

Report to the Cabinet

Meeting to be held on Thursday, 8 August 2019

Report of the Director of Public Health and Wellbeing

Part I

Electoral Divisions affected:
(All Divisions);

Welfare Rights Service - Consultation Outcome

(Appendices 'A' and 'B' refers)

Contact for further information:

Dr Sakthi Karunanithi, Tel: (01772) 530765, Director of Public Health and Wellbeing
sakthi.karunanithi@lancashire.gov.uk

Executive Summary

At the Cabinet meeting on 3 December 2018, as part of the Money Matters 2018/19 Position - Quarter 2 report, Cabinet agreed to undertake public consultation on a number of Service Challenge savings. This included a proposal to reduce the budget of the Welfare Rights Service to achieve a saving of £340,000, together with an associated proposal for the Customer Access Service to reduce their staffing budget to achieve a saving of £40,000, giving a total saving of £380,000 per annum.

This report outlines the results from public consultation (Appendix 'A' refers), in the context of wider policy developments and equality analysis, ensuring that Cabinet is provided with appropriate information when considering the proposal as outlined above, together with a revised proposal of delivering a reduced capacity Welfare Rights service and managing access, to achieve an estimated saving of £101,250 per annum, which forms the basis of the recommendation to Cabinet.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendations

Cabinet is asked to approve:

- (i) The revised proposal, as detailed in this report, resulting in a total budget reduction of £101,250 per annum, comprising £61,251 per annum from the Welfare Rights Service and £40,000 per annum from the Customer Access Service.
- (ii) Redesign of access to the Welfare Rights Service to cease telephony demand into the Customer Access Service.

Background and Advice

The Welfare Rights Service (herein referred to as Welfare Rights) was established over 30 years ago to help elderly, disabled and those experiencing poverty. It is a well-established service across Lancashire for people having problems in accessing appropriate benefit entitlements. The core purpose of Welfare Rights is to provide a high quality, comprehensive and independent personal welfare benefits service to the most vulnerable Lancashire residents. It aims to make them aware of and receive their maximum entitlement to state welfare benefits, enabling them to be more financially secure, to be less reliant on statutory services for support and to be able to contribute to the costs of their care needs.

Welfare Rights Advisers are specialists in the complex field of welfare benefits legislation. Staff are trained to provide benefits advice to a specific technical level commensurate with their grade and responsibilities, to maximise advice availability to residents.

Welfare Rights specifically supports people with long-term health problems, terminal illness and people in work on low incomes. It advises and represents people in courts across Lancashire at First Tier Tribunal hearings, and also represents people at Upper Tribunal hearings where they believe the First Tier Tribunal decision contains an error in the application of relevant legislation. It provides training and support to other county council services, local partners and agencies across Lancashire, who also refer customers to Welfare Rights for help. It also acts as a consultancy for professionals and advice services across Lancashire. The service prioritises:

1. Advising and assisting in legal challenges against benefit decisions, including representation at Appeal Tribunals.
2. Advising and assisting vulnerable customers under pension age, to navigate the benefit system and maximise their income. This includes negotiating with the Department for Work and Pensions and HM Revenues and Customs on their behalf when there are ongoing problems.
3. Targeted benefit take-up campaigns with older people to maximise their income to help improve or prolong good health and wellbeing and promote independence.
4. Providing urgent advice and support as a result of direct referrals from health professionals, for example, General Practitioners and Macmillan nurses.

The service supports approximately 6,000 people a year with their benefit issues, and during 2018/19 obtained £7.8 million in benefits for its customers. Of this, approximately £5.2 million came from work involving legal challenges and representation at Appeal Tribunals, approximately £2.1 million from the advice and promotion of benefit take-up with older people, and approximately £500,000 came from advice to vulnerable people of working age who are experiencing a sudden change of circumstances.

At the Cabinet Meeting of 3 December 2018, as part of the Money Matters 2018/19 Position - Quarter 2 report, Cabinet agreed to undertake public consultation on a number of Service Challenge savings, including one in relation to Welfare Rights. From a gross budget of £670,000 the proposal was to reduce Welfare Rights funding by £340,000 per annum, together with an associated saving of £40,000 per annum

by the Customer Access Service for telephony support, amounting to a total saving of £380,00 per annum.

