

**REPORT TO: POLICY AND RESOURCES – 14 JANUARY 2013**  
**REPORT ON: IMPLEMENTATION OF WELFARE RIGHTS STRATEGY**  
**REPORT BY: DIRECTOR OF HOUSING**  
**REPORT NO: 26-2013**

## 1. PURPOSE OF REPORT

To provide an update report on the implementation of the Welfare Rights Strategy and to outline the arrangements to be included in future financial agreements with Welfare Rights providers across the city.

## 2. RECOMMENDATIONS

It is recommended that -

- 2.1 progress with implementing the internal parts of the strategy be noted.
- 2.2 e-learning packages and new referral system to ensure front line staff participate fully in the early intervention approach to help clients avoid falling into debt and the council from incurring debt is rolled out from January, 2013.
- 2.3 it is agreed that the proposals outlined in section 4.4 are included in future agreements with welfare rights agencies.

## 3. FINANCIAL IMPLICATIONS

- 3.1 Unless the council mitigates the effect of the Welfare Reforms and the economic climate for the people of Dundee, the debt burden on individual citizens will increase, as well as the amount of debt owed to the council. There will also be an effect on the spending power of local citizens and therefore on the local economy through money spent in local shops and on local services. To enable certain key elements of the strategy to be fully implemented and effective, the IT system in use among the advice agencies will require to be enhanced. The costs for this are being developed and early indications are that no more than £15k will be required.

## 4.0 MAIN TEXT

- 4.1 The Policy and Resources Committee agreed a new strategy for Welfare Rights in September 2011 (report number **411-2011**). This report set out to reduce the amount of debt incurred by the citizen's of Dundee, a significant proportion of which is owed to the Council. The report also set out the need to explore with external agencies ways of working together that would ensure better collaboration and more efficient use of resources available. In the period since then, a number of things have happened:

- effort has gone into producing training modules and easy prompts for front line staff to enable to identify and refer at risk clients to sources of advice
- more details of how the UK governments' welfare reforms will take effect have emerged and while we still have a far from definitive picture, proactive steps have been taken to help individuals who have been or will be affected
- work has been ongoing with external agencies to identify more efficient working methods, and these form the basis of the proposals outlined for inclusion in future financial agreement

## 4.2 *PROGRESS UPDATE - INTERNAL STRATEGY IMPLEMENTATION*

4.2.1 The strategy recognised that many of those who get into debt have not had their income maximised it follows that by maximising their income **before** they get into debt, the risk of incurring debt would be reduced. This is clearly better for the client, and for Dundee City Council would mean less resource required for debt recovery and reduced loss of income. It was also realised that the majority of those in debt

- Do not self refer until their debt is significant
- Most have not had their income maximised
- Have the council as one of their main creditors
- Have often had a conversation with a council officer when some financial difficulty or change of circumstance was referred to

4.2.2 The strategy represented a shift in the role and focus of front line staff, away from the narrower view of the benefits or services that their section processes and onto a wider and more holistic view of the client's needs. It is known that the majority of those who get into difficulties can trace the root of the problem back to some life event, such as bereavement, loss of job, or reduction in income. Some 15 such occurrences have been identified. Often it will be front line staff from another service who will hear of these events. Given that we know that individuals are quite unlikely to self refer, it is of paramount importance that the member of staff should take responsibility for making a referral and getting them into the system. To enable staff to recognise when they should make such a referral and where the client should be referred to a set of e learning modules is being developed round each of the different life events. The first 5 are now available. These are accompanied by a set of screen prompts - simple questions that will lead to an action plan generated by the system based on the client's responses. The first sets of these are now available.

4.2.3 Detecting and referring individuals early will increase the capacity of Welfare Rights staff. It generally takes less of their time to assist someone with small debts than to help resolve a situation where there are multiple debts and large sums involved. An even better outcome is to provide assistance before the individual has incurred any debt. A launch of the e learning modules and screen prompts took place in August and was attended by more than 60 first line managers and supervisors. This will be followed up with an email asking them to identify those front line staff who will be required to undertake the e learning modules.

## 4.3 *WELFARE REFORM*

The Welfare Reforms and resulting cuts to benefits that are being introduced by the UK Government are now beginning to take effect, and these were outlined in report **438-2012** to the Policy and Resources Committee on 10th December 2012.

In relation to developing financial capability, the Financial Inclusion Strategy Group (FISG) have been addressing this issue, for example, getting budget planning included in school work under Curriculum for Excellence, and supporting and promoting projects like Making Money Work that deal specifically with budgeting and money management issues. This is in recognition that income maximisation without budgeting skills will often not be sufficient to solve the client's difficulties in the long term.

