

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 8 April 2014.

PRESENT: Councillors Brunton (Chair), C Hobson, Kerr, McIntyre, P Purvis, Sanderson and Williams

PRESENT BY INVITATION: Councillor Harvey, Assistant Executive Member

ALSO IN ATTENDANCE: Citizens Advice Bureau: John Daniels (Manager) and Philip Hodgson (Advice Worker).

OFFICERS: J Bennington, L Henman, E Pout and N Sayer.

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors Arundale, Cole, Dryden and J A Walker.

DECLARATIONS OF INTERESTS

There were no declarations of interest made at this point of the meeting.

13/113 THE IMPACT OF WELFARE REFORM IN MIDDLESBROUGH

The Scrutiny Support Officer submitted a report which outlined information considered previously by the Board with regard to Work Capability Assessments.

Following introductions the Chief Executive's Office Manager together with representatives of Middlesbrough Citizens Advice Bureau (CAB) provided detailed information on a number of key areas as highlighted in a PowerPoint presentation.

An indication was given of the extent of the work involved with 25,000 enquiries not only dealing with problems associated with benefits but also difficulties relating to debt. Figures demonstrated that over the years the percentage of enquiries relating to debt had remained fairly static but those in respect to the number of benefit enquires had shown an increasing trend currently around 40% in comparison to 30% five years ago. It was indicated that from September 2013 there had been a total of approximately £946,469 benefit awards.

The Assistant Executive Member stressed the importance of significant work undertaken with regard to recent unclaimed benefits campaigns and of the intention to plan further. Examples were provided of individual cases where people had been assisted in successfully accessing previously unclaimed benefits to which they were entitled. Alongside such work reference was made to the Pay Day May Day campaign and the Know Your Money project with the aim of encouraging people to use affordable credit, such as Credit Unions.

It was indicated that problems currently facing CAB included reduced resources and impact of significant Government changes in 2013 to legal aid funding. Specialist skilled benefit and debt case workers were now required to broaden their work and assist with such changes which often involved lengthy complex work and attending tribunals. As experienced elsewhere in the UK there were difficulties in coping with demand for CAB services with typically 30 to 40 people being turned away in a week at the Middlesbrough base although it was highlighted that work was ongoing to examine different ways of working which included enhancing the telephone advice service in order to improve people's access to services. Reference was also made to the development of an email facility and development of the local website, one of the first in the UK to possibly include a webcam element. It was recognised that there was a need to track the people not gaining early access to the service because of the difficulties in coping with demand. The Assistant Executive Member indicated that the utilisation of Community Hubs in terms of disseminating appropriate information was being examined further.

The Board's attention was drawn to cases involving debt issues which given the high level of unemployment was significant but given a number of factors including ever changing

legislation the situation was becoming more complex in identifying the right solution for the right person.

Following clarification sought from Members it was noted that recruitment was from a variety of sources including recent graduates, retired workers all of whom received appropriate training and gained valuable skills in IT. An indication was given of developments within the Team including outreach work at Thorntree and Grove Hill. In response to Members' questions the CAB representatives confirmed that whilst there was a desire as part of project development to make home visits to the most vulnerable and elderly they were a small team and currently didn't have the capacity to do such work but as previously indicated were developing a telephone advice facility. Reference was also made to work in partnership with such organisations as Age UK and also with health and social care services. It was recognised that whilst in early stages steps were being pursued to bridge current gaps with other agencies in getting the message across to people around unclaimed benefits.

Specific reference was made to the recent setting up of advice hubs at Thorntree and Grove Hill funded from the Big Lottery Fund providing a few advice sessions per week which had so far involved seeing 790 clients on a face to face basis resulting in over 140 hours and 115 claimants reporting a difference to their circumstances.

As part of the background information provided it was stated that the Government objectives behind welfare reforms included reducing the welfare bill; getting people off benefits and into work; making benefits/tax credit systems fairer/simpler and protecting the most vulnerable. The impact in Middlesbrough was referred to as affecting over 14,000 people and £8 million lost to local economy last year, not just unemployment.

Although the subject of further consideration by the Board later in the meeting reference was made at this point to Atos who had relinquished their current contract after claims that the quality of assessments could be improved, of delays in hearing appeals and a need for evidence to be made available from GPs. Examples were given which demonstrated the detrimental impact of delays had on certain individuals' circumstances. It was considered that the high number of successful appeals had reinforced claims around the need for improved assessments.

Middlesbrough's response to the significant changes in welfare reform included the following:-

- (a) it was acknowledged that lost benefits could not be replaced and there was currently no Government resources to top up;
- (b) a key element was that a partnership approach had been adopted;
- (c) as resources were not available there was a focus on mitigating actions;
- (d) a Partnership Action Plan had been agreed with over 100 partners.