Public Consultation

Lancashire County Council has undertaken a comprehensive consultation with a wide range of stakeholders to ensure views on the budget proposal were obtained, allowing due consideration of the implications of reducing resources. Public, staff and partner organisations were invited to give their views on the proposal affecting Welfare Rights and the related Customer Access Service.

The fieldwork ran for eight weeks between 15 April 2019 and 9 June 2019, with 419 questionnaires completed through the public consultation and 64 completed through the organisational consultation.

Previous and existing Welfare Rights service users were not contacted directly to take part in this consultation. This decision was taken in accordance with General Data Protection Regulation requirements.

Electronic versions of the consultation questionnaire were available online through the Council's website with paper versions by request.

Ten consultation workshops with service providers and partner organisations were held at various locations across Lancashire between 18 March 2019 and 5 June 2019. In total, 93 people attended the workshops, and this comprised 30 internal stakeholders and 63 external stakeholders.

Nine email/letter responses to the proposals were received during the consultation period, including Members of Parliament, members of the public and organisations.

The detailed Welfare Rights Consultation Report (Appendix 'A' refers) has been developed from the consultation responses received, and provides the feedback from online, documentary and workshop engagement.

Summary of Key Findings – Service Users and General Public

Using the Welfare Rights Service:

- Of those respondents who have used the Welfare Rights Service, 59% said that they had used general benefit advice by telephone for people under the pension age, 42% said that they had used help with an appeal/mandatory reconsideration and 25% had used benefit advice for people over pension age. Of those respondents who have used the Welfare Rights Service, 84% said that the advice they received was very helpful.
- Those respondents who were referred to the Welfare Rights Service most commonly said that they were referred by Citizens Advice (20%), General Practitioner or other medical professional (15%) and a charity or voluntary organisation (14%). 11% said they were referred by a Social Worker.
- Of those respondents who sought help with their benefits from any other organisation, 58% said that they sought help from Citizens Advice. 17% of respondents who sought help from other organisations said that the help they received was not good.

The Proposal for the Welfare Rights Service:

- 83% said that they strongly disagree with the proposal to reduce access to the provision of welfare benefit advice and guidance services.
- The most common reason given for agreeing or disagreeing with the proposal was that it's a vital service used by vulnerable people (62%).
- Respondents were most likely to say that if the proposal happens they are concerned that support won't be available anywhere (28%) and although they don't need the service at the moment they may do in future (23%).

Organisations:

- 60 out of 64 respondents said that they disagree with the proposal (48 strongly disagree and 11 tend to disagree).
- The most common reasons given for disagreeing with the proposal were that vulnerable people use and need the support (39 respondents) and it will increase the strain on other services and/or people won't access the support they need (35 respondents).
- When asked how it would affect their service and the people they support if the proposal happened, respondents were most likely to say that it will lead people into severe hardship and/or crisis (31 respondents), people will have difficulty/won't be able to appeal/challenge decisions (18 respondents) and it will increase strain on services (18 respondents).

Summary of Key Findings - Workshops:

- No other service offers the level of expertise provided by Welfare Rights.
- Stakeholders favoured retaining the service, with the majority stating that the service is vital to their own ability to support service users across a wide range of needs. It was clear that Welfare Rights is the only organisation which gave complex case advice and supported complex appeals at tribunal across Lancashire.
- Feedback identified that previous financial savings across this sector generally have led to a number of system changes taking place already. Most of the voluntary, community and faith sector services consequently operate a 'low level' benefits advice offer, escalating to Welfare Rights only when the need is complex or at appeal case level. Whilst the consultation did identify that some organisations did offer some appeal support, for example housing associations, it was only in a specific locality or for a specific client base, such as those people requiring housing with those associations, therefore other people were excluded from that support.
- Attendees reported that their ability to recruit to the level required to support complex case work and appeals, either through paid staff or by volunteers, was a real challenge.
- Internal stakeholders confirmed that Welfare Rights advice underpins their service offers and contributes to some of their targets to deliver organisational savings
- There will be an impact on the revenue that Welfare Rights brings in to the county each year.

- The proposal to reduce Welfare Rights comes in the context of an ongoing welfare reform agenda, with a significant impact on already stretched service providers, and a cumulative impact on the most vulnerable people in Lancashire. It would result in an increased demand for complex advice, and an increase in people in crisis coming in to statutory services.