## 4.4 *EXTERNAL AGENCIES*

4.4.1 External agencies have been in receipt of funding totalling £771,054 per annum from Dundee City Council via the Dundee Partnership to provide Welfare Rights and Money

Advice under 3 year contracts which expire in March 2013. Whilst the existing contracts work reasonably well, and there is ample evidence that agencies adhere to, comply with and often exceed the contractual obligations, the nature of the contracts does not drive the best possible service across the city. For example -

- there is no definition of what constitutes best practice, far less a requirement to adopt best practice and innovate to raise the bar of what constitutes best practice. The new contracts should require organisations to define and adopt best practice and seek to continuously improve performance.
- there is no evidence available of speed of access to service. Clearly, in certain case types the timescale for conclusion of a service is largely out with the control of the agency, for example, waiting for an appeal to be heard. However, speed of access to assistance is one of the key components of the customer's experience, and properly measured, would help show where access to services requires to be improved. The new contracts should require reports that demonstrate end to end times for service provision with a view to encouraging an optimum service delivery.
- there is a great deal of unquantified anecdotal evidence that clients move between agencies. When this happens, there is no automatic movement of information accompanying the client. This creates duplication as agencies have to establish information already known to another agency. It also slows down service delivery. The new contracts should reduce and eventually eliminate duplication, which would also have the effect of increasing capacity

4.4.2 It is important that every opportunity is taken to ensure that Welfare Rights Advice across the city is efficiently delivered and well co-ordinated. Most agencies receive funding from a variety of sources and will not regard the council as their main source of income. However, the council uniquely is in a position to work with all of organisations to enable them to come together in the interests of providing the best possible service to all the citizens of Dundee. The Dundee Partnership is the appropriate forum to promote this. Over the last six months or so a number of initiatives have been started involving these agencies that have been designed to develop more effective, cooperative and efficient working methods. The current Financial Agreements with these organisations will expire in March 2013. The new contracts should incorporate these initiatives -

- a) Establish inter-agency best practice peer groups to decide on, implement and monitor for, best practice. The agencies have tentatively been started on this process and to date report that they have found it very useful to hear and discuss the different practices in use. This may lead to certain agencies concentrating on certain types of cases where their practice and expertise offer the client a better service.
- b) Produce reports demonstrating instance of best practice being offered, with a view to establishing reasons behind instances when best practice service was not provided. Agencies have participated in a short workshop demonstrating how this could work and reported themselves comfortable with the concept.
- c) Produce monthly reports on end to end time taken to deliver services Agencies are in the process of providing data for a first attempt at producing this report. (These two reports taken together will demonstrate responsiveness and effectiveness of service. Measuring outcomes is problematic, so measuring best practice is the next best option. Outcome measures are problematic in two ways - as is practice across the country, organisations will only report on benefits obtained for a client when they have confirmation of the award. However, in many instances they have no feedback

- this can be as much as 80% of the time for some agencies in relation to certain types of benefit claims - so levels of income obtained reports are likely to be wildly under representing the true picture. This problem applies equally to debt agreements negotiated, as agencies often don't find out whether these agreements have been maintained. .The second difficulty with outcome measures is that it can drive the wrong "safe" behaviours, such as only applying for a benefit when it is clear that the client will get the award and discouraging claims on behalf of clients where the granting of the award is less certain, in order to maintain high levels of desired outcomes achieved.)

- d) Improve the quality of the information from returns to make them more consistent and descriptive of the problem types, and provide better demographic details about their caseload. Good data would be an aid to service planning, but unless the quality of the data can be improved any planning will be based on erroneous data.
- e) Develop and implement an information sharing protocol - probably using an enhanced version of the CATS system (Coordinated Advice Tracking System), enabling information to migrate between agencies when the client migrates. This will save time for both agencies and speed up service delivery for the client.
- f) Provide data showing client postcode and problem type to enable planning information to be provided. This can be potentially being done using an enhanced version of CATS.
- g) Open diaries so appointments can be made on enhanced version of CATS. This will speed up service delivery, as it will be faster than a referral system. It will also enable informed choices regarding waiting times for different organisation.
- h) Participate in public awareness raising programmes. One of the major issues is that clients do not self refer at early stages of a financial problem, and many members of the public are unaware of where to seek advice. The earlier clients seek advice the easier the case is to deal with, saving time for the organisation and reducing stress and anxiety for the client. It is well worth promoting the considerable expertise that the Council's Trading Standards Department has in these areas, making the public aware of the Trading Standards role. This report makes no recommendation to change the role of Trading Standards, but acknowledges the benefits that might arise from improving public awareness of that role.
- i) In relation to the front line triage system being developed within the Welfare Rights Review, to be used by frontline council staff to identify individuals who might be at risk of falling into debt, consider contracting with agencies to provide a referral outlet for individual issues. e.g. where clients have difficulties with debt, make direct referrals to Brooksbank and CAB as well as the Welfare Rights Team. This way outcomes may be able to be tracked from a central point and more meaningful data could be built up in the longer term.

4.4.3 As noted in para 3.1, the CATS development will have a financial implication. The cost for this is being developed and early indications suggest that no more than £15k will be required. CATS is an IT system that provides the ability to enhance inter agency working. However it does need enhancement to improve functionality and to enable certain actions such as appointment systems to be included. The planned enhancement would enable clients to be referred by any of the council's front line to any of the agencies where appropriate assistance could be provided. In order to allow this easy referral arrangement to work smoothly and to ensure that good management information is available for future service planning, it is essential that all of the agencies

use CATS. This should be a requirement in the new Financial Agreements. It is recommended that ownership and responsibility for managing, developing and maintaining CATS should rest with the Dundee Partnership team.

