

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

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### **Purpose of the Report**

To update and inform Members on the work of the Welfare Benefit Team, for the financial year 2013/14.

### **Public Interest**

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

### **Recommendation**

Members are invited to comment on the Report

### **What is the Welfare Benefit Team?**

The Welfare Benefits Team consists of 3.1 full time equivalent staff responsible for undertaking casework for clients across the whole of South Somerset. We provide specialised advice and advocacy; preparing claims, representing clients at Appeals, up to and including First-Tier and Upper Tier Tribunals.

The Team is based at Petters House and provides advocacy and advice by telephone, appointments at Petters House and the Area Offices and carries out home visits where appropriate.

In 2013-14, funding was in place to provide additional outreach surgeries in Areas North and East.

### **Annual Statistics**

During 2013 the Welfare Benefit Team undertook casework for 680 clients across South Somerset achieving an Annual Income for clients of £1,148,952.00. In addition clients received a total of £213,423.00 in Lump Sums. Combined total: £1,362,375 (at 14/01/2015).

We undertook casework for 103 clients in Area East, achieved an annual income of £107,185.00 and lump sums of £8,349.00, combined total of £115,534.00.

Please note that these figures are provisional due to the time lag involved in benefits being awarded/clients confirming their award. This lag is longer than in previous years due to the extended delays with existing and new benefits (one year for new claims for Employment and Support Allowance (ESA) – although a basic rate is paid until that time). We would expect these figures to show a further increase as 110 cases remain open awaiting outcomes.

Personal Independence Payment (PIP) and ESA processing delays are largely due to the backlog of medical examinations with the Healthcare Providers (ATOS).

Out of the 680 clients we worked with we helped take 71 to appeal. This is a drop in last year's figures as fewer decisions are being made and because October 2013 also saw the introduction of the Mandatory Reconsideration process. 42 appeals were successful and the unsuccessful appeals automatically proceeded to a tribunal.

We took 28 cases to Tribunal and won 27 of them – a 96% success rate so far which is way above the national average of represented cases.

Sometimes we pick up cases that are already at Tribunal stage.

Unfortunately there are no timescales for processing Mandatory Reconsiderations and we have some cases that have been open, awaiting outcomes for up to 7 months or longer and once decisions are made they may still progress to appeal, leading to further delays.

### **Where We Are Now.**

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.

### **Passported Benefits**

The impact of completely redesigning the whole system of means tested benefits and tax credits goes beyond those just immediately affected by losing a benefit.

Over time a whole raft of secondary benefits have been developed and eligibility depends on receiving Income Support, income based Jobseeker's Allowance, income related Employment and Support Allowance and Child Tax Credits.

These are known as 'passported benefits' and include 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 (1) 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.

The application of the Spare Room Subsidy to Social Housing Tenants (known as the Bedroom Tax) was also rolled out from April 2013 and, as of March 2014, 2,651 tenants in

Somerset experienced a reduction in Housing Benefit as a result of this, with South Somerset having the highest number affected at 793.

From September 2013, the Benefit Cap (the total amount of benefit that working-age households can receive) was implemented and whilst there were a relatively small number of households affected in Somerset (around 100 by April 2014), South Somerset again had the highest number of affected households at 38 (by April 2014).(2)

Figures from Mendip DC, South Somerset DC and Taunton Deane BC indicate that more than 6,700 households have been affected by reductions in Local Housing Allowance rates (the Housing Benefit paid to tenants who rent from private landlords).

There has been an almost three fold increase in the households in Somerset receiving extra help with housing costs through Discretionary Housing Payments (DHP) in 2013-14 compared to 2012-13. DHP's in South Somerset have risen from 230 to 487. (2)

### **Saved and Maintained Tenancies**

The figures for Saved and Maintained Tenancies for 2013-14 stand at 7 and 35.

Saved Tenancies are those cases which would have resulted in the loss of the tenancy but for the intervention of the Welfare Benefit Team. Maintained Tenancies are those where the Welfare Benefit 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 7 tenancies saved by the intervention of the Welfare Benefit Team equates to a potential saving of £18,410.00. Further savings were made by the 33 x 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.

### **Housing Benefit**

More recent research from the National Housing Federation (3) shows that middle-income households earning between £20,000 - £30,000 a year accounted for two thirds of all new Housing Benefit claims during the last six years, as the struggle to afford a home gets tougher.

With the proportion of households having to claim Housing Benefit despite being in work doubling to 22 per cent (one in five) since 2008, the National Housing Federation predicts that this figure could rise to one in three in the next five years. (3)

Here in South Somerset, out of a Housing Benefit caseload of 10,065, working claimants make up 2,513 of these which, at 25%, is higher than the national average. This does not include those in receipt of passported benefits who also work.

In 2004 the estimated cost for a 2 child family if an eviction took place without a homeless application being made was £3,563. The wider social costs in relation to education and health services were estimated to be £4,896. (4) In addition the emotional impact on clients' health will be considerable.