Discussion:

From a gross budget of £670,000 the original proposal was to reduce Welfare Rights funding by £340,000 per annum, together with an associated saving of £40,000 per annum by the Customer Access Service for telephony support, amounting to a total saving of £380,00 per annum. Consultation has been undertaken with internal and external stakeholders, and the general public, and has provided information and evidence on the impact and effect of the original proposal to reduce the budget for Welfare Rights. Our view has changed following this, on the basis that:

1. There has already been a significant reduction in how we fund supporting the welfare rights of our vulnerable residents in the last three years, with a consequent reduction in the amount of benefit entitlement achieved for Lancashire residents.

	2015/16	2016/17	2017/18	2018/19
Budget	£984,000	£778,709	£688,807	£671,424
Cash Gains	£13.7m	£8.4m	£7.5m	£7.8m

2. Consultation has confirmed that there is no other service that offers the level of expertise provided by Welfare Rights in supporting the most complex cases to tribunal. If the service reductions happen as proposed, this is likely to result in an estimated loss of between £2m and £3m, which vulnerable residents have historically spent on their care needs and/or in the local economy.
3. Lancashire County Council Services: The impact to council services is considered significant. Unfortunately our information systems and processes do not currently enable quantification of the financial benefit of Welfare Rights support to other internal services. However Welfare Rights provides significant levels of consultancy, benefits advice and assistance to a range of internal services, often providing actual casework on behalf of those services, including:

a. Shared Lives Service

For example staff in this service have confirmed that Welfare Rights advice underpins its work and contributes to some of its targets to deliver organisational savings. They acknowledged that Welfare Rights provides accurate and trusted advice which helps to support and enable service users to secure their maximum income to be able to contribute towards their support needs. If placements fail, the Shared Lives team suggested that the impact of the proposal could be potentially £30,000 per person.

b. Exchequer Services (Care Financial Assessment Team, Financial Safeguarding Team, Children's Services Finance team)

For example the Children's Services Finance Team saving target is £1 million a year. This is to be achieved by assessing new applications and reassessing all previous Special Guardianship Order care cases against a means-test. Welfare

Rights has become an integral part of this process because these are generally complex cases, utilising the skills, knowledge and experience of the team to maximise the contribution from welfare benefits.

c. Social Workers (Children's/Adults/Mental Health/Learning Disabilities/Older People)

d. Reablement Team

Implementation of the original proposal will mean that this advice and support will cease from November 2019 as the service manages the reduction in staff, existing appeal caseloads and the implementation of a referral only system, together with new complex case work.

4. External Services: Stakeholders favoured retaining the service, with the majority stating that the service is vital to their own ability to support service users across a wide range of needs.

Voluntary, Community and Faith Sector and other external stakeholders have said that they do not have the expertise, skills, capacity or volunteers to meet this demand and do not see that they will in the future due to the specialism and knowledge required. Consultation attendees talked about the impact that welfare reform was having on their services and service users. For impact on their services, workshops attendees were adamant that the Voluntary, Community and Faith Sector cannot 'pick-up' the Welfare Rights work as they are already close to 'imploding'. They described how their infrastructure is struggling to cope.

For the impact on their service users, workshop consultees gave accounts of their service users falling into crisis situations, poverty and mental and physical ill-health as a result and they had witnessed this as they tried to provide support to them over time. Stakeholders said that this was having an impact on social care and health services as people then had to seek statutory support.

5. Welfare Reform: On top of the current welfare reform programme which is creating demand for welfare benefit support, the anticipated migration from existing legacy benefits to Universal Credit is considered likely to increase demand further, and impact on already stretched benefit support providers. This is likely to have a cumulative impact on the most vulnerable people in Lancashire, and result in an increased demand for complex advice.

Options:

1. **Original proposal:** To contribute to corporate savings by reducing the Welfare Rights Service budget by £340,000 per annum, and the associated Customer Access Service budget by £40,000 per annum, providing a total saving of £380,000 per annum.

Implications:

If the proposal is agreed:

- With effect from 1 April 2020, the Welfare Rights Service will reduce from 19 full time equivalents to 8 full time equivalent Welfare Rights Officers.

