Submission from South Lanarkshire Council

As part of our scrutiny of local government budgets the Local Government and Regeneration Committee is seeking the following information from your council on the financial and resource impact of UK Government welfare reforms, for the period 2012/13 to 2014/15—

- **Q1 – In what areas of (a) work and (b) costs and resources has the ongoing programme of UK welfare reforms affected your council?**

  The key areas of work affected by the reform programme are set out below:

  **Establishing the “Benefits are Changing” Tenant Liaison Team**
  This team are responsible for proactively engaging with tenants affected by the under occupancy provisions in order to carry out an assessment of their individual circumstances and agree a personal action plan. To date the team has worked with 3,200 tenants and have:

  - Identified tenants who are exempt
  - Progressed DHP applications for households
  - Worked closely with local fuel poverty projects to address fuel debt
  - Helped tenants to access a wide range of other advice and support services
  - Referred customers to specialist training and employability services
  - Referred tenants to local food banks

- As part of the 2013/14 budget, a provision of £0.300m was established in order to fund the work carried out by the team. The provision of this services and the associated cost have been continued into 2014/15.

- **Revising our Housing Allocation Policy to reflect requirements of the under occupancy provisions**
  Given the mismatch in stock, the Council does not have the ability to enable households to achieve the size of accommodation for which they are entitled to full benefit. Nevertheless, we have established 2 letting initiatives which aim to help people achieve accommodation of appropriate size.

  - The first of these initiatives aims to help address the lack of supply of smaller accommodation (see 5 below) by providing a cash incentive (of up to £750) to encourage households who qualify for larger accommodation to move from smaller homes to larger properties if they wish to and can afford to do so.

  - The second initiative supports households affected by the under occupancy provisions to move to smaller accommodation by giving them priority under the Allocations Policy and by meeting all reasonable costs associated with them moving home.
- **Established an on-line mutual exchange service**
  Working in partnership with Homeswapper we established a new on-line exchange service as a way of further supporting households to achieve appropriate sized accommodation through a mutual exchange.

- The new on-line service was established at a cost of £0.010m.

- **Management of Rent Arrears**
  We have undertaken significant work to ensure our approach to rent arrears management has been tailored to the impact of under occupancy. As with other landlords, we have experienced a significant increase in arrears over the period stemming from the under occupancy provisions.

- The 2013/14 HRA Budget in relation to bad debt provision was increased by £1.600m in order to meet the anticipated impact of Welfare Reform. This was based on the assumption of no additional DHP other than the expected levels at the time of setting the budget.

- Over a period of 12 months, the net arrears balance has increased by £0.750m from £1.217m to £1.967m.

- **Employability**
  - An increase in demand for employability support as residents are moved from health/disability benefits onto unemployment benefits, many of whom have additional support needs.
  
  - An increase in the demand for online access and support, particularly within libraries, by job seekers requiring to meet the increasing jobsearch demands placed on them through the job seekers agreement/claimant commitment.
  
  - Increasing requirement for the Council to facilitate effective local partnership working to support residents adversely affected by the reforms.

- **Impact on Social Work Resources**
  The impact has affected a number of services across Social Work Resources namely Reception Services, Emergency Social Work Services and the Money Matters Advice Service (MMAS). The number of requests for financial assistance has increased and this has led to an increase in the requirement to provide a wide range of financial advice and support. The anticipated impact on vulnerable individuals and families of universal credit however has not yet been experienced across Social Work Resources due to the slippage in the implementation plan.

- **Impact on Money Matters Advice Service (MMAS)**
  The MMAS is South Lanarkshire Council’s welfare rights, income maximisation and money advice service. It operates from seven local area offices across South Lanarkshire and employs specialist welfare rights officers, benefits advisers and
money advisers. A centralised appeals unit provides representation at Social Security and Child Support hearings and is resourced by our local area officers.

Welfare Reforms have affected the MMAS service in the following ways:

♦ **Appeals**
   From 1 April 2013 – 31 March 2014 MMAS represented at 1,739 social security and child support tribunal hearings. This compares with 1,219 the previous year, a rise of 43%. The success rate for appeals disposed of at hearing was 66% for both years. This has meant that more resources have had to be diverted from the MMAS local area offices into the central appeals unit meaning that there are less advisers available to provide services for income maximisation, dispute resolution and assistance to make claims, including resolving any issues that arise during the claims process. This is at a time when people are more confused and worried about the impact that welfare reforms have had or may have on their lives.

♦ **Benefit Sanctions and food banks**
   In the past year the number of people presenting as destitute with no means to feed or heat themselves has risen substantially. Many of those have poor mental health and find it very difficult to cope with the system on their own. Many have had their benefit sanctioned. People presenting with no money and no food/fuel are treated as emergencies and are seen as soon as possible. This puts pressure on our services and limits time available for appointments for other types of benefits work, e.g. benefit checking, form filling etc. Since 1 December 2013, the MMAS has made 265 referrals to food banks across South Lanarkshire.

♦ **Complexity of cases**
   Claims that reach the appeal stage are more complex and take more work than those awarded at the initial claim. Backdated benefits generated by the service during 2013/14 compared with the previous year increased in line with the number of appeals from £2.522m to £3.639m (44%). Staff are required to be more technical in their approach to casework and managers are required to make sure that staff are properly trained and updated on legislative changes, able to perform at the level required and are not put under more stress than they can cope with.

