

Area North Committee - 23 January 2013

11. **SSDC Welfare Benefit Work in South Somerset (Executive Decision)**

Strategic Director: Vega Sturgess, Operations and Customer Focus
Assistant Director: Steve Joel, Health and Well Being
Service Manager: Kirsty Jones, Housing and Welfare Manager
Lead Officer: Catherine Hansford, Senior Housing Support Officer, Welfare Benefits
Contact Details: catherine.hansford@southsomerset.gov.uk or 01935 462737

Purpose of the Report

To update and inform Members on the work of the Welfare Benefit Team for the financial year 2011/12, across the district and specifically within Area North.

Public Interest

The report gives an overview of the work of the Welfare Benefit Team within the Council showing progress to date and how the work achieves multiple added value for South Somerset.

Recommendation

- 1) Members are invited to comment on the report.
- 2) Members are asked to approve the allocation of £8,000 from the Area North Reserve to fund the continuation of additional welfare benefit take-up advice by the Housing and Welfare Service, within Area North for a further year from April 2013.

Background

Arising from our own assessment of poverty in the District in 1996 and later work done on benefit take-up for the Somerset County Council Poverty Commission in 1998, the Council decided to back a three year Welfare Benefits Take-Up Campaign for South Somerset. This was a pilot designed to test what we as a District Council could achieve, by both tapping into our own resources (primarily via Community Advisers in community offices) and enabling more take up work in other sectors through practical support and identification of external funding.

This initiative, managed in partnership with South Somerset CAB, was resourced with a sum of £100,000 over the three year period commencing April 2000. This enabled SSDC to employ a Welfare Benefit Officer based in the Social Inclusion Team. In response to demand the service grew and by 2001 the existence of the welfare benefits programme supported and complemented the introduction of the Verification Framework into Housing Benefits, giving Members and officers increased confidence that deliberate fraud would be tackled whilst maintaining a safety net for supporting vulnerable people.

When the Social Inclusion Unit ceased to exist, the Welfare Benefit Team transferred to the Housing and Welfare Section - which has resulted in even closer working with the housing teams to prevent the loss of tenancies.

What does the Welfare Benefit Team consist of?

Due to the 20% increase in the number of cases in 2008/9, coupled with the economic downturn, it was agreed that the team could be increased by one full-time post for a period of two years. Hence the Welfare Benefits Team currently consists of the equivalent to 2.5 full time permanent and 1 x temporary full time Welfare Benefit Advisers who are responsible for undertaking casework for clients, identifying their welfare benefit entitlement. During 2009/10 and 2010/11 the caseload continued to increase considerably as a result of the ongoing pressures related to the economic crisis.

The staff works across the whole of South Somerset offering home visits as appropriate. They assist in preparing claims, representing clients at Appeals, up to and including Social Security Commissioners level, and representing clients at Tribunal hearings.

Since June 2012, one day's work a week has been funded by the Area North budget for welfare advice to Area North residents. This means that claimants are seen quicker than previously.

Addressing Need

The DWP has outlined data on the various income-related benefits that were not claimed. The latest figures, which refer to 2009-10, include:

- Up to 620,000 people failing to claim up to £2bn in income support, and employment and support allowance
- Up to 1.6 million people failing to claim up to £2.8bn in pension credit
- Up to 1.1 million people not claiming up to £3.1bn in housing benefit
- Up to 3.2 million people missing out on up to £2.4bn in council tax benefit
- Up to 610,000 people failing to claim up to £1.95bn in jobseeker's allowance

Nationally up to £12.7 billion of means tested benefits were **unclaimed** in 2008/9 (representing 85% take up of available benefits). This compares with £9.99 billion of means tested benefits unclaimed in 2006/7. At that time, using estimates supplied by the Office of National Statistics, this indicated that up to £26.6 million was going unclaimed by the people of South Somerset. An assumption can therefore be made that the then unclaimed figure of £26.6 million for the people of South Somerset will now be considerably higher.

Progress to date

District Wide

- During 2011/12 the Welfare Benefit Team undertook casework for 956 clients across South Somerset, achieving an annual income for clients of £1,796,386.
- In addition, clients received a total of £296,551 in lump sums, giving a combined total of £2,092,937 (at 01/11/12). Please note that these figures are provisional due to the time lag involved in benefits being awarded/clients confirming their award, and we would expect these figures to show a further increase over the coming months.
- Based on the total figure of £2,092,937 this work levered in welfare benefit payments 16.6 times more than the actual cost of the service! This compares well with last year's figure of 12.
- The total annual income achieved for clients represents an ongoing annual income figure and as such is likely to continue on a recurring basis. The effects of this on the local economy should not be overlooked.

