

**AGENDA ITEM XX**

**REPORT TO CABINET**

**16 JULY 2015**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

Leader of the Council – Lead Cabinet Member – Councillor Cook

**WELFARE REFORM UPDATE – Q4 2014-15**

1. SUMMARY

To present an update on monitoring of the outcomes/impact of Welfare Reform, a summary of actions undertaken to mitigate against circumstances arising from the implementation of the Welfare Reform Act and details of the plans to further develop a Family Poverty Strategy. To advise members of the outcome of a review of Advice and Information Services (Stockton Advice and Information Services and the Welfare Rights Team).

2. RECOMMENDATIONS

1. The contents of the report be noted.
2. Members note the performance monitoring outcomes and observations provided.
3. Members note that the Family Poverty Strategy is being further developed and will be presented to Cabinet for approval later this year.
4. Members note the recommendations from a review of Advice and Information Services contained within this report; which are to:
  - a. Award funding of £45,394 from the Welfare Reform Resource budget to allow the Stockton Welfare Advice Network (SWAN) project to continue for a further year;
  - b. Award a direct contract to SDAIS under Section 5 of the Contract Procedure Rules Exception due to the specialist nature of the service;
  - c. Savings have been built into the Medium Term Financial Plan in relation to advice and information services. It is not proposed to realise these savings within the next two years and to call on funding from the one-off Welfare Reform Resource budget. Additionally it is proposed that a further £70,000 is awarded to fund the additional capacity in Welfare Rights and SDAIS until end March 2017; and
  - d. It is proposed to move the Welfare Rights Team from Children, Education and Social Care into the Housing and Community Protection Division within Development and Neighbourhood Services.

3. Reasons for the Recommendations/Decision(s)

This report provides an update on the various welfare reforms, highlighting early indications of impact and areas of concern.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

5. Where a Member regards him/herself as having a personal interest, as described in paragraph 16 of the code, in any business of the Council he/she must then, in accordance with paragraph 18 of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

6. A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

7. Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

**Disclosable Pecuniary Interests**

8. It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

9. Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code).

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**RECOMMENDATIONS**

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  - d. It is proposed to move the Welfare Rights Team from Children, Education and Social Care into the Housing and Community Protection Division within Development and Neighbourhood Services.

**INTRODUCTION**

1. Quarterly reports have been presented to Cabinet since 2013, providing information on a range of indicators which show how welfare reforms are impacting on residents and service provision across the borough. These reports have also included detail on any

updates the Council has received with regard to the further roll-out of welfare reform and interventions the Council is making to manage its impact.

2. As part of the existing monitoring arrangements, new or unexpected trends have emerged such as activity around sanctions, take-up of food banks and shifts in the rented housing sector from social to private landlords. In a number of areas, activity levels have plateaued with little change in position, which has led us to consider the value of some of the measures and activity currently collated and to review how best we might capture this impact going forward.
3. Because of this, and following feedback received on previous quarterly reports, there has been a review of the large range of information provided to ensure that it is more focussed and easier to follow, yet continues to provide an accurate and robust summary of welfare reform issues.
4. To provide that more focussed summary, the monitoring framework is now provided under the following number of issues:
  - Advice and Information Services;
  - Discretionary Housing Payments;
  - Social Fund/Crisis Payments;
  - Housing;
  - Local Council Tax Support Scheme;
  - Employment; and
  - General/cross cutting.
5. The Association of North East Councils (ANEC) has recently commissioned the Institute of Local Governance (ILG) to undertake a piece of work monitoring the impact of welfare reform across the region. This work is a separate piece of work from the initial work commissioned by Stockton-on-Tees Borough Council through the ILG to look at the impacts on residents and the economy of the borough.
6. The outcomes from that research work will be useful in understanding the local impact of welfare reform and whether it differs from the impact sub-regionally and across the wider region. As part of that research work, a basket of monitoring indicators has been developed which will be collected from all participating local authorities.
7. To support the ILG research work, the basket of monitoring indicators that they have developed has been entirely included within the refreshed monitoring framework provided at **Appendix 1**, with each of those measures clearly labelled.
8. The Council's current document "A Brighter Borough for All - Tackling Family Poverty". Is being reviewed following a workshop with our partners, considerations of new national policy documentation on poverty and work undertaken by Children North East, the North East Poverty Commission and social policy research undertaken by the Joseph Rowntree Organisation. In the last municipal year Scrutiny Committee undertook a review of child poverty.
9. The Family Poverty Strategy is being further developed and will be presented to Cabinet for approval later this year.

