universal credit should make the system easier to understand, ease transitions into and out of work, and largely get rid of the most extreme disincentives to work or to earn more created by the current system.”*

New research, carried out with the Institute for Public Policy research, highlights that cuts will lead to a million more children in poverty (3). The report looks at both the world of tax credits and the new Universal Credit (UC) system, and finds that:

- Working families stand to lose £930 a year on average from cuts in the tax credit system and £420 a year from cuts to Universal Credit – these are losses across the population, so the losses for tax credit and UC recipients would be much higher.
- Freezes and cuts to Universal Credit work allowances will leave lone parents worse off by, on average, £710 a year, couples £250 a year.
- Work allowance cuts have the greatest impact in cash terms on households in the second and third deciles (the ‘just about managing’ group).
- While work incentives may have improved for some families, big falls in family income caused by cuts and changes to Universal Credit have left many worse off overall, overwhelming any gains from increases in the ‘national living wage’, personal tax allowances and help for childcare.
- The poorest 10 per cent will lose 10 per cent of their income (£450 a year) on average compared with what was promised by Universal Credit.
- The average family with three children will be 10 per cent (£2,540 a year) worse off, and the average family with four or more children 19 per cent (£5,000 a year) worse off due to Universal Credit cuts.
- Families containing someone with a disability will be £300 a year worse off due to Universal Credit cuts; families containing someone with a severe disability will be £530 a year worse off.
- Uprating decisions will cost the average single parent family on Universal Credit £710 a year, with the average couple with children losing £430 a year.
- The cuts to Universal Credit would put 1,000,000 children in poverty and 900,000 in severe poverty by the end of the decade, assuming the absence of tax credits.

The DWP have rolled Universal Credit out on a “test and learn” basis however, now almost a year in, sadly many issues have still to be rectified, particularly impacting on vulnerable clients in rural areas. The Welfare Advice Team continues to work with the DWP at region level to monitor and feedback issues.

As Universal credit is still relatively new, there are no statistics to report at this time.

In the meantime, the migration of Incapacity Benefit cases to Employment and Support Allowance continues, as does the migration of Disability Living Allowance recipients to Personal Independence Payment.

## **Secondary Benefits**

Over time a whole raft of secondary benefits have been developed and eligibility has depended on receiving Income Support, income based Jobseeker's Allowance, income related Employment and Support Allowance, Child Tax Credits and now, certain elements of Universal Credit.

These are the 'passport benefits' and provide access to free school meals, school travel, prescriptions, dental treatment and other reductions in prices for services, e.g. leisure, Careline etc.

The Social Security Advisory Committee, a statutory independent committee which advises Department of Work and Pensions (DWP) on the operation of the benefits system, has recently produced a report (4) which raises clear concerns about the loss of these passported benefits.

It points out that these benefits make significant contributions to the health and wellbeing of low income families and to preventing child poverty and social exclusion.

If families lose benefits and in turn eligibility for free school meals this also impacts on the overall funding the schools receive in the 'pupil premium'.

In addition if families migrate because of the Housing Benefit caps and other loss of income arising from the reforms, then this will have significant impact sub-regionally and could exacerbate disparities of wealth in rural areas.

## **Unemployment**

Unemployment is not so much an issue in South Somerset as underemployment - few people realise just how many in work rely on Housing Benefit to pay their rent. UK figures published in December 2013 found that the largest group in poverty are working age adults without dependent children - 4.7 million people were in this situation, the highest on record. Pensioner poverty is at its lowest level for 30 years. (5).

According to research published in May 2017 by Cardiff University and funded by Nuffield Foundation, more than half (60%) of people living in poverty in the UK live in a household where someone is in work, the highest figure recorded.

Crucially, the research finds that the number of workers in a household, and not low pay, is the primary determinant of in-work poverty. People living in one-earner households' account for almost 60% of people experiencing working poverty, more than double their population share. (6).

## **The Value of Welfare Advice**

By ensuring the maximisation of income and helping to challenge decisions, welfare rights services ensure that national government covers such housing costs instead of the council by way of the homelessness route and/or loss in rent collection. The Low Commission, in May 2014, published a major follow up work on the economic value of social welfare advice

(7) and presents compelling evidence from different sources that social welfare advice saves public services money. So apart from putting money in the pockets of those who need it, there is also widespread added value from our work.

Looking at all work to date on Cost Benefits Analysis (CBA) and Social Return on Investment data, the report finds that this not only pays for itself, but it also makes a significant contribution to families/ households, to local area economics, and also contributes to significant public savings.

Different studies done in the UK, US, Canada and Australia have all demonstrated similar findings that for every pound or dollar invested, there's a multiple of 10 in the savings produced by, for example, keeping people their homes with jobs and incomes intact rather than having to utilise expensive crisis and emergency services. The review shows that advice across different categories of law result in positive outcomes for clients and their households. (8)

Commenting on the findings Lord Colin Low said:

*"This research, carried out independently, demonstrates with hard economics the true value of social welfare advice. It can no longer be argued that funding social welfare advice is too much of a burden on the state. Early and necessary interventions from advice and legal support prevent problems and expense further down the line"*

## **Partnership Work**

Co-ordinated joined up working with other agencies is now more important than ever with the emphasis on making advice more accessible in rural areas and taking service out across the district. We are striving to maintain and improve ways where we can complement each other's services, focusing on each agencies strong points, exploring new technologies and access routes and better referral systems.

