



Leicester
City Council

***Response to the
Leicester Advice Sector:
A report outlining the risk and
demands in the city***

Decision to be taken by: Neighbourhood Scrutiny &
Community Involvement Commission

Decision to be taken on: 6 July 2016

Lead director: Alison Greenhill

Useful information

- Ward(s) affected: All
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- Report version number: FINAL

1. Purpose of report

1.1 On 7 January 2016, the Neighbourhood Services & Community Involvement Scrutiny Committee received a report independently prepared by the Social Welfare Advice Partnership (SWAP) enclosed in Appendix A, providing information on the advice sector and risks that could adversely impact advice provisions the city. Members are asked for a response from the Authority to the report to be presented.

1.2 The purpose of this report is to provide the response to the risks and issues highlighted in the SWAP report. This report is for information purposes only.

2. Background

2.1 The SWAP report has been written by the advice sector in the City to the Executive Lead Member responsible for Advice and Welfare Reform at Leicester City Council. The advice sector in the city has worked collaboratively since 2010 as the Social Welfare Advice Partnership (SWAP). SWAP meets on a monthly basis to discuss and debate new welfare reform impacts, advice issues in the city and monitors and shares data .

2.2 The first report to the Assistant City Mayor by SWAP is welcomed, and its value appreciated by the Local Authority as an essential liaison between third sector voluntary advice organisations, local and central government frontline services. The principles of the partnership are concurred with and supported. The Local Authority appreciates the opportunity to respond to the report.

3. Response to the report outlining the risks and demands faced in the City January 2016

Here we outline our response to the report.

3.1 Report from Welfare Rights Services

The Welfare Rights Service highlights a number of ongoing and anticipated issues. In Appendix B, displayed in graphical form, we outline these anticipated impacts for Leicester.

3.2 Employment & Support Allowance (ESA) reassessment.

Welfare Rights explained the contractual situation regarding ESA reassessments, and raised the possibility that up to 16,000 claimants could face reassessment.

3.3 This Welfare Benefit is administered by the Department for Work and Pensions (DWP) and the Local Authority is unable to influence the policy or roll out programme. Statistics appear to demonstrate that 27.6% (4,300 claimants) are currently due for reassessment in the next 12 months. Nationally, 30% of ESA claimants are no longer entitled following their Work Capability Assessment (WCA). The data is not available at a local level for Leicester City.

3.4 Disability Living Allowance (DLA) transition to Personal Independence Payments (PIP). Approximately 3% of current DLA claimants in Leicester are due to be reassessed in the next 12 months due to their DLA award ending, however, those making a new claim or experiencing a change in circumstance will also move onto PIP as a result. In July 2015, Leicester's long-term working-age claimants were contacted to reapply. Nationally, 26% of DLA claimants reassessed for PIP are no longer entitled, and award values are on average 20% lower than DLA. The data is not available at a local level for Leicester City.

3.5 PIP is administered by the Department for Work and Pensions (DWP) and the authority is unable to influence the policy or roll out programme. PIP and ESA reassessment has generated a significant number of appeals against the DWP's decisions, usually where the award has been refused. PIP and ESA appeals nationally account for 39% of all social security benefit tribunals. Of this 39%, 61% are overturned. The Local Authority's Welfare Rights Service, SHARP, CALS, MacMillan Advice Service (for cancer patients) and Citizens Advice LeicesterShire support claimants to challenge these decisions.

3.6 Further limitations on European Economic Area (EEA) national JSA claimants. February 2015 saw further limitations to the eligibility criteria for EEA nationals in receipt of Jobseekers Allowance (JSA). JSA claimants were subject to Genuine Prospect of Work (GPOW) tests. There are no regional or national statistics available yet on the 'Genuine Prospect of Work' enforcement or the appeal outcomes.

3.7 JSA is administered by the Department for Work and Pensions (DWP) and the authority is unable to influence the policy or roll out programme. It should be noted the impact of this eligibility review programme will impact this city proportionately greater than other city's of a similar size. This is because of the multi-cultural mix of the community.

3.8 The advice sector did anticipate a risk to the advice provision, in particular the ability of the sector to cope with the potential increase in demand for appeals and reconsiderations support. However, this has not been realised as a significant issue and can be demonstrated through the monitoring undertaken by the partnership. Both appeals and reconsiderations of adverse Persons from Abroad (PFA) assessments have resulted in applications for Crisis support through discretionary funding. The Community Support Grant policy and legislation does not permit applications to be supported because this client group are unable to access public funds. Emergency food outlets across the city have seen an increase demand from PFA in particular single males. SWAP is continuing to monitor appeals and reconsiderations demand in the city.

3.9 Sanctions and Appeals. The SWAP response in relation to sanctions and appeals monitoring are noted. They are commended for this activity.