## BACKGROUND

### Welfare Reform – Post General Election

10. Following the result of the 2015 General Election, the pace of welfare reform is likely to increase further, with the Government's commitment to get more people into work leading to a number of recent announcements. As stated in the Queen's Speech on 27 May 2015, plans for legislative reform in the area of welfare over the next year include:
- freezing the main rates of a number of working age benefits, tax credits and child benefit and reducing the benefit cap from £26,000 to £23,000 per annum for a family;
  - replacing Job Seeker's Allowance (JSA) for 18 to 21 year olds with a Youth Allowance time limited to six months, after which individuals will be required to undertake an apprenticeship, training or community service; and
  - Removing the automatic entitlement of 18 to 21 year olds to Housing Benefit.

All of the above could have a significant impact locally. Available income for households in receipt of benefits will be less and there is concern in terms of the restriction to benefits for young people, although it is believed there will be exceptions such as those coming from the care system and those with children. We do not currently have a problem locally with street homelessness but there are concerns that this legislation may change that. We will provide appropriate briefing information for Members as more details emerge.

### Welfare Reform Measures

11. Measures used to track impact are detailed at **Appendix 1**. The revised monitoring framework is set out under the following issues:
- Advice and Information Services;
  - Discretionary Housing Payments;
  - Social Fund/Crisis Payments;
  - Housing;
  - Local Council Tax Support Scheme;
  - Employment; and
  - General/cross cutting.

### Advice and Information Services

12. The advice and information services provided through the local authority (Welfare Rights Unit and Housing Options) and the Stockton District Advice and Information Service (SDAIS) have a large proportion of their caseload related to welfare reform issues. There remain very large numbers of people approaching these services for generalist advice and in relation to welfare reform issues. The SDAIS has seen a clear settling down in overall and welfare reform specific numbers over the last year, whereas the Council's Welfare Rights Unit has increased its workload by over 1,300 cases from 2013-14 to 2014-15.

### Discretionary Housing Payments

13. 100% of the DWP budget was spent in 2014-15, with 811 awards of Discretionary Housing Payment made. 60% of these awards were made because of the removal of spare room subsidy (Bedroom Tax), and 21% to mitigate the impact of Local Housing Allowance restrictions. 43 awards (5%) of DHP were in relation to the benefit cap.

## Social Fund/Crisis Payments

14. From 2013/14 to 2014/15, there was a significant decrease in applications to and awards from the Back on Track welfare assistance scheme, with 16% less applications received overall and large decreases in crisis support and settlement support awards, but a 40% increase in rent in advance awards.

Payment thresholds and qualifying criteria have been reviewed to take into account the reduction in available resources. The service is now being directly administered by the Benefits Service in conjunction with the discretionary housing payments scheme rather than through the Five Lamps Organisation in order to produce efficiencies for both clients and the Council. The eligibility criteria for the social fund have also been reviewed as has the ceiling on the maximum amount of grant paid.

15. Since April 2015, 374 applications have been received for crisis and settlement support. The monthly budget is £13,916 (annual total £167,000) and currently the value of awards from approved applications is within this limit and well below the value of awards made by Five Lamps for the same period in 2014/15.

So far, the new arrangements to supply recycled white goods have worked well. Feedback from the proprietor of Harry's Beds, Furniture and Appliances has been good and there have been no complaints from customers.

Four cases have been identified as suitable for a loan through the Tees Credit Union with notification having been received on one loan agreement being drawn-up.

April 2015 was a difficult period for staff responsible for administering the scheme. They have quickly become familiar with the scheme, with their experience and confidence growing and processing times improving. The purchase of an IT system is currently being explored, which will help to speed up processing times further, manage applications more efficiently and produce more accurate and detailed statistical information.

16. Breakdown of applications to date:

	<b>Crisis</b>	<b>Settlement</b>	<b>Total</b>
Approved	51	59	110
Refused	124	117	241
Pending	0	23	23
<b>Total</b>	<b>175</b>	<b>199</b>	<b>374</b>

Approximately 65% of refusals are currently because the qualifying criteria have not been met, with most other refusals because the applicant has not provided the required evidence. The scheme will be reviewed annually to ensure that it remains fit for purpose.

