

## Review of Rights and Advice Services

### Report by Mary Smith, Director, Education Communities and Economy

#### 1 Purpose of Report

To present the findings of an external review of welfare rights and advice services funded by Midlothian Council and make recommendations for a way forward.

#### 2 Background

**2.1** Midlothian Council funds significant advice activity in Midlothian. In the financial year 2016-17 this amounted to £614,000. The Council funds a model that is relatively common in Scotland, with a mixture of in-house and external provision. Details of services included within the review are set out in Appendix 1.

An external review undertaken over 2016/17 and reported in April 2017 by Alan Cunningham, retired Head of Welfare Rights services in West Lothian Council, identified that the Council receives variable income maximisation outputs from different providers. The conclusion was in essence that the rights and advice services in Midlothian have become fragmented with many different providers having emerged to fulfil expectations of different service areas of the Council with varying levels of performance being delivered and varying approaches to monitoring impacts. It is clear from this report that things need to change. The 'one stop shop' approach which streamlines delivery and integrates service practice across the Council is suggested as a means of addressing these current limitations. The review recommendations are set out more fully in Appendix 2 but are summarised here:

- Commission current providers of CAB delivered advice services funded by the Council to deliver through a single contract.
- Cease externally commissioning 'specialised' client group advice services.
- Improve internal referral and joint client centred mechanisms for agencies / staff working with specific service user groups to the Council Welfare Rights Team. ('One stop shop' model).
- Establish appropriate IT systems support to facilitate internal personal data transfer.

The external evaluation report confirmed financial gain to residents (based on 2015/16 full year figures)

Organisation	Council funding (£)	Client financial gain (£)	Gain per pound spend (£)
Welfare Rights	165K	2.55M	15.50
Dalkeith CAB	160K	970K	6.10
Penicuik CAB	166K	2.05M	12.30
Midlothian TAP	40K	178K	4.50
Salvation Army	40K	Not commenced at the time of review	Not commenced at the time of review

- 2.2** Since the review the internal welfare rights service in the 2017/18 financial year, the team ensured £3,408,151 of entitlements have been brought into individuals in the overall benefits system, now providing a return on Council investment of £20.47 per £1.00. The Council in-house team is an internal referral only service dealing with complex cases and particular client groups such as Cancer sufferers, people with mental health conditions, and people with disabilities.

At the point of review, the externalised Midlothian Temporary Accommodation Project returned approximately £4.75 per £1 spent to the client, although outcomes in reduction in rent arrears through income maximisation and personal budgeting support to occupants, reduced debt due, from £57K in 2011, to £35K in 2016. However, Universal Credit changes from April 2017 have reversed this trend and debt is now rising rapidly.

The two CABx, funded by the Council at combined cost of £272,212 returned approximately £10 per £1 spent. This is not a direct comparison with the Council's welfare rights team, as there are different roles ascribed to each service as agreed in annual Service Level Agreements with the CAB's and wider partnership working arrangements through the Midlothian Financial Inclusion Network (MFIN) a part of the Community Planning Partnership; CAB's are a walk -in universal access and wide ranging service beyond welfare benefits.

In addition to the above there are specifically targeted advice providers in areas of housing, fuel poverty, mental health, cancer support, etc. Some of these are part of Council in-house services, whilst others are commissioned from external providers. This includes a requirement to deliver 'advice' in a number of externally commissioned services in social care, and also housing. The external review could not quantify the income gains in these services as they were not required to record this information under their contracts, and in most cases 'advice' giving was included in general expectations of staff providing social care rather than having identified remits or financial targets to deliver .

Whilst each is effective in its own area of expertise, these arrangements have developed over time in an 'ad hoc' way. As the Council continues to face severe reductions in its overall budget, together with a number of legislative and external influences in the delivery of public services, the context within which these services are operating is currently experiencing a notable change and there is potential for significant improvements in efficiency and effectiveness.

### **2.3 Impact of Welfare Reform**

The continuing process of welfare reforms that national research indicates will take out £12.5 million of benefit income from most vulnerable people living in Midlothian this year. This includes the transfer of all Disability Living allowance claimants to the revised Personal Independence Payment system, with a UK Government stated target of reducing the cost of this area of the system by 20%. The full roll out of Universal Credit began in Midlothian in March 2017. The evidence from East Lothian Council, which began a year before Midlothian is that Council tax debt has doubled, Housing debt has more than doubled, and Foodbank use has rapidly increased. There is also concern that confusions are likely to arise for many clients as the new Scottish Social Security Agency comes into being in the next few years, creating a separate national system dealing with most disability benefits and with the power to amend aspects of Universal Credit in Scotland such as frequency of payment, and direct to landlord rent payment.

- 2.3 The primary aim of the advice and rights services funded by the Council is to reduce inequality by maximising income. This is the top strategic priority of the Single Midlothian Plan 2016-19. As the external review states

*“All the evidence tells us that the single most important factor that will reduce inequalities is increasing income for people who are most at risk of poverty. Maximising income through benefits take up is a targeted and low cost way of doing this”.*

For the working age population this needs to work alongside effective employability services especially for those facing barriers to recruitment, increased qualification levels, appropriate careers guidance and economic growth in the travel to work area. For those over or under working age, this requires housing, revenues, social work, and health partners' active support and early preventive referrals.

