

## **SSDC Welfare Advice Work in South Somerset**

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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 2015/16.

### **Public Interest**

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

### **Recommendation**

Members are invited to comment on the report

### **Service Summary**

Established in 1999, the Welfare Advice Team consists of 3.1 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 2015/16 the Welfare Advice Team delivered:

- Helped **562** clients across South Somerset
- Achieved an annual increased income of **£1,466,175**
- Lump sum payments total of **£287,460**
- Combined total of **£1,753,635** – over **15 times** the cost of the service (£114,127)

We also challenged 88 decisions at Mandatory Reconsideration or Appeal:

#### **Mandatory Reconsiderations (MR's)**

- 17 Mandatory Reconsiderations were successful
- 5 clients with unsuccessful Mandatory Reconsiderations did not wish to pursue an appeal.
- 1 Mandatory Reconsideration remains outstanding

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

- 63 decisions were challenged at First Tier Tribunal
- 48 Tribunals were successful
- 13 Tribunals unsuccessful
- 2 Tribunals remain outstanding
- 2 Tribunal decisions challenged at Upper Tier
- 1 set aside at Upper Tier (successful on the second hearing)

65% of the lump sum payments and 33% of the annual increased income was achieved by appeal work.

Please note that these figures are provisional (12/01/2017) due to some cases 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 88 disputed decisions, 83 were for disability benefits – 1 Attendance Allowance, 8 Disability Living Allowance, 50 Personal Independence Payment and 24 Employment and Support Allowance.

#### **Area South:**

- Helped **208** clients across the area
- Achieved an annual increased income of **£698,047**.
- Lump sum payments total of **£130,029**.
- Combined total of **£828,077**

#### **Saved and Maintained Tenancies**

The figures for Saved and Maintained Tenancies for 2015-16 stand at 5 and 9.

Saved Tenancies are those cases which would have resulted in the loss of the tenancy but for the intervention of the Welfare Advice Team. Maintained Tenancies are those where the Welfare Advice Team have undertaken a significant amount of work with the clients towards assisting in the successful maintenance of the tenancy.

The cost to SSDC of dealing with a homeless application is estimated at £2,630 per family. The 5 tenancies saved by the intervention of the Welfare Advice Team equates to a potential saving of £13,150. Further savings were made by the 9 Maintained Tenancies, as it is highly probable that a number of these would have progressed to the stage of loss of tenancy without early intervention, which is key in the current financial climate.

The need for support for people to retain their homes has never been greater than now given the consequences of Welfare Reform.

#### **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. We estimate approximately 160 households in South Somerset will be affected, with some losing up to £300 per week. We are working with DWP and CASS to raise awareness and help people through the transition.

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

### **Universal Credit**

Most of the means-tested benefits system for working-age families is now being replaced with a single payment called Universal Credit (UC).

The IFS Green Budget 2016 (1) is 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.

The long run impact of Universal Credit on incomes was found as follows:

- Among working households, 2.1 million will get less in benefits as a result of UC's introduction (an average loss of £1,600 a year) and 1.8 million will get more (£1,500 average gain). Among the 4.1 million households of working age with no-one in paid work, 1 million will get less (average loss of £2,300 a year) and 0.5 million will get more (average gain of £1,000 a year).
- Working single parents and two-earner couples are relatively likely to lose, and one-earner couples with children are relatively likely to gain. Among those currently receiving one of the benefits being replaced by UC, working single parents would be over £1,000 a year worse off on average if the long run UC system applied now, but one-earner couples with children would gain over £500 a year on average.
- Owner-occupiers and those with assets or unearned income are relatively likely to lose, but working renters are relatively likely to gain. This has the implication that UC will likely focus support more on those with long-term (rather than just temporary) low incomes, but it also weakens the incentive for some to save.

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."*

The roll out of Universal Credit full service started across the majority of Area West and some of Area North (some TA postcodes) in October 2016, with the rest of South Somerset to follow in April 2017.

This is very much a work in progress and sadly many issues have been identified, 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.

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 'passported 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 (2) 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, not to mention earnings top up's such as Working Tax Credits due to typically low wages in the area.

UK figures published in December 2013 found that the largest group in poverty are working age adults without dependent children - 4.7 million people are in this situation, the highest on record. Pensioner poverty is at its lowest level for 30 years. (3).

## **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 (4) 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. (5)

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, Age UK Somerset, Yarlington Housing Group, South Somerset Mind, Village Agents and many more.