Comparison of value of awards April/May 2014 and April/May 2015

	<b>Five Lamps</b>		<b>Stockton Council</b>	
	April 2014	May 2014	April 2015	May 2015
Crisis	£1,504.00	£2,182.00	£306.00	£278.00
Settlement	£23,020.47	£26,270.39	£7,605.95	£4,380.10
<b>Total</b>	<b>£24,524.47</b>	<b>£28,452.39</b>	<b>£7,911.95</b>	<b>£4,658.10</b>

In addition, Housing Options has awarded £1,823 to help four single person households with either rent in advance payments to secure privately rented accommodation, or to pay shortfalls for clients to be placed in supported accommodation (this payment is made when there is a delay in benefits being in immediate effect).

### **Your Community Bank (Tees Credit Union) – Simply Spend and Save Scheme**

17. The Simply Spend and Save loans scheme set up in partnership with Your Community Bank was introduced through a “soft launch” in April. The scheme provides an alternative to high cost lending for people needing household goods such as washing machines, fridges, carpets, etc.

As at mid-June 2015, 11 loans valuing £3,623 had been completed, 3 approved and a further 5 scheduled. The majority of clients have been from central Stockton but loans have also gone out to clients from Norton, Billingham, Oxbridge and Thornaby.

The scheme had its official launch on 24 June and has seen a steady increase since. New and re-conditioned goods are available, with the latter being via a local supplier who was originally supported to set up in business by the Tees Credit Union.

### **Housing**

18. There has been an improving picture on under-occupation, rent arrears, evictions and most other housing related issues.

### **Local Council Tax Support Scheme**

19. The Local Government Finance Act imposed a duty upon local councils to adopt a Local Council Tax Support Scheme, to replace Council Tax Benefit, from April 2013. The existing scheme will remain in place for the financial year 2015/16. It is designed to safeguard the financial position of the Council whilst trying to ensure that the effect of the scheme does not disproportionately affect any particular group of residents.
20. Overall Council Tax collection for 2014/15 at 96.4% was 0.5 % below target, and for those in receipt of Local Council Tax Support (LCTS) collection reduced to 79%. The method of calculating collection levels for those in receipt of LCTS changed from 2014/15 therefore it is difficult to make a direct comparison. However, the ongoing collection of 2013/14 arrears from some Council Tax payers that faced new or increased charges following the introduction of LCTS has meant that their 2014/15 charges remained unpaid whilst they paid off arrears. At the end of 2014/15 only 1.8% of the debit was outstanding from 2013/14.
21. Due to software changes, more accurate data on enforcement activity, including bailiff referrals will not be available until later in the new financial year. Levels of recovery and enforcement including the issue of summonses remain very much on par with volumes issued last year. The totals reported differ due to a change in method of calculating activity levels, therefore are not directly comparable.

### **General/Cross Cutting**

22. Overall crime figures continue to reduce, although domestic violence offences have increased by 23% from 2013-14 to 2014-15, which is more likely to be a function of different crime recording procedures rather than a large increase in this type of crime.

## **Universal Credit**

23. Cabinet members have received regular updates on the introduction of Universal Credit and were advised in March that roll-out will commence in the borough on 7 December 2015. SBC staff have met with the Department of Work and Pensions (DWP) to discuss roll-out and joint partnership working. To clarify what the introduction of Universal Credit means locally is that from that date a specific cohort of people claiming benefits for the first time will claim Universal Credit rather than the traditional benefits such as Job Seekers' Allowance, Employment Support Allowance, Housing Benefit, etc. The chosen cohort are specific categories of single people who must meet certain set conditions. This will mean numbers claiming Universal Credit will be low (single figures initially) and it will take some time for there to be serious workload implications/significant reductions in caseload. Government plans are to extend the categories of single people who will go directly onto Universal Credit, then to include couples and families.
24. Two meetings have now been held with the DWP to discuss next steps. We have been advised to talk to Hartlepool Benefit Service as Universal Credit went live there in February of this year. Following that, we are meeting again with DWP with much of the discussions around liaison arrangements, information sharing etc. Technically we will need to have in place Universal Support which means having resources to assist people to claim UC on-line and maintain their claim but as numbers are going to be so small initially we will develop this over the coming months. There is likely to be some resources available locally from DWP to fund additional support but there is no detail of yet as to how much that will be and it will depend on the results of negotiations between DWP and local partners. Full national roll-out for Universal Credit is now scheduled for 2020.