4.4.4 In addition to all of the above, the Council should explore ways of helping these organisations to reduce their overheads by considering how they might access and use Council properties that are under utilised at present. All agencies involved in the Dundee Partnership currently have some level (mainly level 2) of accreditation through National Standards and have informally indicated a desire to maintain this. Such accreditation is to be welcomed.

4.4.5 The various changes that are already beginning to happen in relation to Welfare Advice mean that future demand is impossible to predict. However, it is certain that demand will increase. The Advice agencies will have their existing workload and cases. They will also start to get early referrals from council staff as they identify individuals who are at risk. Eventually this will lead to a change in the profile of caseloads - fewer complex cases and more where the problem has been identified early - but for a period there will both types of demand. There will also be additional demand resulting from the Welfare Reforms programme. This is impossible to quantify, although some information is known. For example, between 7,000 and 8,000 people in Dundee will need to migrate to the new Universal Credit, and it is likely that many of them will require assistance with this process, especially as applications will have to be made on-line. It will be important to monitor changes in demand, and to ensure that resources are in place to respond to the anticipated increase in demand. The council has, as outlined above, pursued two courses of action to increase capacity -

- encourage early intervention so that clients require less advisors' input
- encourage more effective and efficient working among the advice agencies

However, mainly because it is impossible to accurately predict the increase in demand, there may still be a gap between demand and capacity, and this will require to be monitored closely so that any mitigating actions can be implemented timeously to prevent any backlogs from growing and there will be a real possibility of a debt spiral developing. The returns mentioned in paragraph 4.4.2 help will serve this purpose.

4.4.6 Appendix 1 shows the activity levels supported by the funding they receive from the Dundee partnership, and the overall level of demand that they respond to from their various funding sources. It should be noted that no information is available for those organisations that provide money advice but are not part of the Dundee Partnership, and over the past few months it has become apparent that money advice workers and money advice schemes exist in places that we didn't know about. We are now aware of projects in various Housing associations, such as Servite and in various agencies in the Employability pipeline. FISG have now started a process of identifying these projects with a view to involving these groups in the FISG. Their absence from such involvement adds to the realisation that we' have only a partial picture of demand and capacity across the city

The key points to note from this table are that:

- the Dundee Partnership provides about half of the overall funding
- approximately £8 additional funding is gained for every pound invested in money advice. This is in line with findings from other studies
- approximately £6 of debt is rescheduled for every pound invested in money advice.

4.4.7 Responsibility for monitoring the performance of the organisations delivering Welfare Rights advice through the Dundee Partnership should rest with the Financial Inclusion Strategy Group. This should include:

- Receiving regular reports
- Verifying the accuracy of these reports
- Providing a forum for these agencies to discuss issues related to service improvement and to share best practice
- Using data supplied to inform planning of future services
- Using data supplied to match capacity to demand

The agencies are represented on FISG and so there is some potential for conflicts of interest that would require to be managed - but it is probably better that they are involved in a transparent process. The data gathering and analysis would be carried out independently, so FISG should be seeking responses and justification to performance differences/anomalies rather than debating what is acceptable.

**5. POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no major issues.

**6. CONSULTATIONS**

The Council's Strategic Management Team and external agencies (see Appendix 1) have been consulted in the preparation of this report.

**7. BACKGROUND PAPERS**

None.

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## Appendix 1

## Volumes and gains from DP and Other Funding Sources 2011/2012

Projects	DP award per annum	Total funding	Amount of debt that is re-scheduled From DP Funding	Amount of debt that is re-scheduled From All Funding	Amount of income increased from DP Funding	Amount of income increased from All Funding
<b>Brooksbank</b>	£143,930	£178,784	£905,459	N/K	£636,293	£692,508
<b>CAB</b>	£140,685(1)	£225,339	N/K	£578,095	£200,866	£969,363
<b>DEEAP</b>	£103,639	£168,019	£167,123	£167,123	£253,950	£253,950
<b>Dundee Carers</b>	£30,011	£49,309	N/A	N/A	£281,075	£352,104
<b>DNLC</b>	£188,060	£503,774	N/K	N/K	£837,665	£837,665
<b>Craigowl: MMW</b>	£81,377	£156,569	N/A	N/A	£606,944	£606,944
<b>Craigowl: Ten. Sus.</b>	£35,200	£72,953	N/A	N/A	£190,678	£373,800
<b>Welfare Rights: MAWs</b>	£48,152	N/K	£651,147	£6,622,119	£565,630	£4,900,092
<b>TOTALS:</b>	£77,1054	£1,468,110	£1,723,729	£7,367,337	£3,573,101	£8,986,426

Notes:

(1) Includes £110,000 from Finance