- 2.4 Midlothian Council's role goes beyond investing monies in the delivery of walk- in 'universal' advice services by third sector partners:

- **It is the administrator of benefits:** Council tax rebate, social welfare fund, free school meals and school clothing grants. This role may expand with the new Scottish Social Security System. The Council is dependent on revenue from benefits for rents, Council tax and service charges.
- **It requires income maximisation**, as this has the potential to reduce demand on Council services for the most vulnerable groups e.g. loss of income is key risk for family carers; targeted income maximisation supports family carers to continue caring for longer and reduces demand for Council services. Low parental income levels have a demonstrable, and well researched, effect on parental capacity to support their children's development and on child physical / mental health and wellbeing, leading to higher costs for children and families services, and affecting the attainment gap in learning, perpetuating inequalities through generations.
- **It will be legally required to reduce child poverty.** This is a new legislative requirement currently passing through Scottish Parliament which will specify the Council's duties in this regard. The Community Empowerment Act already specifies a duty to work to reduce inequality. The new duty to 'consider socio economic impact' arising from the revisions in Scotland to the Equality Act also specifies a whole Council duty to act to reduce inequality and to show that it has considered this impacts across all policy, strategy and planning decisions equivalent to the duties around other protected characteristics groups.
- **It has access to the most income deprived groups** (homeless, benefit dependant single parents, single elderly on only state pension, unemployed single young people) in our community. It also holds detailed information on their financial circumstances which is an important asset in work to maximise assets.
- **In its debt collection activities and wider charging policies it has the potential to exacerbate or mitigate the circumstances of people at risk of poverty.** This includes rent and Council tax levels, charging for access to learning for adults, childcare service costs (including afterschool care) , charging for access to physical activities that maintain health, and even as far as charges for bulky waste uplifts for low income households .

- **It currently has expert benefits advice and responsive services to support front line staff in their professional roles when dealing with service users** who are facing destitution etc. For example, internal referral of people facing transfer from DLA to PIP, and redefinition of level of ESA payments. The Council welfare rights team achieved £360,409.00 for disabled residents in 2016/17 by reinstating disputed payments through the appeals and tribunals system, 21% above the financial gain in 2015/16, based on 159 appeals. 56% of total appeals related to DLA-PIP transfer.
- **It currently has in-house expertise to inform and contribute to its response to the risks of welfare reform for the Council and local residents.**
- It holds personal data in housing, revenues, and social care and children and families databases which is presently used with client consent by the in-house service to maximise income. **External providers do not have access to this information, and with the new General Data Protection Regulation (GDPR) coming into force, sharing personal data with external providers, with informed consent will be a challenge.**

## 2.6 Key principles in Welfare Rights and Advice Provision

The Corporate Management Team having held discussions with the external reviewer, established a shared view of key principles to consider when deciding on future delivery arrangements of funding for rights and advice services:

1. **Income maximisation is primary focus;** investment should be prioritised in accordance with the capacity to generate income for most income deprived citizens.
2. **Equity** of access is key to those groups and individuals who are most at risk and hard to reach should be prioritised.
3. The Council recognises working in **partnership** with voluntary sector and community planning partners is critical.
4. We will build on the **considerable strengths** that we have already in the system. This includes the role of Midlothian Financial Inclusion Network (MFIN) in strengthening partnership working, poverty awareness training for professionals and volunteers, and supporting the capacity of the voluntary sector to access external funding.
5. We need a **whole system approach** that harnesses the contribution of people in many and varied roles to income maximisation. This includes awareness raising across all staff groups on the impact of poverty and the provision of basic support by professionals, volunteers and members of the public to ensure people at risk of poverty get the right support at the right time. We need to see specialist advice services as being the top layer of this pyramid.
6. We need **flexibility** in the model of service delivery. We will see significant changes over the next 2-3 years with the impact of the full implementation of Universal Credit, the transfer of disabled residents from DLA to PIP systems, and the introduction of the new Scottish Social Security System.

### 3 Report Implications

#### 3.1 Resource

The Budget options proposals included a proposal to reduce expenditure by £143,000 by closing the Council internal welfare rights service, with the exception of the post funded 50% (£20,000 including a management fee), by Macmillan Cancer Care which works specifically with cancer patients and their families. The budget options paper suggested an option of transferring the current responsibilities of the internal service to CABx. This option was rejected by elected members in February 2018.

Following a number of discussions with CAB Board chairs, MFIN members, between Heads of Service and with the Corporate Management Team, an alternative approach has been identified to improve coordination of services and achieve a level of saving.

This proposes the establishment of a single point of advice within the Council (a One Stop Shop) on the full range of welfare and related matters affecting Midlothian residents.