## **Food Banks**

25. Public Health have part-funded a one-year project to look in detail at food banks. Stockton Advice and Information Service (SDAIS) are running the project and are working closely with the Trussell Trust and the Salvation Army to gather data on who are attending food banks. Information is now being gathered on the profile of those attending to extract information such as triggers leading to attendance, repeat attendance, age, ethnic origin, employment status, ward they live in, health issues, etc. The information and learning gathered from this project will be presented to members later this year in the form of a social policy document with recommendations.



## **WELFARE ADVICE AND INFORMATION REVIEW OF SERVICE PROVISION**

### **Welfare Reform and the Institute of Local Governance Report**

26. In 2012 the Council commissioned the Institute of Local Governance (ILG) to look at the potential impact of the various welfare reforms on both residents and organisations in the borough. The report concluded that an estimated £13 million to £20 million could be lost from the local economy as a result of welfare reforms.

### **The Context of Welfare Reform**

27. The full effect of the welfare reforms has not yet been felt as Universal Credit has not been rolled-out in our area, however there have been substantial changes which have been implemented to date. The new majority Conservative Government have declared that they will be rolling out further welfare benefit cuts accelerating the pace of welfare reform. This will put further pressure on advice and information services.

### **Review of Advice and Information Services**

28. In the context of this, work has been undertaken to review local welfare advice and information services directly funded by the council. The services we have looked at are the advice and information services directly provided by the 'in house' Welfare Rights Unit and the commissioned service currently provided by Stockton Advice and Information Service, (SDAIS). The teams have a different role with Welfare Rights concentrating on maximisation of income and appeals and SDAIS providing much more generic advice to residents of the borough and cover children and young people, housing, economic support (money advice, debt, benefits and employment) and health, well-being and social care. These services were last reviewed in 2010 and SDAIS won the general advice contract following a tender process. The SDAIS contract was for three years with the ability to extend for up to two further years.

### **The Local Impact of Welfare Reform**

29. The various reforms have resulted in a number of changes to people's income. In the case of sanctions being applied or for those moving from one benefit to another people are finding themselves in crisis without income for a period, necessitating the award of temporary funding i.e. Social Fund, Section 17 funding or the use of food banks. As anticipated by the ILG many of those who have been impacted upon by welfare reforms have been those with disabilities and those who work but are on low incomes or have changeable incomes such as those on zero hours contracts. The mismatch of the local housing supply has made the situation worse as individuals subject to bedroom restrictions try to move to smaller accommodation which is now in high demand and short supply. This cocktail of changes and the cumulative impact on families and individuals has resulted in a significant increase in demand for advice and assistance including complex debt management.

### **Welfare Rights Unit**

30. The Council's in-house Welfare Rights Unit (WRU) is part of Adult Services within the Children, Education and Social Care (CESC) directorate based in Queensway House, Billingham. The team currently consists of a manager, four Welfare Rights Officers, a First Contact Officer and a temporary Welfare Rights Officer, funded until 31 March 2016. The budget for the service is £213,646.

31. The objective of the WRU is to ensure that all of the residents of the borough have equal access to the benefits system in order that they may receive those benefits to which they are entitled by law. This is achieved by providing advice, information, representation and take up campaigns. Following the welfare reforms the WRU has worked closely with other areas of the Council including Council Tax and specifically the Benefits Service and Housing Options. An example of a targeted take up initiative is the work the WRU have carried out in conjunction with the Benefits Service to maximise entitlement to Pension Credit. This resulted in an average weekly increase in income of £36.12 for each customer that they have helped to claim.
32. In the last two years the WRU has worked alongside residents groups within Stockton Borough Council libraries and has represented individuals at Social Security appeal tribunals to try and offset the impacts of welfare reforms.
33. During 2014-15, the WRU secured £1,243,854 of additional income for residents of the borough. They dealt with 3,120 enquiries, with over 44% of those enquiries being directly related to welfare reforms. The WRU won 179 appeals last year on behalf of residents. During 2013/14 the WRU carried out a campaign to maximise the number of Personal Independence Payments awarded by proactively identifying potential claimants and working with them to complete applications. Throughout the year the WRU supported 61 people in making a claim and 51 of these customers were found to be entitled to PIP. This equates to an annual payment of almost £200,000 that may not have been claimed without WRU intervention. As well as the successful PIP awards the campaign achieved an increase in Housing Benefit, Council Tax Support and/or Income Support for 56 customers bringing the total of annual additional benefit payments to over £298,000. Increased income for individuals and families ensures more users of social care services have the resources to pay for them, reducing costs to the Council in times of increasing financial pressure on budgets.
34. Welfare reform has placed additional pressure on the WRU as well as other Council services and staff. The team have worked hard on developing and delivering welfare reform awareness training to teams across the Council and providing information to residents. The team attended over 30 staff briefings informing over 400 staff of the impending changes. They attended numerous drop-in centres to advise how they would be affected as well as organising 18 library sessions (including Saturday mornings) across the borough, advising almost 600 residents of the changes.
35. Reopening the Advice Line (February 2014) and the introduction of the face-to-face surgeries at Stockton Library (September 2013) have increased access to the Unit's services.
36. The WRU have indicated that apart from basic benefit checks the largest proportion of clients approaching their service are still those asking for advice on the Employment and Support Allowance (which replaced Incapacity and Sickness Benefits) and Personal Independence Payments (PIP) (which replaced Disability Living Allowance).

