

FALKIRK COUNCIL

Subject: FOLLOWING THE PUBLIC POUND (FPP): ADVICE SERVICES
Meeting: SCRUTINY COMMITTEE
Date: 13 MAY 2014
Author: DIRECTOR OF CORPORATE AND NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 The purpose of this report is to update Members on the work of the external organisations who receive funding, in whole or in part, who provide debt and money advice services, and who fall within the 'Following the Public Pound' (FPP) reporting and monitoring arrangements. The reporting period is April 2013 to March 2014. It should be noted that organisations were previously reported by Service, however in order to provide Members with a strategic context, organisations will now be reported by category as outlined to Members during April's Scrutiny Committee.
- 1.2 External organisations are often voluntary or charitable organisations and generally, will be able to provide a better range or quality of service, or to provide services that would not otherwise be provided. The common purpose is usually to offer a wider range of services, often in conjunction with other public organisations and to provide joined-up services.

2. ADVICE SERVICES: IMPACTS RESULTING IN DEMAND

- 2.1 Citizens within the Falkirk Council area are faced with a range of challenges as a result of national and local changes. One of the most significant changes is Welfare Reform.

Welfare Reform

- 2.2 Welfare Reform is the biggest change to the Welfare system in 60 years. The main changes to the welfare system were contained in the Welfare Reform Act 2012, with the following objectives:
- The introduction of Universal Credit to provide a simple payment that will improve incentives to work;
 - A stronger approach to reducing fraud and error with tougher penalties for the most serious offences;
 - A new 'claimant commitment' showing clearly what is expected of claimants while giving protection to those with the greatest needs;
 - Reforms to Disability Living Allowance, through the introduction of Personal Independence Payment to meet the needs of disabled people today;
 - Creating a fairer approach to Housing Benefit to bring stability to the market and improve incentives to work;

- Preventing abuse of the Social Fund system by giving greater power to local authorities;
 - Reforming Employment and Support Allowance to make the benefit fairer and to ensure help goes to those with the greatest need; and
 - Changes to support a new system of child support which puts the interest of the child first.
- 2.3 There are various estimates of the impact of these changes which vary due to differences in methodology and scope. However taking an estimate that falls in the middle of the range, a Scottish Government Report estimates that once all the changes are implemented the impact across Scotland will be a reduction of £1.6 billion per year in benefit income. The estimated impact at a Falkirk Council level is £48 million per year, or £470 per working age adult claiming benefits.
- 2.4 Across the Falkirk Council area we have 19 households currently affected by the Benefits Cap which restricts their weekly income from benefits, via a reduction in Housing Benefit. The council has engaged directly with these households to assist them with dealing with this change.
- 2.5 As of 17th March 2014 over 2400 council tenant households are currently affected by size criteria. Since the introduction of size criteria restrictions in April 2013, 2460 households across the Falkirk Council area have been affected by a reduction in Housing Benefit due to size criteria. This has resulted in a total annual loss in Housing Benefit of £1.196 million, averaging at £486 per household.
- 2.6 Whilst there is limited data at the moment to confirm the extent of the impact of Welfare Reform on citizens and services, a number of possible trends have been identified as follows:
- Benefits appeals: The data available so far suggests there is likely to be an increase in the number of benefits appeals supported by Falkirk Council this year; however, more data is required to confirm this trend.
 - Visits to the Salvation Army soup kitchen have increased in the second quarter of this year, however the numbers dropped again in the third quarter. It is likely that the total number of visits to the soup kitchen will have increased this year compared to last year; however data for the final quarter of the year is required to confirm this.
 - Quarterly spend from the Scottish Welfare Fund has increased each quarter so far. It is expected that this trend will continue due to the changes to the fund and increasing awareness.
 - There has been a reduction in the number of cases of rent arrears where arrears are due to Welfare Reform. This is due in the main to Discretionary Housing Payment (DHP) awards made during the third quarter that mitigated impact in a significant number of cases.