- Telephony support from the Customer Access Service to the remaining Welfare Rights Service will cease with effect from 31 March 2020.
- Access to Welfare Rights services will be redesigned to cease demand on telephony through the Customer Access Service, recognising that there is a likely consequent deflection of demand to partner agencies.
- Consultancy and advice work for internal Lancashire County Council services will cease, phased from August to November 2019, or possibly earlier, dependent on staff attrition.
- Welfare Rights will become a referral only service, accepting referrals from a limited number of key stakeholders, where help is needed for an appeal.
- Members of the public with more general enquiries would not be able to access Welfare Rights directly with effect from 1 April 2020.
- Benefit take-up campaign work for elderly residents will cease with immediate effect.
- The proposed savings will be delivered within original timescale, however, savings targets attributed to other services are likely to be affected due to the impact of loss of benefits expertise and capacity.

2. **Revised proposal:** To contribute to corporate savings by delivering a reduced capacity Welfare Rights service and managing access; in that currently vacant posts in Welfare Rights be removed from the establishment, and the Customer Access Service staffing reduction be implemented as proposed, to achieve an estimated saving of £101,250 per annum.

Implications:

If this proposal is agreed:

- The vacant posts in Welfare Rights will be removed from the establishment with immediate effect, resulting in a saving of £61,251 per annum.
- The Customer Access Service will reduce telephony support as originally proposed (1.7 full time equivalent), providing a saving of £40,000 per annum from 31 March 2020.
- Access to Welfare Rights services will be redesigned to cease demand on telephony through the Customer Access Service, recognising that there is a likely consequent deflection of demand to partner agencies.
- Review and identify the capacity Welfare Rights provides in support of internal Lancashire County Council services.
- Review the delivery model for Welfare Rights to ensure targeting of resources, in the context of increasing demand, further to the ongoing roll out of welfare benefit reform.
- Establish how the service can further support joined up working at a neighbourhood level with partner agencies, with a view to generating further efficiencies.
- Identify opportunities for income generation through provision of training on complex welfare benefits to other agencies.

Risk Management

Wider Policy Agenda

The demand for advice and advocacy is increasing as the benefit landscape becomes increasingly complex for people to navigate. Demand for advice from other

sources is also likely to increase as the Lancashire Wellbeing Service and Integrated Home Improvement Services are dis-established.

Internal County Council Services

Welfare Rights provides significant levels of consultancy, benefits advice and assistance to a range of internal services, often providing actual casework on behalf of those services, including:

- Shared Lives Service
- Exchequer Services (Care Financial Assessment Team, Financial Safeguarding Team, Children's Services Finance team)
- Social Workers (Children's/Adults/Mental Health/Learning Disabilities/Older People)
- Reablement Team

Implementation of the original proposal will mean that this advice and support will cease from November 2019 as the service manages the reduction in staff, existing appeal caseloads and the implementation of a referral only system, together with new complex case work.

Voluntary Community and Faith Sector

The proposals will increase demand on other benefit advice providers that are already struggling to meet demand. The Voluntary, Community and Faith Sector has said that they do not have the expertise, skills, capacity or volunteers to meet this demand and do not see that they will in the future.

Equality Impact

A detailed Equality Analysis (Appendix 'B' refers) has been developed recognising that the original proposal will most likely disproportionately impact on the disabled, older people and women.

Financial

The agreed saving in relation to the Welfare Rights Service (SC608) was in total £380,000 and was profiled for delivery in 2020/21.

The budgetary implications of the alternative proposal recommended within this report are that there will be an undelivered saving (budget pressure) of £279,000 and alternative ways of managing this saving shortfall will be required by the service. However, if this is not possible this would need to be added into the medium term financial strategy and therefore increase the budget gap which is currently forecast to be £47m by 2022/23.

Legal

The Care Act 2014 places a duty upon the county council to provide or arrange for the provision of services, facilities or resources, in order to prevent, delay or reduce the need for care and support. The county council will continue to work with partners to ensure statutory functions continue to be met.

Mitigation

The consultation identified that external services valued the knowledge and expertise of Welfare Rights for complex welfare benefits support.

The Lancashire County Council website will be enhanced to provide details of where to access basic information and guidance, and the key partners that will refer complex cases requiring tribunal support. The service will continue to refer the public to the Department for Work and Pensions online form filing service and to other basic welfare benefit online support.

There is an opportunity to investigate further income generation from training provision to stakeholders.

List of Background Papers

Paper	Date	Contact/Tel
-------	------	-------------

None

Reason for inclusion in Part II, if appropriate

N/A