### Queries received by the Welfare Rights Unit

<b>Queries received by the unit</b>		<b>Queries by Ward</b>	
<b>Subject</b>	<b>2014/2015</b>	<b>Ward</b>	<b>2014/2015</b>
Attendance Allowance	136	Billingham Central	86
Basic benefit check	700	Billingham East	87
Back on Track	11	Billingham North	34
Carers Allowance	62	Billingham South	73
Council Tax Support	198	Billingham West	51
Discretionary Housing Payments	20	Bishopsgarth	90
Disability Living Allowance	129	Eaglescliffe	98
Employment Support Allowance	647	Fairfield	61
Housing Benefit	186	Grangefield	63
Invalidity Benefit	2	Hardwick	198
Industrial Injuries Benefit	11	Hartburn	36
Income Support	44	Ingleby Barwick East	59
Jobseekers Allowance	128	Ingleby Barwick West	60
Pension Credit	211	Mandale	472
Personal Independence Payments	241	Newtown	199
Sanctions	49	Northern Parish	12
Tax Credits	130	Norton North	128
Under occupation	44	Norton South	87
Universal Credit	171	Norton West	45
<b>Total</b>	<b>3120</b>	Parkfield	125
		Roseworth	94
		Stainsby Hill	327
		Stockton Town	312
		Village	218
		Western	43
		Yarm	62
		<b>Total</b>	<b>3120</b>

### Stockton and District Advice and Information Service (SDAIS)

37. Currently SBC provide 45% of the overall funding for SDAIS. 34% of their funding is provided by the National Association of Citizen's Advice Bureaux and the remaining 21% is provided in smaller contributions by nine other organisations. The services provided by SDAIS are more generic than those provided by Welfare Rights. Details of the services SDAIS provides are as follows:

- Welfare Benefits;
- Debt advice and negotiation with creditors, bankruptcy, representation at court re house possession, advice on money matters;
- Housing Advice including poor house conditions, landlord tenant issues, housing debts etc.;
- Health and Social Care Advice to maintain independence at home, queries re charges and costs, representation at meetings with social care and health services;

- Employment advice including progressing cases to employment tribunal; and
- Youth Advice Service.

### **Advice Trends at SDAIS**

38. In 2014/15 SDAIS:

- helped residents with debt problems totalling £11,920,988
- secured welfare benefits entitlement of £1.5 million for local residents (+23% from 2008-09)
- dealt with 15,322 new welfare benefit enquiries (+44% from 2008-09)
- dealt with 1,618 new employment enquiries (-12% from 2008-09)
- dealt with 1,591 new housing enquiries (-76% from 2008-09).

The 'plateau' in the number of new enquiries dealt with at SDAIS over the last three years is due to limited resources, not a static level of demand. There are indicators of increasing demand at a time when SDAIS cannot fully meet current demand, including:

- 1-2 week waiting times for appointments;
- 1-2 week waiting times for home visits; and
- 2-3 week waiting time for completion of welfare benefit claim forms.