Becoming homeless is of course the very last resort for families and experience has shown that considerable financial pressure will be absorbed and debt accrued by families before they accept it. The impact of this can be widely felt in families; children and vulnerable adults in these families can be particularly at risk.

Nationally, the number of Housing Benefit claimants who are in work in 2013-14 broke the *one million* barrier for the first time. DWP statistics published in November 2013 show that 1,013,822 people in employment were claiming Housing Benefit in August 2013.

## **Unemployment**

Unemployment is not so much an issue in South Somerset as underemployment - few people realise just how many in work rely on HB 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. (5)

## **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 (6) 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. (6)

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 South Somerset CAB, Age UK, Yarlinton Housing Group, South Somerset Mind, Village Agents, South Somerset Alliance – a lottery funded project – 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.

*"Best Council office ever. Catherine has been brilliant and together with Phil they put so much effort to get us sorted and assisted us all the way through. Top service."*

*"I really couldn't have managed this on my own. It was making me so ill with worry. Please keep this support going it is vital to those of us who are ill/disabled and can't fight our way through the benefit hurdles on our own."*

*"Both Nadine and Andy were excellent. Thank you for the help. It has made my recovery a little bit easier"*

*"Helen was wonderful. If it wasn't for her excellent service we would have given up long ago. Can't thank her enough for her efforts. She was a true professional. She helped us so much with everything especially when we were under immense pressure due to a serious family illness. We really would not have been able to continue with the claim at this point. Helen was there for us, really supportive and fighting our claim she was amazing."*

*"Just like to say a big thank you for your services. We don't know what we would do without your help. A big thank you for Andy. We would be lost without him."*

*"Nadine has worked tirelessly for me. It was a huge comfort knowing that she was there if I needed her."*

*"Helen was very professional and helpful and had a very knowledgeable approach to the case. She was so supportive and kept me informed of what was happening. She attended the tribunal with my wife and I and helped us through a very difficult time. Thank you and well done Helen!"*

*"Excellent! Both Andy and Catherine were great and re-assuring. They stood by me and we got through this together. Words cannot describe how grateful I am. They both deserve*

*recognition for their hard work and patience. They're manager needs to see what stars they have on the team!"*

*"Helen who handled my case was brilliant and I am incredibly grateful to her for all she did for me. I am extremely happy, it has meant that I was able to stay in my home. Helen helped save my independence and I will be forever thankful to her for that. There's no way we could have fought this case on our own and Helen never gave up - even when things looked very bleak."*

### **Case Study**

Mr Jones is in his mid-50's and has worked all his life in the building trade. Sadly, he has developed lower back, hip and knee problems and had to cease work earlier in the year due to the physical nature of his job. He has already had a hip replacement and is awaiting a knee replacement operation.

His wife works 15 hours per week. They have two young children and receive Child Tax Credit. They live in rented accommodation.

Mr Jones claimed Contribution-based Employment and Support Allowance (ESA) in March 2014 but this was only paid for 26 days, because of the 365 day limit which was linked to a previous claim that he had made due to surgery, which had ended Jan 2013.

Several months later Mr Jones spoke to a SSDC customer adviser, because he and his partner, were struggling financially. The customer adviser felt that something was not quite right about his ESA and referred his case to the Welfare Benefits Team in September 2014.

Mr Jones showed us his ESA decision letter and we rang the DWP who confirmed that he had a previous contribution-based ESA award from Jan 2012 to Jan 2013 when he took time off work for his surgery (although returned to work as soon as he was fit and able). This been paid for 339 days. It was evident that the DWP had used the wrong tax years to apply the two qualifying conditions with regards to National Insurance contributions.

We helped Mr Jones with challenging the decision, and his contribution based ESA was reinstated in November 2014 and arrears paid accordingly. The DWP also acknowledged that maladministration (their words) of his claim – paying Mr Jones a special payment as compensation. His partner now has the option of claiming WTC if she can increase her working hours from 15 to 16+ hours.

Mr Jones is still awaiting his ESA medical assessment so we continue to keep an eye on his case.

### **Corporate Priority Implications**

Council Plan 2012-2015:

Focus 3: Homes

Focus 4: Health and Communities

### **Equality and Diversity Implications**

The work within the Welfare Benefit 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) *Universal Credit: the impact on passported benefits*, Report by the Social Security Advisory Committee, DWP, March 2012
- (2) Somerset Welfare Reform Impact Monitoring 2013-14
- (3) *Broken Market, Broken Dreams*, Home Truths 2014/15, report by the National Housing Federation 2014
- (4) Somerset Community Legal Service Partnership: County Court Project
- (5) *Annual Monitoring Poverty and Social Exclusion 2013* published by the Joseph Rowntree Foundation and written by the New Policy Institute (08/12/2013)
- (6) *Social Welfare Advice services – A Review* by Graham Cookson, an economist at the University of Surrey