In order to be effective it will need commitment from all the relevant public sector and third sector partners to agree financial and operational arrangements for a comprehensive service to customers and to deliver savings. The expectation would be that the Council would co-ordinate this work, to include:

- Preparation of a brief and proposals.
- Engagement with all current scoped advice providers.
- Agreement on the role and funding of the Citizens' Advice Bureaux.
- Clarity on the involvement of the Integrated Joint Board as a primary partner.
- Identification of any 'overlaps' and priorities.
- Detailing of operational arrangements including premises, management and reporting structures, and overall governance.

Any financial savings are only likely to be made from 2019/20 onwards. The exact level of savings can only be established through the process outlined above.

#### 3.2 Risks

The external evaluation states the following overall risks:

*"At a time when budgets are being cut, there are significant new challenges facing people needing financial advice."*

- *The continuing process of welfare reforms that will take out £12.5M of benefit income from mostly vulnerable people in Midlothian this year.*
- *The roll out of full service Universal Credit in Midlothian in March 2017.*
- *The confusions that will arise as the new Scottish Social Security System comes into being in the next few years".*

#### 3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☒ Community safety
- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business transformation and Best Value

☐

None

of

the

above

### **3.4 Key Priorities within the Single Midlothian Plan**

The delivery of welfare rights services is a core component of the reducing inequalities outcomes set by the Single Midlothian Plan.

### **3.5 Impact on Performance and Outcomes**

The external independent review identifies ways in which greater impact can be achieved across current delivery arrangements.

### **3.6 Adopting a Preventative Approach**

Ensuring residents receive the correct entitlements reduces or prevents escalating demands on other aspects of public services, including homelessness, arrears and evictions, care services and ensuring charging income. Improving household financial circumstances affects stress and family breakdown, mental health and wellbeing, ability of carers to continue to deliver support and reduces the likelihood of financial harm and exploitation of vulnerable adults. Supporting cancer sufferers and their families prevents the most negative financial impact of loss of employment income, care costs or bereavement costs. Ultimately the economic impact of loss of household income affects the wider economy of Midlothian especially small scale retail providers.

### **3.7 Involving Communities and Other Stakeholders**

The external review includes all stakeholders in its process, the draft review report was amended following feedback from stakeholders to add information and correct any factual inaccuracies identified. The Budget proposals were the subject of a separate engagement process.

### **3.8 Ensuring Equalities**

An impact assessment has been completed and is attached.

### **3.9 Supporting Sustainable Development**

An impact assessment has been completed and is attached.

### **3.10 IT Issues**

Internal databases holding personal information relevant to ensuring the early identification of residents in need of assistance, share relevant information to enable targeting of interventions and avoid repeated questioning of service users exist but data is held in a variety of different systems. With informed consent from service users, and ensuring compliance with regulations, steps are required to improve data sharing internally within the Council.

## **4 Summary**

The four review recommendations are to:

- **Commission current providers of CAB delivered advice services funded by the Council to deliver through a single contract.**
- **Cease externally commissioning 'specialised client group advice services.**
- **Improve internal referral and joint client centred mechanisms for agencies / staff working with specific service user groups to the Council Welfare Rights Team ('One stop shop' model).**
- **Establish appropriate IT systems support to facilitate internal personal data transfer.**

## 5 Recommendations

Given the position set out above, Council is recommended to:

- Note the recommendations of the external evaluation report.
- Agree relevant Council staff work together with procurement staff to establish an agreed contract specification to re-commission existing CAB delivered grant aided services as a single service. Commencing April 2019 when the extension to current grant aid comes to an end.
- Cease externally commissioning 'specialised client group advice services', as standalone services or elements of wider external services that include "advice", as each such contract comes up for renewal , noting that housing and revenues elements have already been included in the wider budget proposals as savings.
- Create a "one stop shop" including staff working with specific service user groups and the Council Welfare Rights Team. In doing so transfer sufficient resources from the commissioning budgets to support the service while achieving the £140,000 saving target set out in the budget options paper.
- Establish appropriate IT systems support to facilitate internal personal data transfer between Mosaic (the current welfare rights system is embedded in this social work database to assist referrals) and equivalent data bases across Council. This will require data transfer arrangements compliant with GDPR.

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### **Background Papers:**

Summary of Provision - Appendix 1

External Evaluation Report Extracts - Appendix 2

Review Recommendations, Summary and Progress - Appendix 3

Outline of One Stop Shop Proposal - Appendix 4

# APPENDIX 1 - SUMMARY OF PROVISION

The table below sets out the resources allocated by the Council to advice services at the time of the review:

