

Area West Committee – 16th April 2014

8. **SSDC Welfare Benefit Work in South Somerset**

Strategic Director: Vega Sturgess (Operations and Customer Focus)
Assistant Director: Steve Joel, Assistant Director (Health and Well Being)
Service Manager: Kirsty Larkins, Housing and Welfare Manager
Lead Officer: Catherine Hansford, Welfare Benefits Team Leader
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 2012/13.

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

Members are invited to comment on the report.

What is the Welfare Benefit Team?

The Welfare Benefits Team entered the 2012/13 year with the equivalent to 2.5 full time permanent and 1 x temporary full time Welfare Benefit Advisers, responsible for undertaking casework for clients.

In addition to this, funding was in place from Area North to provide an additional one day a week working directly to provide welfare benefits advice to residents in that area.

The team work across the whole of South Somerset providing specialised advice and advocacy service preparing claims, representing clients at Appeals, up to and including First-Tier and Upper Tier Tribunals.

Background

Since April 2011 a raft of changes to the Housing Benefits system have been introduced which impacted on claimants entitlement.

The 2012 Welfare Reform Act represents the biggest change to the welfare system in over 60 years. Many residents are already being affected by a wide range of complex welfare and housing benefit changes as the Act is phased in over the next 3-5 years.

Failure to comply with the new rules and procedures could mean many will have benefits reduced or cut and so might run the risk of indebtedness or homelessness.

While we have heard that the Government has recognised that there will be a role for Local Authorities to provide some face to face support necessary for those more vulnerable customers or those that will not be able to access the on-line/call-centre delivery model, no detail or timeframe has been put forward as yet.

All these changes are also taking place against a backdrop of reductions in funding from central government across both the statutory and third sectors, so the cumulative effect will be considerable and difficult to accurately predict.

Progress to date

District Wide

During 2012/13 the Welfare Benefit Team undertook casework for 730 clients across South Somerset achieving an Annual Income for clients of £1,652,314. In addition clients received a total of £261,038 in Lump Sums. Combined total: £1,913,352 (at 25/03/14).

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. We would expect these figures to show a further increase.

It is also worth noting that based on the total figure of £1,913,352 this work levered in welfare benefit payments over 15 times more than the actual cost of the service!

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 West we dealt with 289 cases, generated **£119,872 in lump sum payments** and achieved an **increased annual income of £689,531 – a total of £809,403**.

The figures for Saved and Maintained Tenancies for 2012/13 stand at 12 and 50.

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.

Assuming the cost to SSDC of dealing with a homeless application is £2720* per family, the 12 x tenancies saved by the intervention of the Welfare Benefit Team equates to a potential saving of £32,640. It is also arguable that further potential savings were made by the 50 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 730 clients we worked with we helped take 105 to appeal – over three times last years figure of 34. Of these 75 were successful. Unsuccessful appeals automatically proceed to a tribunal but we also pick up some cases that are already at tribunal stage. We took 54 cases to Tribunal and won 48 of them – an 89% success rate so far which is way above the national average of represented cases which currently stands at 70%!! A small number of cases have been escalated to the Upper Tier Tribunal (Commissioner level).

Whilst we deal with all Welfare Benefits, the bulk of our work is dealing with Employment and Support Allowance benefits. At the national level, 40% of cases where people are deemed fit to work are being overturned at appeal. The figures for successful represented cases are 70% highlighting the need for welfare advice.

It is also worth noting that due to the length of time in dealing with ESA appeals (some over a year in progress), this figure could yet increase further.

Wider Implications and Multiple Added Value

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 etc.

The Social Security Advisory Committee, a statutory independent committee which advises 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 contribution 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.

There is most likely to be confusion for customers with new claims being administered by the DWP and existing claims by local authorities over a four year period.

Apart from putting money in the pockets of those who need it, there is widespread added value from our work.

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 2 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.

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

The level of rent arrears for all landlords, whether private or social could increase, due to potential delays in payment.

The number of housing benefit claimants who are in work has recently broken the *one million* barrier for the first time. DWP statistics published in November show that 1,013,822 people in employment were claiming housing benefit in August. Few people outside of Housing Benefit administrators realise just how many in work rely on HB to pay their rent.

Evictions could increase and the pressure and cost to all front line services within the council could increase, notably housing needs and children and young people's services for temporary housing for families with children.

By ensuring the maximisation of income and helping to challenge decisions; e.g. Court of Appeal judgement: Burnip, Trengove and Gorry, 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.

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 and children and vulnerable adults in these families can be particularly at risk.

The current, national cost of child poverty is estimated to be £29 billion per year, broken down into:

- £15 billion spent on services to deal with consequences of child poverty, such as increase NHS and school costs;
- £3.5 billion lost in tax receipts from people earning less as a result of having grown up in poverty;
- £2 billion spent on benefits for people spending more time out of work as a result of having grown up in poverty.

Each child living below the poverty line is estimated to cost around £10,861.42 annually.
(3)

Welfare Benefits generated payments to the individual clients and the payments to SSC/SSDC contribute to increased spending in the local economy.