Within Area North

- During the period 2011/12, we dealt with 148 cases, generated **£34,358 in lump sum payments** and achieved an **increased annual income of £274,345**.
- Due to the additional temporary funding, one day a week was allocated to cases from Area North. This accounted for **28%** of the casework in Area North – 41 cases – even though it was only in place for 8 months of the financial year.
- The proportion of the Area North work generated by the additional funding equates to **£86,436.84 which represents an overall additional household income 8.6 times more than the cost of the additional hours**.
- The Area North Committee funded continuation of this additional day (using funds available for service enhancements) and the team member has been in place since June 2012. This is **in addition to** the work carried out with residents who would normally be helped as part of the core work of the welfare benefits team.

Saved and Maintained Tenancies

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 has undertaken a significant amount of work with the clients towards assisting in the successful maintenance of the tenancy.

The figures for Saved and Maintained Tenancies across the district for 2011/12 are 21 and 44 respectively. We believe these figures are likely to increase due to the effect of the time lag from commencing work with a client to finishing working with them.

The cost to SSDC of dealing with a homeless application is likely to be in the region of £2700 per family: the 23 x tenancies saved by the intervention of the Welfare Benefit Team equates to a potential saving of £62,560. It is also arguable that further potential savings were made by the 44 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.

Out of the 956 clients we worked with we helped take 134 to appeal. Of these 45 were successful. Unsuccessful appeals automatically proceed to a tribunal but we also pick up some cases that are already at tribunal stage. We took 77 cases to Tribunal and won 65 of them – an 85% success rate so far. These cases result in clients receiving considerable backdated lump sums and significant increases in income. It's also worth noting that a number of appeal and tribunal cases are still on-going so these figures should show a significant increase as cases are closed. A small number of cases have been escalated to the Upper Tier Tribunal (Commissioner level).

These figures are reflected in national statistics, showing that Welfare Benefits is becoming more complex – with more decision being changed following a tribunal hearing than being revised by the DWP.

Case studies can be found in Appendix 1.

**The assumption that the cost to SSDC of dealing with a Homeless Application is approx. £2720 per family is made up as follows:*

Processing Homelessness application (3 days x Officer and Admin time): £280

Housing family pending decision – 3 weeks at £580 per week: £1740

Ongoing Housing Solution – deposit guarantee, rent in advance, fees, etc (e.g. loss of interest, proportion of bad debt, debt recovery costs): £700

Achieving Multiple Added Value

Apart from putting money in the pockets of those who need it, there is widespread added value from this work, including that described below.

Working with the Homelessness Team we assist in preventing loss of tenancies. In addition to the potential direct savings to SSDC identified earlier in this report there are other associated savings. In 2004 the estimated cost for a two child family if an eviction took place without a homeless application being made was £3563. The wider social costs in relation to education and health services were estimated to be £4896. (Somerset Community Legal Service Partnership: County Court Project). In addition the emotional impact on clients not receiving such assistance will be considerable.

The link between health and wealth needs to be acknowledged. The Acheson Report specifically recommended benefit take up as a measure to tackle health inequalities.

Both the payment to the individual clients and the payments to SSC/SSDC contribute to increased spending in the local economy.

Provision of advice around Welfare Rights to ensure people claim all they are entitled to has been shown to have large economic benefits to local communities. A report in Scotland ("Extending Scottish Input – Output Systems", McNicoll) found that for every £1 million of benefits recovered the local multiplier effect generates 36 full time jobs in the local (Scottish) economy. On this basis, last year approximately 65 jobs could potentially have been created or sustained as a consequence of this work.

Within Area North this equates to about 11 jobs – three of which were as a result of the additional hours.

The welfare benefit work also supports that of the Private Sector Tenancy Support post, working with clients to ensure that they are receiving all the benefits they are entitled to, thereby assisting them in successfully maintaining their tenancy.

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

Impact of additional work carried out in Area North

The additional one day's work a week between August 2011 and April 2012 resulted in the following benefits to local residents.

- 41 more cases (28% of the casework in Area North).
- An additional £86,436.84 generated, representing a benefit income 8.6 times the cost of the additional hours.
- Using the multiple added value argument, an extra three jobs were funded.

This additional work has continued since June 2012, funded by Area North, and there is every reason to assume the advantages to residents would continue during the forthcoming year were the work to continue. It is clear that the enhanced service has made a difference and councillors are asked to consider agreeing funding its continuation for the financial year 2013/14.

Financial Implications

The unallocated Area North reserve currently stands at £23,920, if the additional balance of £8000 is approved the remaining reserve will be £15,920.

Corporate Priority Implications

Works towards corporate themes (Corporate Plan 2009-12)

Theme 1: Increase economic vitality and prosperity

Theme 3: Improve the housing, health and well-being of our citizens

Looking to the future (Council Plan 2012-2015):

Focus 3: Homes

Focus 4: Health and Communities

Carbon Emissions & Adapting to Climate Change Implications (NI188)

None

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. We also work with the Community Link workers who are available to assist us with translating and interpreting.

Background Papers: none