Function	2018/19 Budget	Description
Corporate resources -Changeworks contract	£25,000	External contract to deliver energy advice, this work also funded by Scottish Government.
Housing -Places for people contract	£40,000	External contract to provide tenancy support service includes advice.
Housing- Salvation Army Contract	£40,000	External contract to provide support to homeless unit residents in Penicuik
VOCAL -IJB contract	£12,000	External contract from NHS /IJB to provide advice to carers – work allocated to CAB's by VOCAL.
Housing and arrears internal posts	£58,704.0	Internal Arrears recovery staff
AHC additional funding to provide advice in the Orchard Centre	£6342	External contract to provide advice to Orchard Centre mental health service users- contract awarded to Dalkeith CAB
AHC additional funding to Dalkeith CAB 'Menshare' project	£2533	External contract awarded to Dalkeith CAB to provide advice to Menshare service
TCAT post mainstreamed by AHC	£35,000	Advice for people who have survived cancer-temporary project funded by Macmillan Cancer Care, post now mainstreamed into AHC staff team
Council Welfare Rights Team	£169,778.38	Referral based system supporting council service users of adult health and care, children's services, LLE, Housing and Revenues.
Citizens Advice Bureau	£272,212.00revenue grant and rent costs	CAB offer income maximisation, money advice and housing advice as well as a range of other services such as employment, legal, relationship advice.
<b>Total</b>	<b>£661,569.00</b>	



## APPENDIX 2 - SUMMARY OF SERVICE REVIEW RECOMMENDATIONS

### Review Process

An external review was undertaken by the retired former manager of West Lothian Council Rights and Advice Services, who had previously undertaken similar work for East Lothian and Angus Councils. The full review is available. A definition of 'advice' designed to alleviate poverty has been created by Scottish Government and is stated in the report as follows:

**(1) "Debt and money advice**

*Debt is a significant social problem that is strongly linked to poverty and low income. Following a long period of economic growth, fuelled by increased consumer spending and borrowing, the 'credit crunch' was quickly followed by a recession in 2008. The backdrop to this recession is one of unprecedented levels of personal debt, including a rising level of mortgage arrears. Debt can significantly impact on the health and wellbeing of people in poverty, so access to debt and money advice is an important element in supporting families to maximise their income.*

**(2) Income maximisation through benefit entitlement**

*The Scottish Government Child Poverty Strategy states that 'a family income significantly influences the opportunities that children have to thrive'. Individuals need support to ensure that they are receiving the benefit that they are entitled to and to make the most of the resources that they have available to them. Offering advice on income maximisation fulfils this requirement.*

**(3) Tackling financial exclusion and increase financial capability and resilience**

*Without access to the appropriate financial services and products many people will struggle to effectively manage their money and deal with unexpected financial pressures. Having the skills and confidence to manage finances and to deal with banks and other financial services e.g. insurance companies is also important. Financial capability can be an early intervention approach to tackling poverty. The Midlothian Financial Inclusion Network is the focus for this work in Midlothian. As a landlord, Midlothian Council needs to work with tenants to support them to be more financially capable and resilient e.g. by supporting people to develop budgeting skills and to understand financial products. Housing Services funds the financial inclusion team of Castle Rock/ Edinvar to deliver the Midlothian Tenants Advice Project to work with those tenants identified as at risk of homelessness. Midlothian Council has the best tenancy sustainment levels in its landlord peer group in both temporary and mainstream housing at near 100%.*

**(4) The negative effects of welfare reform.**

*The financial loss to people in Midlothian, and to the Midlothian economy, as a result of welfare reform changes has been estimated to be £12.5 million each year from 2015. (Research: People, Councils, the Economy; the Scottish Local Government Forum against Poverty and Rights Advice Scotland, 2013). Midlothian Council has an ongoing welfare reform group dealing with the issues arising from the reforms. There has been major impact on vulnerable people after Universal Credit was introduced as a full service from March 2017. Advice issues are likely to be extremely challenging for claimants and advice agencies. Experience in East Lothian, where the benefit went live in 2016 suggests real pressure on agencies.*

**(5) Digital Exclusion**

Large sections of the community are unable to access digital technology in the privacy of their homes because they cannot afford the cost of a computer or maintaining internet access, they lack the skills and confidence to use IT, they have low digital literacy or they don't have the motivation to understand the benefits that using IT can bring (termed 'digitally dismissive'). The correlation between poverty and digital exclusion is significant. People in poverty in Midlothian will continue to need help to manage financially online. Again, being 'internet savvy' provides many opportunities to save money and therefore increase disposable income. It is important that advice agencies and their customers are aware of the help and support available, and people at risk of poverty are positively referred for digital support. The Council contracted externally to deliver the Personal Budgeting Support Service implemented for Universal Credit, and has increased capacity for digital access at all libraries and the mentoring training to library staff to assist claimants.

The level of service provided by advice services is categorised by the Scottish National standards for advice and information providers. These standards define the type of help given to customers:

- Type I - Active Information, Sign-posting and Explanation
- Type II – Casework
- Type III -Advocacy, Representation and Mediation at Tribunal or Court.

Services can be accredited by the Scottish Government to deliver the different levels. There is a range of levels of provision in Midlothian; however Melville Housing is the only local organisation at present accredited. Other agencies, working through MFIN, are working towards accreditation”.

It was also suggested by the external evaluation that the targeting of resources by Council funded external advice services does not match this pattern of need sufficiently closely. The evaluation explains resource use and impact as follows:

“The Council service is not available to the public directly, this general advice service being provided by the two CABx. Referrals are taken from other agencies, such as CABx (for complex cases going to tribunal/ appeal), but mainly from other Council services. In 2015-16, 670 clients were helped by the Council internal service. The Council service is the main provider of representation at Social Security Courts for claimants who have been taken off benefits or been refused them. Staff undertook 191 appeals in 2015-16, increasing claimants' income by £298,000 as a direct result.