♦ **Staff pressure**
   Many vulnerable claimants, especially those with poor physical and mental health have been negatively affected by changes to their benefits and even where MMAS has been able to help them towards a good outcome, the additional strain on their already poor health has meant that staff find themselves having to cope with more difficult situations. All frontline advice staff have undergone suicide awareness training and each local office has a trained ASIST - suicide prevention trained officer.
• **Q2 – What was the level of actual or budgeted crisis grants made by your council in the period 2012/13 to 2014/15? What percentage increase/decrease did this represent over the previous three financial years?**

2012/13, service was provided by the DWP and comparative information is not available.

2013/14 actual Crisis Grants expenditure: £424,153
2014/15 budget for Crisis Grants: £430,000

• **Q3 – What has been the financial and resource implication of the welfare reforms for your social work and housing services in the period 2013/14 to 2014/15? What has been the level of emergency housing applications your council has dealt with in 2013/14? What level do you expect to deal with in 2014/15?**

Over the past year, the Council has directed significant resources towards supporting customers to meet the challenges presented by the under occupancy provisions and other changes to the benefits system. We have had to deploy significant staff resources to this area at a time when there was already pressure on budgets and wider resources.

The Council has continued to assume the following budgetary requirements for the 2014/15 Budget:

♦ The additional bad debt provision of £1.600m. This will be increased by a further £0.207m. The provision level will be reviewed if additional Discretionary Housing Payments (DHP) is received.

♦ Continuing funding of £0.300m for the “Benefits are Changing” Tenant Liaison Team.

♦ The recruitment of 7 additional housing officers on a temporary basis at a cost of £0.199m. The purpose of the additional officers will be to assist in alleviating the impact of welfare reform on rent arrears levels.

In relation to the level of emergency housing applications, we received 2,146 Homelessness Applications in 2013/14. This is a 1.4% increase on 2012/13. We anticipate similar numbers in 2014/15.

• **Impact on Social Work Resources**

The main impact on individuals and families has been evidenced through the increase in the requests for financial assistance and food parcels and the referrals made to the MMAS.

Social Workers work closely with MMAS to ensure that the individual’s entitlement to income is maximised and that contact is made with other appropriate agencies depending on the circumstances.
There has been an increase in the number of out-of-hours requests for emergency assistance, particularly food parcels.

The level of discretionary payments made has increased to prevent admission to care or the requirement for other social care interventions.

The actual payments made during 2013/14 by Child and Family Services increased from £82,432 to £85,488.

The actual payments made during 2013/14 by Reception Services increased from £4,844 to £7,695. These payments would normally be restricted to a maximum of £20 per individual for power cards, bread, milk etc. The payment would be supplemented with access to a food parcel containing tinned goods and longer lasting groceries.

It should be noted that there has been an increase in the number of male adults requesting financial assistance, mainly due to job sanctions. The majority of these individuals would be referred to the Scottish Welfare Fund and/or food banks as direct financial assistance from Social Work Resources is generally not available in these circumstances.

### Q4 – What actions has your council taken to coordinate its efforts and responses to the welfare reform changes to ensure the most needy/vulnerable people in your council area receive the support and assistance they require?

- **Establishing a Council Wide Welfare Reform Group**

  Early in 2013 the Council established a Corporate Working Group chaired by the Executive Director of Finance and IT Resources to co-ordinate the Council's response to welfare reform. The focus of this group has been to assess the impact of changes on residents, council services and budgets and to identify actions required by the Council and its partners to support tenants through the Welfare Reform process.

  The Community Planning structures have also recently been revised to achieve a greater focus by partners upon further joining up efforts to address the challenges posed by welfare reform. The new Tackling Poverty and Inequalities Strategic Board will have a particular focus upon welfare reform with a new partnership group being established to progress work in this area.

- In addition to SLC’s internal structures managing the impacts of Welfare Reform, the Council is ensuring a co-ordinated approach across the Community Planning Partnership through the Financial Inclusion Network. With representation from over 30 local agencies and organisations, this group, which is supported by SLC administratively and financially, focuses on supporting residents’ most basic needs and Welfare Reform is a key area of work. In particular the group has been
focussing on increasing food poverty supports; supporting digital inclusion; supporting financial capability/security and ensuring staff and volunteers across all sectors are kept informed of the Welfare Reform programme and its impacts through training and information exchange.

- Successful partnership bids for external funding have secured additional resources into the area, involving both the voluntary and statutory sectors which will target those in greatest need of support.

- **Impact on Social Work Resources**
  Across Social Work Resources, awareness sessions have been held on the benefit changes, highlighting the anticipated impact that these changes would have on vulnerable individuals and families. The existing arrangements to address poverty were further strengthened to ensure that front-line staff knew what options were available to access appropriate support including the following:

  ✷ During the initial establishment of the Scottish Welfare Fund, an experienced Social Worker was seconded to the team to establish the links between the Scottish Welfare Fund team and the local Social Work teams, enabling early intervention if required. This was particularly relevant where children may have been at risk.

  ✷ Maximising individual’s entitlement to income was promoted with a number of new initiatives being set up including a dedicated financial assessment team within Social Work Resources and a telephone advice line and a budget advice team within MMAS.

- **Impact on Money Matters Advice Service (MMAS)**
  ✷ A budget advice team and telephone advice line has been set up within the MMAS.

  ✷ Funding has been secured by the Council to provide additional services to mitigate the impact of welfare reform on claimants:

    i. **Change fund**: Linked to the reshaping care for older people agenda, four Welfare Rights Officers have been employed to provide a service for carers.

    ii. **Scottish Legal Aid Board, making Advice Work Programme**: A team has been employed to provide briefings for internal and external partners on the mandatory reconsideration of all DWP benefits introduced in October 2013. As part of their remit they carry a caseload of mandatory reconsideration cases.

  ✷ A bid is being prepared to submit to the Big Lottery for a Financial Inclusion service linked to local area Integrated Children’s services.