- 2.7 The Council has delivered a number of interventions to help support citizen's impacted by Welfare Reform, which include Discretionary Housing Payments and the Scottish Welfare Fund and dedicated teams providing specialist support. In addition to support provided by Falkirk Council, customers are also signposted to a range of external supports, including the organisations reported within this report.
- 2.8 Since January 2013 people in receipt of working age benefits who are unemployed, are asked to comply with a range of job seeking activities by DWP. Failure to comply with the above can lead to sanctions being applied, which result in people losing benefits from four to 156 weeks (3 years). The length of sanction depends on the reason for the individual failing to comply with their claimant responsibility.
- 2.9 Between October 2012 and June 2013, 1880 sanctions were applied across the Falkirk Council area. It is estimated that approximately 1090 of these were likely to be low level, 600 intermediate level, and 190 high level.
- 2.10 Scottish Government research suggests that those who are particularly vulnerable to sanctions are also the most disadvantaged. This includes people that lack work experience or who face practical barriers to work, such as not having access to a car. Those with health problems, including mental health difficulties, are also vulnerable to sanction. Young people receive a higher proportion of sanctions compared to older age groups. Some evidence suggests that men are more likely than women to be sanctioned. Research shows that women who have experienced domestic abuse are also disproportionately more likely to receive sanctions.

3. ADVICE SERVICES: FALKIRK'S STRATEGIC CONTEXT

- 3.1 The challenge posed by Welfare Reform is significant, as people will need help to manage changes in benefit. This is part of the wider context which will impact on the demand for advice services. This includes, for example, the current economic climate's impacts on employment, impacts of domestic abuse and deterioration of health. Falkirk Council and Community Planning Partners have given a commitment to delivering services that support the most vulnerable individual across the area. The Single Outcome Agreement and Towards a Fairer Falkirk set out principles, key themes and groups; Advice services are highlighted as critical in terms of crisis intervention, early intervention and prevention.

Single Outcome Agreement

- 3.2 The Single Outcome Agreement (SOA) describes how the Falkirk Community Planning Partnership will progress whilst facing many critical challenges and competing demands. The SOA complements the Strategic Community Plan 2010 – 2015 and sets out the following key principles:
- Focus our key activity on tackling the most significant inequalities in our area and providing everyone with hope and opportunity;
 - Take action where appropriate that cross organisational and structural boundaries in order to recognise that many of the challenges and inequalities we face are inter connected.

- Pursue a preventative and early intervention approach which we know will be more effective at tackling the root causes of inequality;
 - Ensure that we deploy our collective effort and resources in securing local outcomes;
 - Be both transparent and accountable to local people and communities, giving them a say and a meaningful role and contribution in realising our vision; and
 - Be both innovative and creative in the solutions we develop and the way in which we change services to meet the demands of the modern world.
- 3.3 In order to realise our desired outcomes we have focused our attention and activity on tackling the area's greatest challenges i.e.
- Economic recovery, growth and employment;
 - Early years and children;
 - Safer, Stronger Communities and reducing re-offending;
 - Health outcomes and Physical Activity;
 - Older people; and
 - Poverty and welfare reform.

Towards a Fairer Falkirk

- 3.4 The Poverty Strategy 'Towards a Fairer Falkirk' was approved by Members in March 2011. There are two main strands of the Poverty Strategy: Financial Security and Well being, and Employability. Other areas of work covered by the Poverty Strategy are Charging and Concessions, the Equality and Poverty Impact Assessment process, the Living Wage and Welfare Reform.
- 3.5 The Poverty Strategy notes that we see being fair as meaning that:
- Some services will be targeted to ensure that the most disadvantaged in our communities have the same opportunity to reach their full potential;
 - Our employees understand the barriers that poverty imposes on individuals and on communities and will work to identify and reduce discrimination and disadvantage;
 - We understand the impact of our decisions on budgets, policies, and activities to improve the lives of our most vulnerable and specifically those in poverty; and
 - Communities and individuals are enabled to participate as equals in society.
- 3.6 Poverty impacts on people's lives. Some of the impacts of poverty on peoples lives are that they can:
- become isolated from family and friends;
 - lack hope and feel powerless - having little control over the decisions that affect their day to day life;
 - lack information about the support and services available to them;
 - have problems in getting their basic needs met and accessing decent housing, health services and schools and life long learning opportunities;