The key drivers in current work included the work being undertaken by the Assistant Executive Member as Executive Lead for Welfare Reform ensuring that Councillors were kept informed and received up to date information. The importance for Members to attend relevant briefing and training sessions was highlighted. Reference was also made to the role of the Financial Inclusion Group on which both the Assistant Executive Member and the Manager of CAB were members dealing with the practical implementation of welfare reforms. A more strategic role was undertaken by the Corporate Welfare Reform Group.

Given the acknowledgement of a reduced capacity of partners there was a recognised need for a more focussed Action Plan with an emphasis on both member and officer training; health and wellbeing issues; advice and information provided to potential employment/economy/private sector; provision of IT based information; and financial capability, for example, developing credit unions and community hubs.

The Board was advised of current indications from evidence available which suggested:

- (i) that there were clear signs of increased pressure in advice/support service often complex cases;
- (ii) 'bedroom tax' and Council Tax changes had been identified as two areas of concern;
- (iii) an increasing number of clients were showing signs of distress/worry;
- (iv) there was a need for more work involved in promoting Community Support Fund which was now operated locally having been transferred from the Department for Works and Pensions;
- (v) rise in rent arrears and voids;
- (vi) greater use of food banks.

In commenting in overall terms of the increasing complexities and need to access IT facilities reference was made to a Task and Finish Group of the Financial Inclusion Group regarding initial consideration being given to addressing concerns relating to access to IT and about budget management skills.

The Board's attention was drawn to additional work taking place specifically the Corporate Welfare Reform Group approving various bids such as those in relation to credit union development, commissioning of MIND to do a report around welfare reform and mental health and social issues; Teesside Law Clinic; Work IT Out Project; Open Doors project relating to assistance to refugees and asylum seekers; and Streets Ahead scheme. Other work involved Food Bank support; around health and wellbeing and role of public health; training provision for officers, partners and members; various Advice Days; recent Advice Hubs at Thorntree and Grove Hill; Information Kiosks as dedicated information points ; unclaimed benefits campaign and blocking pay day loan web sites.

Representatives confirmed that the main concerns were currently:

- (i) Employment Support Allowance with regard to the poor quality of the Work Capability Assessment and delays in appeals.
- (ii) Job Seekers Allowance sanctions in terms of the draconian application of rules, examples of which were given which demonstrated the circumstances whereby sanctions would be imposed and which in overall terms was seen as demoralising and could be a deterrent to people seeking work.
- (iii) Personal Independence Payments with regard to delays in processing claims causing financial hardship examples of which were provided whereby a person with a severe medical condition had affected his ability to work full time with his current employment and as a result of delays to processing claims had resulted in the person becoming in severe debt.

It was considered that the main future challenges centred on Universal Credit including the IT implications as the process was heavily reliant on IT systems; capacity of financial inclusion organisations identifying ways of being efficient with diminishing resources; and engaging the health sector. It was acknowledged that there was much work around welfare reform and impact on health and wellbeing and mental health issues. An indication was given of the role of the Clinical Commissioning Group in this regard with reference being made to the setting up of a Tees wide Forum to champion welfare reform issues.

Whilst acknowledging the vast range of support provided and in commenting on the scale of the problems in Middlesbrough it was considered that one of the key areas was to raise awareness to budget management skills to help reduce high levels of debt. It was noted however that it had become apparent that there were a significant number of people who were unaware of the need for Council Tax payments to be regarded as a priority. It was suggested however that arising from various recent campaigns and dissemination of appropriate information there had been signs that the message was getting across to the public.

Following clarification sought from Members the CAB representatives gave an indication as to how people without access to or had difficulty using a computer could find support in completing online forms although the time consuming nature of undertaking this was recognised and in certain circumstances organisations completing forms on someone's behalf would have to ensure that they had appropriate insurance cover in place.

Members' attention was drawn to the Department for Works and Pensions (DWP). It was confirmed that an invitation to attend a meeting of the Board had been sent to the DWP and pursued together with a detailed briefing of points where Members required further information. A written response on the points raised had subsequently been received from the DWP as outlined in Appendix 1 and further information contained within web links was provided in Appendix 2 of the report submitted.

The Board was advised that on 27 March 2014 Atos contract to administer the Work Capability Assessments was to end following Government criticism of 'significant quality failures' and that a new company would be appointed in early 2015. Atos had agreed to work hard to support the transition to a new provider and there would be no change for those applying for Employment and Support Allowance.

ORDERED as follows:-

1. That all representatives be thanked for the comprehensive information provided which would be incorporated into the overall review.
2. That the written response received from the Department for Work and Pensions as outlined in Appendices 1 and 2 be noted and incorporated into the overall review.
4. That further information be sought on the areas outlined in Appendix 2 of the report submitted to be considered further by the Board prior to the compilation of a Final Report on the evidence received.