Additionally the benefits of such a service to claimants and the community as a whole are:

- Extra income into the household
- Improved health of the client and their family
- Reduction in social isolation and the promotion of independence for individuals
- Prevention of homelessness
- Maintenance of family stability
- Reduction in stress-related problems
- Cost savings on local services (e.g. courts, social services, housing services, police, probation, healthcare services)
- Boosting the local economy – research shows a multiplier effect of £1 of benefit gained for clients = a total financial gain to the local economy of £1.7 (4) *and* it can be shown in job creation terms that additional benefit gained of £41,800 = 1 new job
(4)

On this basis, last year approximately 46 jobs could potentially have been created or sustained as a consequence of this work.

For **Area West**, the number of jobs sustained or created equates to just over **19**.

Moving Forward

More recently we have been progressing our partnership working with other agencies with the emphasis on making advice more accessible in rural areas and taking service out across the district. We have been looking into way where we can complement each other's services, focusing on each agencies strong points, exploring new technologies and access routes and better referral systems. Our partner agencies include South Somerset CAB, Age UK, Yarlinton Housing Group, South Somerset Mind, Village Agents and more.

Case Studies

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.

Judge Howell stated in Social Security and Child Support Commissioner's decision CH 2297/09: "it is in the best tradition of our public services that an authority provides officers to help people argue against its own decisions". He explained "I have had the benefit of short, though well focused written submissions on both sides, on behalf of the claimant from the council's own welfare advice unit and on behalf of the council itself." "This is the type of good practice that rarely gets the headlines yet surely is what local government should be all about; local services for local people.

Client Satisfaction Forms – just a few of the comments received over the year:

"Carried out in a courteous and businesslike manner by Andy and I am very grateful to him and the department."

"Was extremely helpful to both my wife and I.....most respectful and compassionate to our circumstances and has made a great help to us for which we are very grateful. Thank you"

"Special thanks to Helen Parrott for her outstanding help. We couldn't manage without it. I think Welfare Benefits Service is a very appreciated help."

"The service was exceptional, I couldn't ask for a better service. Helen truly helped me overcome a mountain worth of problems. She is very professional and very caring. She is a brilliant person."

"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."

"Thanks for being understanding and given me his time of day when I wanted to give up"

"Nadine was extremely helpful and sensitive."

"Both Catherine and Andy 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".

Client Case Study 1

Mark is a 44 year old man who was diagnosed with MS, when he was in his early thirties and working in a physically demanding job.

The condition caused his intermittent numbness and his balance was severely affected to the extent that, following a fall, he felt unable to go out without being accompanied.

He also experienced episodes of bowel incontinence which he found extremely embarrassing and relied upon friends to help him out if he had an accident.

His condition was relatively stable but recently has developed into secondary progressive MS and he has now given up driving.

Mark was receiving Incapacity Benefit (IB) and Disability Living Allowance (DLA) since being unable to continue work.

He was migrated from IB to Employment and Support Allowance (ESA) in November 2011 but failed the Work Capability Assessment (WCA) and was deemed "fit for work". We helped Mark appeal this decision and his case progressed to a Tribunal.

Unfortunately, Mark's DLA was withdrawn based on the medical information from the failed ESA WCA. So a further appeal was lodged.

The original decision was changed by the Tribunal Panel and ESA was awarded. Unfortunately the decision in respect to Mark's DLA was upheld, despite the recent ESA award, so this also progressed to a Tribunal, which was successful and Mark's DLA was re-awarded.

Mark's annual income was increased by just over £9,000 plus a substantial back payment. This award enabled Mark to improve his living conditions and had significant health benefits.

Client Case Study 2

Sarah is a single woman who suffers from depression and reduced mobility as a result of injuries suffered in an accident.

Sarah was diagnosed with Post Traumatic Stress Disorder and had attempted suicide. She has had to take a lot of time off sick, which has further impacted on her financially and health wise.

When we first met Sarah her income was extremely low and sporadic as she was unable to work regularly. She was not entitled to any Statutory Sick Pay and received a minimal amount of Housing Benefit. We applied for Disabled Living Allowance for her but this was refused. We also helped her claim Employment and Support Allowance which would top up her low earnings.

DLA was awarded but at a low rate, not appropriate for her needs so an appeal was lodged and a Tribunal ensued. The Tribunal changed the decision and a higher award was made. Unfortunately Sarah also failed the Work Capability Assessment, was deemed fit for work and was refused benefit. She was unable to claim Jobseeker's Allowance as she was already working to her full capacity.

There was a risk that Sarah would lose her tenancy as she was unable to meet her financial obligations but this also had a knock on effect to her health as the lengthy appeal process worried Sarah a great deal. This had the effect of increasing the depression experienced by the client who attempted suicide again.

Fortunately, almost a year later, the appeal was reconsidered and Sarah was awarded ESA and placed in the support group. Whilst she has no obligation to, Sarah continues to work part time - "permitted work" - and her low earnings are topped up by her benefits.

As a result of both her DLA and ESA awards, Sarah's income was increased by an annual amount of £7,700 as well as substantial lump sum back payments, plus all the knock on effects of receiving passported benefits such as free dental care and prescriptions.

***All names used are fictitious**

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 & Climate Change Implications

None.

Background papers:

- (1) *Universal Credit: the impact on passported benefits, Report by the Social Security Advisory Committee, DWP, March 2012*
 - (2) *Local authorities and child poverty: balancing threats and opportunities, CPAG 2003*
 - (3) *Drawing on the local multiplier tool kit developed by the New Economics Foundation, Ambrose and Stone (2003)*
 - (4) *Extended Scottish Input-Output Systems (McNicoll) published by University of Strathclyde and Scottish Enterprise, 1992*
-