We are also working in conjunction with other advice agencies on Social Policy issues. The agencies we work with, such as the National Association of Welfare Rights Advisers and Citizens Advice Bureaux campaign on a national level, which we feed into, as well as highlighting individual cases via the local MP's.

Our partner agencies include Citizens Advice South Somerset, Wiser Money Project, Age UK Somerset, Yarlinton Housing Group, South Somerset Mind, Village Agents and many more.

## **Case Studies and Feedback**

The advice we provide helps our clients get back on their feet again and encourages them to be pro-active as we try to empower and avoid over dependence.

This local face to face responsive support has become more essential as more and more services are rolled out digitally or through central processing centres.

This is highlighted in the feedback we receive from our clients:

- *We have had a courteous and caring set of people to deal with. Congratulations in the quality of your staff. Thank you.*
- *Grateful to have Helen's support for a second time. I could not have completed the form myself. This service is invaluable for disabled people. Without the skilled advocate it would be easy to feel embarrassed but I felt comfortable.*

- *Catherine was so kind and supportive when Christina failed her ESA assessment, made sure we knew how to challenge. She helped us challenge the ESA and get back into the support group, gave us prompt and relevant advice. I would like to thank Catherine and SSDC Welfare Advice Service for being there and supporting us we are so very grateful.*
- *Thank you so much Gill. It was an absolute pleasure to meet you. Thank you so much for helping me fill the form in. You were so reassuring and a real lift to my spirits which have been so damaged by dealings with Somerset County Council previously. It meant a lot to me and I'm very grateful.*
- *Very professional, couldn't have had a better result. Would use service again without a doubt. This service is a must as there are a lot of people in the community who will benefit from this.*

### **Case Study**

Oliver is 13 years old and suffers with chronic eczema. Due to the severity of his condition he was receiving Disability Living Allowance because of the skincare regime he had to follow and the help he needed from his Mum to maintain this.

Sadly, due to the amount of care and maintenance his condition required, Mum had to give up work to provide this care.

Each morning started at 6am and involved an intensive skincare regime as well as supervision to prevent Oliver from clawing his skin in the shower due to the itch. He had to be daily wrapped in creams and covered in special bandages which he had to wear under his school clothes.

Different creams had to be applied frequently throughout the day to maintain skin health and Oliver needed help from his Mum to do this, re-dress the bandages as the school could not assist due to the personal nature of the care.

Sadly, due to his condition, Oliver was also bullied at school and suffered anxiety and depression issues as a result of this.

The end of day routine was also intensive – Oliver had to be covered in thick barrier cream and tied into his bandages (to prevent removal scratching and during the night). Unfortunately this also meant that if he needed the toilet he had to have help to get out of the bandages and then to re-dress them.

Oliver's mum came to us when, on renewal of the DLA, he was refused benefits. This had a knock on effect that her Carer's Allowance stopped and, as she no longer had Carer Status, she was ineligible for Income Support which also ceased. The disabled child premium within her tax credits ceased, reducing the family income by a substantial amount.

We assisted Oliver's mum to request a Mandatory reconsideration but unfortunately this was refused, so we progressed the case to appeal.

In the meantime, the family were struggling financially so we referred them to Citizen's Advice South Somerset for budgeting advice and emergency support through the Local Assistance Scheme. We provided them with a food parcel in the interim.



The whole process took 6 months to complete, during which time we supported the family as best we could between us and other advice agencies we work in partnership with.

The appeal was successful and Oliver was awarded DLA at the highest rate of £82.30 per week because of the care and attention he needed throughout the day and night. Mum's £62.10 Carer's Allowance was reinstated, as was her Income Support of £45.60 per week and the severely disabled and disabled child element of Child Tax credits was reinstated at £4415 per annum.

## **Council Plan Implications**

Council Plan 2016 - 2021:

- Homes: Minimise homelessness and rough sleeping.
- Health and Communities: Support residents through national benefit changes including universal credit.

## **Equality and Diversity Implications**

The work within the Welfare Advice Team brings us into daily contact with vulnerable clients, people with disabilities and non-English speaking communities.

## **Financial Implications**

None

## **Carbon Emissions & Climate Change Implications**

None

## **Background papers**

- (1) *'Tribunals and gender recognition certificate statistics quarterly: October to December 2016'* Ministry of Justice, March 2017
- (2) *The (changing) effects of universal credit' from the IFS Green Budget 2016, edited by Carl Emmerson, Paul Johnson and Robert Joyce*
- (3) *The Austerity Generation: the impact of a decade of cuts on family incomes and child poverty, CPAG, November 2017*
- (4) *Universal Credit: the impact on passported benefits, Report by the Social Security Advisory Committee, DWP, March 2012*
- (5) *Somerset Community Legal Service Partnership: County Court Project*
- (6) *In-work Poverty In The UK, Problem, Policy Analysis and Platform for Action, Rod Hick and Alba Lanau, Cardiff University, May 2017.*
- (7) *Annual Monitoring Poverty and Social Exclusion 2013 published by the Joseph Rowntree Foundation and written by the New Policy Institute (08/12/2013)*
- (8) *Social Welfare Advice services – A Review by Graham Cookson, an economist at the University of Surrey*