- live in an unsafe neighbourhood with high levels of crime and violence and poor environmental conditions or in a remote and isolated rural area;
- go without basic necessities because they may not be able to afford essentials like heat and electricity or to buy healthy food or new clothing or to use public transport;
- be unable to afford to buy medicines or visit the dentist;
- live from day to day with no savings or financial reserves for times of crisis such as repairing cookers, washing machines;
- are exploited and forced into illegal situations;
- experience discrimination; and are unable to participate in normal social and recreational life such as going to the cinema or sports events or visiting friends and family.

3.7 Research also shows that people who experience poverty are more likely to experience relationship or family breakdown. People who are better off can pay to get the help and advice they need from specialist providers. People who are on low incomes, do not have this options and need access to free and immediate advice services. It is important for our communities that the Council continue to provide a range of advice services so that people can get help and support they need, not only for welfare benefits but also in relation to employment, education, training, consumer advice, health services, housing, and when relationships or families break down.

3.8 Through the Fairer Falkirk Fund we provide additional resources to help support a number of organisations to provide the advice people need. The service provided by the three local CABx for the financial year 2013-14 resulted in £14,030,372 worth of debt being consolidated through a range of strategies including pro-rata reduced offers, token payments, Debt Payment Plans, write off, etc. All strategies reduce the amount of money going to finance the debt allowing the families more income to live from.

4. OVERVIEW OF FUNDED ORGANISATIONS: ADVICE SERVICES

4.1 The table below shows the 5 External organisations that received Council support during 2013/2014, either via 'in kind' support or by direct financial support.

App.	Organisation	Funding Purpose	Total Support Received 13/14
1	Macmillan Money Advice	Forth Valley Money Advice Project	£50,000
2	Falkirk Credit Union	Project	£56,000
3	Falkirk Citizens Advice Bureau	Core	£196,321
3	Grangemouth & Bo'ness Citizens Advice Bureau	Core	£129,612
3	Denny & Dunipace Citizens Advice Bureau	Core	£122,463
4	Denny & Dunipace CAB on behalf of CABx	Veterans Support	£20,000
	Total Funding		£533,396

5. ASSESSMENT OF INDIVIDUAL ORGANISATIONS PERFORMANCE

- 5.1 An individual report is attached for all of the External organisations shown above. Each report provides an overview of the service provided, the agreed objectives or outcomes, performance information during the reporting period and a financial overview. It should be noted that audited accounts for 2013/2014 have not yet been prepared for any of the organisations.
- 5.2 As part of the support allocation assessment process, External organisations are allocated a risk rating based on governance arrangements, financial management and past performance. The ratings are low, medium or high and provide Monitoring Officers with an indication of the minimum level of monitoring and support which should be established. External organisations deemed as low risk, are monitored at least annually, medium risk external organisations should be monitored at least quarterly and high risk, at least monthly. Monitoring is recommended to take the form of regular reports, which measure performance against outcomes and/or objectives and provide financial monitoring information. Monitoring Officers are also required to hold meetings with the external organisation throughout the year.

6. CONCLUSION

- 6.1 As set out within the report to this Committee on 13 June 2013, 'Following the Public Pound: Scrutiny Committee Role and Reporting Schedule', Members are invited to consider each organisation's report and select from the following options for each external organisation:
- A. Approve report and acknowledge progress by the external organisation in meeting Council priorities;
 - B. Request further information on specific aspects of the service provided; or
 - C. Request action with follow-up for subsequent Scrutiny Committee consideration.

7. RECOMMENDATIONS

Members are asked to:

- 7.1 **Consider individual reports for external organisations and select an option from those presented in 6.1.**

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: 7 April 2014
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LIST OF BACKGROUND PAPERS

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506004 and ask for Fiona Campbell.