**The work with tenants of St Joseph's service**

The programme of welfare reforms has had significant impacts on the benefits entitlement of individuals such as those supported through St Josephs. Service commissioned by Adult Health and Care. Approximately 90 people have had their benefits affected and many have lost money. Of the 13 where work has been completed, only two had the correct entitlement to benefit. The other 11 have so far shared extra benefit of £79,000. (This inaccuracy rate affects the Council as in some cases we are the guardian of these adults' financial affairs, and in all cases the ability of service users to pay care charges is affected by their benefit entitlement).

**The work done with people whose lives are affected by cancer**

The Council is in partnership with Macmillan Cancer Support, jointly funding one member of staff who helps people affected by cancer to maximise their income. In 2015-16 people affected by cancer were assisted to increase their incomes by £1.4M per year. (This affects the ability of families affected by cancer to pay Council rent, Council tax, Council care charges and in some cases funeral expenses).

***The work done with adults with mental health issues, potentially affected by the welfare reform programme***

*This programme has been running since 2013, initially funded through the Lottery. Because of its success, the Council continues to fund the work after lottery funding stopped in 2015. The post was embedded within the Joint Mental Health Team (JMHT) and the officer works alongside the health professionals and social workers and has developed a seamless referral system which assists this vulnerable group to access benefit entitlement which they would not be able to do due to their mental health problems. This post has provided income maximisation of benefit income of £351K in the financial year 2015/16.*

*Clients report that their money, debt and welfare issues have improved and practitioners see that their patients are more resilient to the effects of welfare reform”*

***“Independent Services Providing Advice:***

***Dalkeith CAB***

*Dalkeith CAB offers income maximisation, money advice and housing advice as well as a range of other services such as employment, legal, relationship advice. Debt, benefits and housing, key elements in anti-poverty activity, account for about 80% of enquiries.*

*In 2016 – 17 Dalkeith CAB was receiving £151,315 in grant funding from Midlothian Council. This reduced to £121,690 in 2017-18. Approximately 75% of costs are staff costs. The CAB is also given £6342 pa from Midlothian Council to provide a valued service in The Orchard Centre, and £2,533 pa for its work with the Menshare project. The bureau considers it has good links with key services in Midlothian Council. Dalkeith CAB employs 4.3 FTE staff at January 2017. The initial face to face generalist service is provided almost exclusively by volunteers. (16 volunteers, giving the equivalent of 2.7FTE staff).*

*Dalkeith bureau in 2015/16:*

- Dealt with 4028 customer enquiries. The vast majority of enquiries were dealt with face to face (73%). 18% of enquiries were by telephone, low compared to the Scottish CAB average of 30%. 38% of the issues raised related to benefits and 35% to debt.*
- Utilised 24 volunteers, working on average 7 hours per week each, with a staff value of £101K if the volunteers were paid.*
- Worked with over 2,000 people.*
- Helped these people increase their incomes by £1.35M (£980K through benefits and £370K because of reducing debt repayments).*
- Dealt with new debt totalling £540K on behalf of 44 clients.*

***Penicuik CAB***

*In 2016-17 Penicuik CAB received £153,539 in grant funding from Midlothian Council. This reduced to £121,690 in 2017 – 18. Approximately 75% of costs are staff costs. The CAB is also given £12,542 to provide advice to carers in Midlothian. Funding for this comes from NHS Lothian. This work shows a financial gain of £49 per £ spent, showing the exceptional results that can be achieved when working with targeted groups. According to Voice of Carers Across Lothian (VOCAL), carers and those they care for are among the groups least likely to be claiming their correct level of benefit*

*In 2015 – 16 Penicuik bureau:*

- *Dealt with 6,072 client enquiries. 31% of the issues raised related to benefits and 42% to debt.*
- *Utilised 17 volunteers, working the equivalent hours of 3FTE staff.*
- *Worked with over 1,800 people.*
- *Helped these people increase their incomes by £2.65M (£2.05M through benefits and £600K because of reducing debt repayments).*
- *Dealt with new debt totalling £1.42M on behalf of 72 clients.*
- *Penicuik CAB provides a representation service for clients. In 2015-16 representatives from the bureau helped 63 clients achieve benefit gains of £187K.*
- *The CAB was very successful in attracting £85,943 in external funding.*
- *In 2015/16 the bureau employed 5.75 FTE paid staff, 3.0FTE from Midlothian Council funding.*

*Figures from Citizens Advice Scotland show that, for 2015 – 16:*

- *39% of enquiries related to debt, 34% to benefits and tax credits, 8% to employment and 4% to housing.*

***Changeworks:***

*Changeworks provides detailed statistical quarterly reports to Midlothian Council on the Warm and Well project. In 2015 – 16, Changeworks worked with 125 clients and helped them make significant energy savings (£31.5K, including £1K through installing/ fitting various measures. However, savings through efficiencies and measures installed will repeat for the life of each measure, e.g. a new Gas Central Heating system lifetime equates to 15 years of savings. The figures above only include one year of savings from measure, although a further 14 years will be possible. Carbon emissions are reduced by 9,868kg.*