3.10 The Department for Work and Pensions (DWP) apply this policy to job seekers in accordance with the welfare benefit legislation and the Local Authority is unable to influence the policy. Here we have provided the broader picture of sanctions applied across Leicester which demonstrates a continuing downward trend in the number of sanctions applied to job seekers:

- JSA (Income Based) (IB) caseload has shrunk by 36% over the last available 12 months to 5,070. Nationally, the caseload has reduced by 27% over the same period. This recorded fall in unemployment is likely to be as a result of the continuing economic recovery and corresponding job creation – although claimants who fail to comply and engage with the conditionality regime would also no longer be part of the caseload; JSA (IB) sanction rates have reduced at a higher rate than the reduction in caseload - from 5% affected per month in Q2 2014/15 to 3% per month in Q1 2015/16;
- ESA (Income Related) (IR) caseload increased by 7.6% over the last available 12 months data to 15,710; which is likely to be a result of changes to the Work Capability Assessment.
- ESA (IR) sanction rates have remained stable at approximately 2.4%;
- Overall, sanction cases in Leicester per month have halved over the last 12 months of available data.

3.11 The safety net for customers undergoing re-assessment or facing sanctions of their benefits is widening. Our response to the above has been:

- Changes were made to Community Support Grant policy in 2014 to widen the eligibility criteria to include households facing sanction.
- Citizens Advice LeicesterShire (CA) offered and provided training to the Food Banks to identify household who would benefit from additional advice and financial support. A sample test for drop-in support identified 18 referrals for further advice and support in the test period, and the CA Research Team are

continuing to look into this locally. This activity is known as problem noticing.

3.12 Following the House of Commons Work and Pensions Committee report 'The Welfare Safety Net', we welcome the call for a cross-departmental evaluation of the adequacy and effectiveness of the welfare safety net in preventing severe hardship and destitution. Its scope will include remaining DWP Social Fund and Hardship Payments, and Advance Payments in Universal Credit; Council Tax Reduction Schemes, Discretionary Housing Payments and Local Welfare Assistance Schemes. It will also take into account the further national welfare reforms announced in the Summer 2015 budget. An interim evaluation report is expected to be published before the end of 2016 and a further evaluation report be published before the end of the current Parliament. This report should propose an effective evaluation strategy for the longer term.

The full report is available here: <http://www.parliament.uk/documents/commons-committees/work-and-pensions/373.pdf>

3.13 Report from Advice Leicester. The Information provided in the SWAP report was a summary of the position and no issues arising require a response.

3.14 Report from Ethical Trading Initiative. The problem of exploited labour is not just illegal low wages. It is associated with workplace health and safety breaches and management bullying particularly affecting female workers. The ETI project and TUC jointly funded and produced a booklet on worker's rights available in 17 languages called 'working in the UK'. The resource applies to workers across the UK. Those versions translated into Urdu, Punjabi, Bengali and Gujarati provided by the Council's Community Languages Services also have information on Leicester specific resources and support where workers can go for help. This includes links to the City Council, CA, ACAS and others. Leicester City Council is supporting the initiative at a strategic level.

3.15 Universal Credit (UC) issues and mitigation. Building on the valuable findings established by SWAP as outlined above, the council's Revenues & Customer Support Service are working in partnership with the DWP and third sector organisations to mitigate the barriers identified above in developing our Universal Support offer in the following areas:

3.16 Access to the Internet

- Expanded computer and wireless access available at the Customer Service Centre, Libraries and JobCentre Plus across the city, mapped and promoted on LCC website at www.leicester.gov.uk/universalcredit;
- Development of user-friendly kiosk digital offer rolled out across outreach hub locations across the city, starting with Pork Pie Library;
- Launch in March of the Council's free public wi-fi initiative across the city centre, from Abbey Park and the Clock Tower to the University of Leicester and the Royal Infirmary – improving access and resolving issues with poor coverage or limitations from mobile data allowance;

- Mapping of digital assistance sites through the third sector promoted through the DWP in partnership with SWAP at www.ukonlinecentres.com

3.17 Client Capacity (literacy/language/IT skills). Local Research conducted by the Transformation Team shows approximately 70% of claimants have access to the internet through various sources including smart phones, library PCs, internet cafes etc. and are able to make an application online. Of the remaining 30% these will require access to IT equipment, internet and assistance to make a claim.

- Referral system established operating from Customer Service Centres, Customer Service webpage and www.leicester.gov.uk/universalcredit enabling customers or support workers to attend a form completion appointment at their nearest library, followed by IT skills workshops on an intensive one-on-one or group basis, and additional qualifications available through referrals to Adult Education;
- Online supported access available through triage floorwalkers at both CSC and Libraries, enabling guided assistance with accessing the UC claim website, what evidence is required to complete a claim, and UKONLINE modules explaining UC and the claim process;
- In exceptional circumstances for customers who remain unable despite our assistance to carry out this activity themselves for example those with severe literacy/language/disability issues, referrals can be made to Citizens Advice LeicesterShire for help completing the electronic form filling services – CA staff have received additional training and materials to facilitate this. The DWP says this represents 5% of those who will require assistance and help.