### **Independent Advocacy**

39. Consideration has been given to the new compulsory requirements for the provision of independent advocacy from April 2015 as outlined in the Care Act. Discussions have taken place between social care commissioners and SDAIS to consider the requirements of the Care Act and what, if any, additional services will be required in our borough. Local authorities must have regard that people may benefit from financial information and advice independent of the local authority.

SDAIS is a Citizen's Advice Bureau, which has a high level of public recognition as an independent organisation and as a source of information and advice SDAIS provides independent money advice to clients under the national Money Advice Service.

40. The duty to provide independent advice and information will not be met by digital channels alone, but is likely to include face-to-face and telephone contact.

SDAIS provide advice on health and social care matters at general help level through the following means:

- face-to-face;
- telephone;
- written information/fact sheets; and
- email.

Some people may need an independent advocate to access or use information and advice services.

41. Government indicated a potential for a significant increase in advocacy services from April 2015 following the new rules being applied. The actual level of take-up will remain to be seen but social care commissioners believe that they will need to commission something additional. On this basis, and following detailed discussions with Social Care Commissioners, the decision has been made to deal with any procurement arrangements as a separate commissioning exercise from this review.

## Stockton Welfare Advice Network (SWAN)

42. SDAIS are currently managing the SWAN project which has been developed to provide a network of advice and welfare support agencies that ensures that residents can easily and quickly get the right advice at the right time from the right agency. SWAN also complements SBC's approach to the provision of advice and information under the Care Act.
43. ***How does SWAN meet SBC Strategic Objectives?***
- supports the Better Care Fund objectives of 'providing people with the right care, in the right place, at the right time' and 'providing better integrated care and support';
  - supports the services required under the Care Act by providing a resource that:
    - 'extends beyond direct provision by Local Authority to ensuring the coherence, sufficiency and availability of information and advice across area and facilitating access to it' and 'addresses prevention of care and support needs, finances, housing and employment';
  - supports Family Poverty Strategy through:
    - maximising family income, by providing advice and support to inform residents and Health and Social Care front-line workers of benefit entitlement and how to access specialist benefit advice agencies in the borough; and
    - meeting the objectives of 'all our organisations to work better together' and a more 'one stop approach'.
  - Joint Health and Wellbeing Strategy objectives to:
    - develop effective advice and information services to signpost and support residents to maximise their income; and
    - provide 'good evidence on which to base decisions'.
44. SWAN was established with short-term and time-limited funding from the Big Lottery Fund which will end in October 2015. Much of the initial development work has now been completed and the SWAN website is live. However, to become fully effective and fulfil the objectives set out above, SWAN will need an additional one year of funding. This is to:
- ensure that the multiple and complex issues involved in establishing a service that involves collaboration and co-operation between a large number of advice agencies are effectively developed and managed;
  - ensure that the service is effectively integrated to supplement and complement other new resources/services required or provided under the Care Act and Better Care Fund currently being developed; and
  - ensure that the project can fully develop to realise its full potential through the further inclusion of additional advice agencies in the borough.
45. Once established and fully operational, SWAN will become primarily self-sufficient and require only low level administrative support and co-ordination. This is because:
- SWAN has been developed to optimise use of high quality information resources that are updated regularly by national statutory or voluntary bodies;
  - updating of local service information resides within the individual agencies;
  - the referral system operates on a direct inter-agency model that does not require any central co-ordination.
46. Whilst there will be some elements of administration and support that will continue beyond the one year funding, it is proposed that these would become an integral element of any SLA for an agency providing welfare advice or information services in the borough. **It is recommended that funding of £45,394 is awarded from the Welfare Reform**

**Resource budget to allow the SWAN project to continue for a further year. This will ensure that it becomes fully established and delivers its full potential. In the longer term provision of the service could sit within a wider SBC contract for advice and information.**