***Midlothian Temporary Accommodation Project (MTAP)***

*This service is provided by Castle Rock/Edinvar Housing Association's Financial Inclusion Service as part of a commissioned service by the council's housing service. The council pays £40,000 pa for advice to those council tenants deemed to be at risk of homelessness. MTAP estimates that this is just under 1000 tenancies, out of a total housing stock of 6,800. This includes people in the various supported accommodations managed by Places for People on behalf of the council. Given the average income gain per customer achieved by the advisers for customers, this seems to be a quality service. However, numbers assisted, and so the total financial gain is small, with only 44 clients in the five months between December 2015 and May 2016. Based on these figures, annual financial gain will be approximately £178,000 pa. Outcomes were evidenced in a reduction in rent arrears through income maximisation and personal budgeting support to occupants".*

*The review also comments on the wider non-Council funded services identifying their resources and roles.*

***The review recommendations (published in April 2017) are set out below:***

***"For the Council's internal services***

*The Council needs to review all the services it commissions that include financial advice, quantify what it spends on these services, decide the level of financial outputs it gets and fund accordingly. The Council should then consider whether the service can be delivered in house for less cost/ higher outputs. Funding to VOCAL (NHS funding) should be evaluated in the same way.*

*The Council should review the work of its welfare rights service and agree what other Council services will most benefit from income maximisation input, both for vulnerable clients and for the Council itself and its finances. This needs to include clients of revenues, housing and home care charged services. At present there is*

*little income maximisation for most Council tenants, for clients of revenues and for people being assessed for home care. It also should include a cost benefit analysis of the welfare rights service's representation role.*

*There is much good practice in these areas among other Scottish Councils that can easily be adapted to suit Midlothian, including providing advice to Council and other staff by telephone through an 'Advice Line'. At a time of severe financial pressures, the Council needs to consider the 'spend to save' potential of income maximisation. When the review is completed the internal service should aim to deliver £25 per £1 pound spent, up from its present level of £15.50.*

*There are resource implications for the welfare rights service in taking on extra work, here the Council should note the practice in Angus, and in other Councils, where welfare rights teams are funded internally from user services, e.g. housing services.*

### **For external services funded by the Council**

*Midlothian Council benefits from some financial advice services at no cost. While this is desirable financially in many ways, the Council needs to find ways to 'quality assure' these services where Council clients are referred onto, e.g. with Christians against Poverty.*

*External provision of income maximisation and money advice services, at present mainly provided by the two CABx through grant funding, should be tendered. The tender should be based on an output/ outcome specification. This specification should give detailed, challenging targets based on the financial input. The specification should set out recommended payments for money advice, generalist and income maximisation services. It includes a measure to improve geographical advice coverage in Midlothian, which at present is very poor.*

*Midlothian Financial Inclusion Network (MFIN) should retain its funding. The role it plays in coordinating and improving advice services is unique in Scotland. The Council should work with MFIN to agree a better focus in its Council funded work"*

*It highlights the following areas of risk around use of resources by the Council from which the "One stop shop" concept has been derived:*

***"There should be an internal review of what the WR team does in partnership with other parts of the Council, and where the opportunities are to maximise income for clients, and for the Council.***

***This should include:***

***The Revenues service.*** *Revenues deals directly with many of the people most at risk of poverty in Midlothian, through claims for Housing Benefit, the Scottish Welfare Fund, Discretionary Housing Payments etc. The service is also in contact with people affected by the Benefits Cap. At present, there seems to be no coordinated partnership working between the services.*

***The Housing service.*** *Housing buys in income maximisation services from external providers through its commissioning process. At present these services cover only tenants deemed at risk of homelessness. There is no systematic take up among the rest of the tenant population (approx. 6,000 tenancies). Revenues & Housing staffs work together in the same building and jointly discuss common cases, and there are mandatory pre- court requirements for recovery cases that require cross service intervention and support to be demonstrated. The Contact Centre has a formal referral process through Scottish Welfare Fund applicants making a claim, where the Contact Centre as the access gateway to services check for active case engagement to alert those services of potential intervention required to a household.*

*Note: Take up work in West Lothian among council tenants brings in extra income of about £6M a year for tenants. West Lothian Council has about 13,500 tenancies. Income maximisation work with the 2,000 tenants of Melville Housing bring in more than £500K in extra income for tenants and helps keep rent arrears to 3.2%.*

**Health and Social Care.** *People being assessed for home care services by the Council are among the most vulnerable people the council will deal with. Many are elderly and not receiving the means tested and disability benefits they are entitled to. There is a great opportunity to maximise income among this group. There is also potential to increase income to the Council.*

*Note: In the period 2010 – 2015, income maximisation workers in North Lanarkshire Council helped this group gain £19.88M. The council increased its own income from this by £4.82M (24%). (North Lanarkshire Council presentation to COSLA on Charging for Non Residential Services in December 2015) Note In 2015 – 16 Angus Council helped clients of charged for services gain £1.8M extra income.*