3.18 Client Knowledge (financial capability). The Council currently provides a contracted service through a Delivery Partnership with the DWP. Financially vulnerable UC claimants are identified from their initial work coach appointment and referred for Personal Budgeting Support to the Local Authority. Citizens Advice LeicesterShire deliver a tailored service to improve financial capability including managing on a monthly UC payment, priority debts and budgeting, setting up a bank account and accessing appropriate financial support. Monitoring and reporting arrangements will ensure that where Alternative Payment Arrangements (APA) are appropriate (for example managed (direct) payments to landlords) these will be requested at an early stage. In addition we have trained staff to support:

- those missed in the initial interview process on UC are able to self-refer for support, either directly with CA or referred by themselves or a support worker at www.leicester.gov.uk/universalcredit. Feedback to the DWP will then lead to APAs where appropriate and allowances towards their job search requirements where budgeting assistance has been necessary;
- the promotion of assistive services, including debt and specialist benefit advice available through Citizens Advice LeicesterShire, Welfare Rights and other SWAP partners such as Community Advice and Law Service (CALs).

3.19 Client behaviour. The report stated that “A further challenge is that some clients may disengage with the process, as they may feel that Universal Credit is not for them. Behaviour change is a long term process, and provision needs to be put in place to support individuals across the entire transition period. Claimants need to know when and how to prepare for changes, and require help that suits individual personal needs.”

3.20 The Council has introduced the following measures:

- Targeted Communications Plan focusing on advice agencies and frontline services explaining Universal Credit operationally, how to access relevant financial support through DWP and Council, and referrals for additional support through www.leicester.gov.uk/universalcredit;
- Increased awareness through social media, leaflets and guides to be distributed through advice agencies and frontline services, posters in libraries and community centres, and briefings to councillors, landlords and other stakeholders;
- Continued development in partnership working between the DWP, Local Authority and the voluntary sector to promote coordinated sharing of information and timely, appropriate support to influence client behaviour long-term.

4. Summary

4.1 The Local Authority values the contribution and commitment the SWAP make to the city’s advice provision. We welcome their continued contribution to the partnership and recognise the valuable part they play informing the Local Authority’s strategic planning for Social Welfare Advice.

5. Background Papers

ESA Work Capability Assessments Update – March 2016

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506155/esa-wca-summary-mar-2016.pdf

PIP Statistics release – March 2016

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506734/pip-statistics-to-jan-2016.pdf

6. Appendices

Appendix A – Original SWAP Report (separate document)

Appendix B – National & Regional Benefit Statistics

7. Financial, legal and other implications

7.1 Financial implications

There are no financial implications for the City Council arising directly from this report. However, any specific proposed initiatives that might arise would need to be properly costed and resourced.

Colin Sharpe, Head of Finance, ext. 37 4081

7.2 Legal implications

In the event of variation to any of the services, including the method of service provision, legal advice should be sought in order to manage potential legal risks.

Padma Srinivasan, Principal Solicitor (Commercial), ext. 37 1442

7.3 Climate Change and Carbon Reduction implications

There are no climate change implications arising from this report.

Louise Buckley, Senior Environmental Consultant, 37 2293

7.4 Equalities Implications

The SWAP report presents a very narrow focus for the consideration of risk and demands regarding people reliant upon benefits in the city – their caseloads regarding appeals to DWP benefit related decisions. The risk they are focusing on is the risk of DWP decisions being in error in the first instance and the demands arising for effective appeals against such decisions. This scope limits equalities considerations to two main protected characteristics: disability and race (of EU citizens).

The House of Commons Work and Pensions Committee report on the Local Welfare Safety Net is explicit that the Government’s “reductions to benefit entitlements have left people on the lowest incomes more vulnerable to short-term financial crises and under threat of falling into severe hardship and destitution.... Regardless of responsibility for delivery, central government maintains an ongoing obligation to ensure provision of a safety net which prevents vulnerable people from falling into severe hardship and destitution.”

Many commentators have noted the actual loss of a basic ‘safety net’ for the first

time since the arrival of Beveridge's post war 'welfare state' as demonstrated by the experienced impact of DWP sanctions as illustrated in the SWAP report. From an equalities perspective, it is this ultimate inequality of DWP actions, resulting in absolute destitution and hardship, that should be a key consideration of local risk and demands. Risk should be considered on an individual basis for all benefits recipients, across the spectrum of protected characteristics, as people's personal resilience in addressing economic hardship can be so different. It is the hardship and destitution arising that needs to be effectively addressed.

Irene Kszyk, Corporate Equalities Lead, ext 374147.

7.5 Other Implications

None