## Case Studies and Feedback

Miss Brown was 61 years old, single with learning difficulties. She also had long term physical health issues including diabetes, arthritis, back pain and depression. She worked full time until about twenty years when she had to stop due to an acquired brain injury following an accident at work.

Miss Brown had lived in a small town in Somerset and knew people there but because of the spare room subsidy, she had a shortfall in her rent she could not meet. She was moved to Yeovil however, did not know anyone and was away from her remaining supportive family.

Miss Brown is now living in Yarlinton Supported Housing due to her care needs with an additional care package from Social Services. The supported housing enabled her to access a cooked meal and the three carers attending each day provide prompting to wash, dress, change her clothes and eat appropriate food.

She was in receipt of Employment and Support Allowance (ESA) in the Support Group and Disability Living Allowance (DLA).

The DWP wrote to Miss Brown to inform her that her DLA was ending and that she would be required to claim Personal Independence Payment (PIP). As she could not read she asked for help from the Housing Support co-ordinator who assisted to make the claim and completed the form.

Unfortunately, at the same time, the DWP decided to renew her ESA.

Both ESA and PIP require face to face medical assessments as part of the decision making process. Miss Brown attended both medical assessments alone. She did not understand the questions and asked for the interview to be stopped but her requests were ignored.

Both benefits deemed that Miss Brown had no difficulties. She failed to qualify for PIP and deemed "fit for work" for ESA, scoring no points at all for either assessment.

Miss Brown asked for both decisions to be looked at again with the assistance from the Financial Responsibility Team at Yarlinton Housing Association.

Unfortunately the decisions remained unchanged so Miss Brown had to go through the appeal process. It was at this stage that her case was referred to us.

Appeals were lodged with the Tribunals Service for both PIP and ESA. We met with Miss Brown to discuss her health problems and disability.

Unfortunately the services involved with Miss Brown's care were not consulted by the DWP or healthcare professional carrying out the assessments so they had no knowledge of the extent of her problems. We sought to gather information from all involved to present what life was really like for Miss Brown and the amount of help she needed just to get by on a day to day basis.

Using our knowledge of the benefit legislation and case law, we wrote a submission highlighting the areas we thought the tribunal should consider during the hearing.

The case was duly heard and the tribunal decided that Miss Brown has a "severely limited ability to carry out activities of Daily Living" and awarded 36 points as well as a "severely limited ability to carry out mobility activities" and awarded 14 points, resulting in enhanced awards for both mobility and daily living components of PIP and an additional £139.75 per week plus the severe disability premium of £61.85 per week.

At the time of writing, Miss Brown is still awaiting a date for her ESA appeal.

She is suffering significant distress as a result of the whole process and needs a great deal of support from us as representatives and advocates.

The advice we provide helps our clients get back on their feet again and encourages them to be proactive 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:

*“Andy has helped myself and wife numerous times and has helped us through some awful times. We don’t know what we would have done without him.”*

*“Excellent service, friendly, kind and professional. Thank you for help, kindness and follow up calls.”*

*“Excellent service. Helen has been very helpful and caring throughout the process.”*

*“Very happy with outcome, Nadine was very patient and very helpful”*

*“Thank you so much, you are wonderful. What an excellent service - you are officially a star”*

*“Excellent service! Wouldn’t have been able to do this without Catherine’s help, she is a credit to the service”*

*“Andy couldn’t have been more helpful or supportive. Without the help I wouldn’t have known what I was entitled to or how to claim it”*

*“Catherine was unbelievably helpful, chasing things up for me which I was unable to do due to the state of my mental health”*

*“Excellent service. Helen has been very helpful and caring throughout the process.”*

### **Corporate Priority 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 & Adapting to Climate Change Implications (NI188)**

None

## Background papers;

- (1) The (changing) effects of universal credit' from the IFS Green Budget 2016, edited by Carl Emmerson, Paul Johnson and Robert Joyce
- (2) *Universal Credit: the impact on passported benefits*, Report by the Social Security Advisory Committee, DWP, March 2012
- (3) Somerset Community Legal Service Partnership: County Court Project
- (4) *Annual Monitoring Poverty and Social Exclusion 2013* published by the Joseph Rowntree Foundation and written by the New Policy Institute (08/12/2013)
- (5) *Social Welfare Advice services – A Review* by Graham Cookson, an economist at the University of Surrey