**Employability services.** *The value of good financial advice to people considering opportunities to enter training or work is well documented. A standard process for supporting people in transition through training to employment to avoid benefit issues should be established.*

**Children and Families services** *do not appear to make a practice of referrals to the Council welfare rights services. There are opportunities here to work more closely on topics such as “healthy start vouchers”, and to develop links with frontline contracted services such as Surestart, internally managed family learning centre staff, early year’s practitioners, out of school care providers’ schools and children’s services social workers.*

**Drug and Alcohol services (MELDAP)** *do not appear to make a practice of referrals to the Council welfare rights service, and should consider this as part of their recovery model.*

**The Welfare Rights service** *could improve the service they offer other Council staff by operating a telephone advice line for staff and for staff from partner agencies at certain specified times in the week”.*

For external services funded by the Council the following risk areas are identified:

*“Given the current and future uncertainties about all sources of funding, it is vital that the Council quickly decides what outcomes it wants, and engages with providers such as the CABx as they redesign their services. This is especially important regarding the outreach sessions provided. There is no appetite at present from the two CABx to become one Midlothian wide CAB, and any attempts to engineer this, or to interfere in the internal operations will, in my view, likely to be unsuccessful and counterproductive. However, it is legitimate for the Council as funder to request that they and other potentially funded organisations work together to deliver an area wide, geographically fair, service.*

*From April 2018 funding for the delivery of income maximisation and money advice services through grant funded services should be subject to satisfying an output/ outcome specification. To enable this more detailed specification, funding should be delivered through a contracting arrangement rather than a grant. The contract specification contains provision for the development of a voluntary sector telephone advice service available to the general public. This is vital to redress the balance in geographical coverage by drop in services, particularly given the Midlothian Community Planning Partnership’s aim of concentrating activity in key areas of deprivation.*

*This specification should be agreed and developed between Midlothian Council and members of MFIN. The two local CABx should be invited to jointly apply for the funding allocated to deliver the specified elements of advice. The agencies successful in being funded to provide advice should be funded for three years, beginning in April 2018, provided that annual performance meets the defined outcomes.*

*The implementation of the service being provided by the Salvation Army, commissioned through housing services, (offering site specific provision at Pentland House and Polton Centre (Midfield House) ).The commission for this service, should be expanded to include relevant, challenging targets and performance indicators relating to financial outcomes and outputs. The welfare rights service should be involved in defining this.*

*Other commissioned services for the Council, including previous successful bids, should be scrutinised to determine if there are elements of advice in the service to be provided. If so, costs for this need to be quantified, and appropriate financial indicators/outcomes included.*

*The funding given to Penicuik CAB by the NHS (the Council's partner in the Integration Joint Board), and to Changeworks by Resources Directorate should be reviewed. The Council should aim to develop outcome based specifications for the services they provide. These services should also be commissioned. Preferably they should be included in the overall outcome based specification.*

*Services deliver advice with reference to Scottish National Standards levels, and it is likely that funders, including the Scottish Government, will require services to be accredited at the levels they claim to advise to. At present organisations in Midlothian are not accredited. All organisations, working through MFIN, should strive to become accredited to Level 2 in income maximisation and to Level 3 in money advice.*

*Service providers need to measure, monitor, report on and use for improvement agreed, consistent outcome indicators, measuring their performance by these."*

### APPENDIX 3 - REVIEW RECOMMENDATIONS SUMMARY AND PROGRESS

Review Recommendation	Progress so far	Recommended next steps
<p><b>Review all the services currently commissioned by the Council that include financial advice, quantify what is spent on these services, clarify the level of financial outputs it gets and fund accordingly.</b></p>	<p>Some progress has been made in clarifying statements about 'providing advice' in adult health and care contracts , in that these are general expectations that care providers should assist clients to get good advice on financial issues , rather than detailed contractual expectations with targets for income to be gained per client.</p>	<p>Revise commissioning documents to make clear the expectation on care providers that clients will be referred to the Council 'one stop shop' service to ensure income maximisation, with a reporting requirement to demonstrate that this is taking place, and what the income gains have been.</p>
<p><b>Consider whether these services can be delivered in house for less cost/ higher outputs. Funding to VOCAL should be evaluated in the same way.</b></p>	<p>The 'In house' service has demonstrated that it can support commissioned services to re assess client entitlements and correct errors by the St Joseph's pilot piece of work.</p>	<p>Contract values for commissioned services should be adjusted going forward as contracts are renegotiated to allow for enhancement of in house service capacity to deliver further support across this sector.</p>
<p><b>Agree what other council services will most benefit from income maximisation input. Increasing income maximisation for council tenants, for clients of revenues and for people being assessed for home care</b></p>	<p>Agree a work programme focussed on use of data systems to target advice to clients.</p>	<p>Work to achieve linkage of Mosaic and Revenues client record systems to flag early warnings of financial distress.</p>
<p><b>Undertake a cost benefit analysis of the welfare rights service's representation role.</b></p>	<p>A review of proportion of time spent on representation and level of income gained has been completed. Work with tribunal service to schedule more efficiently has been undertaken.</p> <p>Boundaries on 'unwinnable cases' have been reviewed to improve efficiency, reducing the proportion of time spent by team members on tribunals .</p> <p>The value gained is now recorded and reported regularly.</p> <p>2017/18 April-July, £1,051,431.52 has been gained for 356 people, an increase of 26 referrals over the same</p>	<p>Completed</p>