## **Commissioning SDAIS**

47. Previously the external generalist advice and information service has been commissioned via competitive tender but the requirements of the service are so specific that in 2010 when the last commissioning was undertaken SDAIS were the sole bidders. On this basis, advice has been sought from legal and procurement services, who advise that we are able to ***award a direct contract to SDAIS under Section 5 of the Contract Procedure Rules – Exceptions to the Contract Procedure Rules rather than using the competitive tendering process due to the specialist nature of the service.***
48. **SDAIS is unique because:**
- the organisation benefits from the CAB brand;
  - as a CAB, SDAIS has access to the CAB information system 'Adviser Net'. This on-line information resource enables SDAIS to have access to accurate, comprehensive and daily updated legal advice in the following areas:
    - welfare benefits;
    - debt advice;
    - housing;
    - employment;
    - family;
    - health and community care;
    - education;
    - consumer rights;
    - discrimination; and
    - immigration.
  - As a CAB, SDAIS has access to the National Association of Citizens Advice Bureaux (NACAB) Client Data and Case Management System (Petra). This system is unique and exclusive to CABx and is used by all CABx.
  - comprehensive data on advice/welfare needs is available from micro level (Super Output Areas) to macro level (north east region and national);
  - comparable data with other local authority areas, regional and national;
  - comprehensive and consistent data on clients (profile characteristics include age, health and disability, household and dependents, ethnicity, ward, constituency etc.) and advice/welfare needs (advice needs categorised into 1,579 distinct and separate codings).

## **Social Policy**

49. As a member of the NACAB, SDAIS can input into and benefit from the national network of CABx and a London based social policy team. This enables SDAIS to:
- collect evidence of social policy issues faced by people in Stockton and assimilate this with evidence nationally, increasing the impact and potential for change (e.g. SDAIS provided social policy evidence on Pay Day Loans to a local MP who raised it in Parliament and also to the NACAB social policy unit which then used it to campaign for better regulation of loan companies;
  - initiate social policy campaigns at local, regional or national level; and
  - carry out local social policy work by utilising national CAB statistics and evidence (e.g. Fuel Poverty and Young People Report).

## **Non-Competition**

50. CAB members have a competition protocol that means they will not compete for Local Authority funding. Therefore if SDAIS bids for any such Local Authority funding there could not be any competitive bids from other Citizens Advice Bureaux or members of NACAB.

## **Funding Benefits**

51. SDAIS has access to additional funding that is only available to members of NACAB. For example, NACAB have secured a national contract with the Money Advice Service to provide face to face debt advice for the last six years. This funding is then devolved to member CABx. SDAIS has received around £200,000 per annum for the last three years from this funding source. The funding from NACAB is only available to CAB members.

As a member of NACAB a Citizens Advice Bureau must consistently meet the quality standards set down by NACAB. We are however revisiting and refreshing the specification for the service to ensure it remains fit for purpose. There are also proposals to change monitoring arrangements ensuring information is used more strategically to plan and target service delivery, identify lobbying requirements, policy changes etc.

## **Customer Perceptions**

52. As part of this review we looked at the satisfaction levels of customers using SDAIS and WRU as well as carrying out a Members' survey, details of which can be found at **Appendix 2**.

## **Conclusions and Recommendations on the Review**

53. The value of good advice and information services remains important in the current financial climate and is highly valued by both the public and our own elected members. Further welfare reform changes are on the horizon with the roll out of Universal Credit plus further cuts to welfare benefits have been announced for example more changes to the benefit cap, a freeze on some benefits, tougher tests etc. It is anticipated this will generate continued need for advice and assistance.
54. Following a recent meeting with DWP we have been informed that some funding will be made available to provide Universal Support, a service which will support individuals to make maintain and update claims for welfare benefits online. There is as yet no indication of what level of support will be available as we will need to develop our local version of Universal Support in partnership with DWP. Consideration will also need to be made to the wider financial pressures affecting this Council with regard to the medium term financial plan and therefore the recommendation in this report relate to the next two years of providing advice and information services (up until end March 2017).
55. There is currently a balance of £465K remaining from the Welfare Reform Resource budget.

## Recommendations

56. ***In line with required budget savings across Council services an anticipated saving of £48k per annum for this service area (in house and contract) has been built into the medium term financial plan. However it is not proposed to realise these savings within the next two years and instead to call on the one off welfare reform budget.***
57. ***It is proposed, given the level of demand as is demonstrated in this review paper and in line with Council's focus on "protecting the vulnerable", "reducing inequalities" and "targeting those most in need" which are set out in many of our approved strategies a further £70,000 is awarded to fund the additional capacity in the Welfare Rights Unit and SDAIS until end March 2017.***
58. Taking into account the unique benefits of SDAIS, the fact that no other organisation bid for the previous contract and the current high levels of customer satisfaction it is proposed not to follow a competitive tendering process. **It is recommended that approval is sought to make an exception to the contract procedure rule – exception and enable a direct award of a two year contract to SDAIS (up until end of March 2017).** We are not proposing to uplift the contract value for this period to ensure greater value for money and efficiency.
59. **As detailed in the body of this report it is proposed to fund SWAN for a further year at a cost of £45,394.** This will ensure that it becomes fully established and delivers its full potential. From here it is envisaged that the delivery of SWAN could be incorporated into the wider SDAIS contract.