	period the preceding year £126,588.00 of this was gained through appeals.	
<b>Provide advice to Council and other staff by telephone through an 'Advice Line'.</b>	Welfare Rights team advice line number created, staff team allocated to work part of week in children and families to improve access to colleagues in this service	Established, but with "one stop shop" can be taken further to a multidisciplinary co-located service user centred point of access.
<b>Consider the 'spend to save' potential of income maximisation.</b>	Further data analysis is needed, and this is a further recommended switch placement task for staff formerly employed in the performance section.	Service managers and data system managers support is needed to progress this.
<b>Deliver £25 per £1 pound spent on the internal service, up from its present level of £15.50.</b>	Last figures gathered showed £17.70 achieved per £1 of Council spend (Q2 2017). Given outstanding data to be entered from current caseloads, further progress is expected in the rest of this year	New target to be set.
<b>Council should note the practice in Angus, and in other councils, where welfare rights teams are funded internally from user services, e.g. housing services</b>	No action as yet taken	Requires a Council decision to proceed
<b>External provision of income maximisation and money advice services, at present mainly provided by the two CABx through grant funding, should be tendered. The tender should be based on an output/ outcome specification</b>	Tendering documents await Councillor decision before final preparation.	Requires Council decision to proceed
<b>The specification should set out recommended payments for money advice, generalist &amp; income maximisation services.</b>	In preparation as part of drafting tendering documents.	Requires Council decision to proceed
<b>It should include a measure to improve geographical advice coverage in Midlothian.</b>	In preparation as part of tendering documents.	Requires Council decision to proceed
<b>Midlothian Financial Inclusion Network (MFIN) should retain its funding. The role it plays in coordinating and improving advice services is unique in Scotland. The Council should work with MFIN to agree a better focus in its Council funded work</b>	Discussions are ongoing within MFIN	National standards for advice agencies are being updated by Scottish Legal Aid Board, and MFIN may have a role in developing a Midlothian approach to this.

## APPENDIX 4 - OUTLINE OF ONE STOP SHOP PROPOSAL

### **'One stop shop' Proposal**

With the introduction of universal credit, rent arrears in the council have risen. The Housing Revenue Account Financial Model has been updated to reflect the anticipated increase in rent arrears of £1.5 million per annum, evidence from East Lothian suggests that this may be an underestimate.

Concurrently with universal credit roll out , all residents receiving Disability Living Allowance are being transferred to Personal Independence Payments , and a new Scottish Social Security Agency is being created that will in future work alongside DWP and manage disability benefits in Scotland and a range of other specialist benefits , such as funeral costs , baby boxes and Healthy start vouchers .

Research evidence confirms that lack of income and debt impacts negatively on affected individuals and families capacity to support their child's learning or take up their own learning or employment, with clear evidence of adverse mental and physical health issues due to stress, depression, anxiety, poor diet or worry about heating the home or maintaining a tenancy affected by lack of income.

Evidence is also clear that many service users don't fully understand the child care options available to them or the changes taking place under welfare reform; increased proportions of benefit claimants are being sanctioned for failing to meet new expectations and changing regulations; reassessment through complex systems has seen a reduction in people deemed eligible for benefits associated with disability, with evidence showing that around 40% of these assessments have been incorrect and are revised at appeal.

This proposal is to create a Council "one stop shop" advice service. A multi-disciplinary team available to service users, able (with consent) to share information held by the Council across its client databases to really get an understanding of all the factors affecting the service user and to share the delivery of solutions. This will offer individuals and families support to get the most appropriate income maximisation , employability, health, arrears, homelessness , child care services thereby reducing the impact on other parts of the Council .

A new venue within Council front facing premises will be required to allow for co-location of the staff involved from across children services, housing, revenues ( arrears ) , early years , LLE, Welfare rights , Adult Care NHS wellbeing staff on a rotating basis . The aim is a joined-up client facing single service contact point backed by multidisciplinary working supported across the Council and IJB at a managerial level and by better use of data systems to spot and refer early , reducing crisis interventions and including support and training to identify financial issues in front line practices.

A core staff team will be complemented by other post-holders operating from this venue on a part time basis from partnering services. The aim is to reduce onward referral of service users from on part of the Council to another, and enable staff to work with better shared understanding around each service users' needs. The core idea of the "team around the service user" is similar to NHS/ Children Services / Education "team around the child "which has proven very successful.

The proposal brings together all Council expenditure on advice by ceasing other external contracting except the core funding of CABs 'universal walk in advice services' , which it is proposed concurrently be commissioned as a single service.