## Internal Service Improvement and Development

60. The Welfare Rights Unit currently sits within the Children Education and Social Care Directorate, with the manager reporting into the Team Manager for Client Financial Services. Housing Services provide a range of complementary financial assistance and advice on housing options, housing benefit and council tax support, the administration of discretionary housing payments and, from April 2015, the administration of the welfare assistance fund, Back on Track. Welfare Rights work closely with housing enabling a more holistic approach for customers. Co-location with these services which are based in Church Road Stockton would deliver additional advantages ensuring easier access to welfare advice/income maximisation.
61. ***On this basis it is proposed to move the Welfare Rights Team from their existing base at Billingham into the Housing and Community Protection Service (Development and Neighbourhood Services) based at 16 Church Road, Stockton.*** There are no staffing changes related to this and initial discussions with the staff team have been very positive. Additionally, it is proposed to further improve the working arrangements between SDAIS and WRU by including both in quarterly monitoring meetings with a view to identifying and discussing emerging issues, common themes, areas to target for advice, etc. This can be fed into the quarterly updates to members and can be used to develop better identify strategic trends and areas of policy requiring change, target resources, identify lobbying opportunities or highlight areas of work to discuss with partners, etc.

## Financial Summary

62. **To summarise on the basis of the recommendations in this report the following resources would be required from the Welfare Reform Resource Pot:**

Non delivery of previously anticipated savings (two years)	£96,000
Additional staff capacity in WRU and SDAIS to 2017	£70,000



Funding for SWAN (one year)	£45,394
<b>Total additional resource requirement</b>	<b>£211,394</b>

## **FAMILY POVERTY STRATEGY**

63. A framework to tackle family poverty has been in place for a number of years. It is the focus of the Stockton Locality Forums, supporting the twin aims of “Giving every child the best start in life” and “Maximising Family Income”.

A Welfare Reform Assistance workshop, which involved representatives from front-line agencies across the voluntary and community sector and Council services including homelessness prevention, was held last year to look at what support was available to residents across the borough and identify any gaps and opportunities for better linkages.

The outcomes from the workshop identified that there was a need for:

- awareness raising of the support that is available across the agencies/charities;
- a gap in support for single people under 35 years with no children, crisis or particular health need.

Some of the issues raised have been addressed through the revised arrangements for the administration of the Back on Track fund approved by members in October last year. Other aspects are being considered through the review of Advice and Information services. The launch of the SWAN Network and its web site addresses further gaps identified.

64. The Council’s current document “A Brighter Borough for All - Tackling Family Poverty”. Is being reviewed following a workshop with our partners, considerations of new national policy documentation on poverty and work undertaken by Children North East, the North East Poverty Commission and social policy research undertaken by the Joseph Rowntree Organisation.

The Family Poverty Strategy is being further developed and will be presented to Cabinet for approval later this year.

## **FINANCIAL IMPLICATIONS**

65. As detailed within the report.

## **LEGAL IMPLICATIONS**

66. None.

## **RISK ASSESSMENT**

67. There is a risk that the housing benefit administrative grant which funds the majority of staffing costs will reduce at a greater speed than the work reduces causing pressure on the medium term financial plan. There are concerns about the readiness of the national IT system and how this may impact on local service delivery. There are unqualified risks around roll out of universal credit and impact on staffing.

## **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

### Environment and Housing

68. The raft of welfare benefit changes continue to cause issues around the availability of affordable housing.

### Healthier Communities and Adults

69. Supporting people via advice services to claim appropriate benefits and challenge sanctions where appropriate assists with financial inclusion. Discretionary housing benefits and our back on track arrangements provide additional support to residents facing financial issues.

### Stronger Communities

70. Continuing support to residents via the provision of appropriate advice and information services will promote financial inclusion. The further development of anti-poverty measures will further strengthen this.

## **EQUALITIES IMPACT ASSESSMENT**

71. The introduction of any new interventions around welfare reform will be subject to an equalities impact assessment.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

72. Previous member seminars on welfare reform and ongoing Select Committee consideration of key issues.

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