

## **CABINET**

**10 JANUARY 2023**

### **BENEFITS AND FINANCIAL WELFARE SERVICE**

Portfolio Holder: Councillor Gary Hackwell, Portfolio Holder for Business Management

Report from: Phil Watts, Chief Operating Officer

Authors: Katey Durkin, Chief Finance Officer  
Gemma Gilley, Head of Benefits and Financial Welfare

#### **Summary**

This report sets out the welfare-related work underway across the Council and seeks approval to develop the existing Benefits Team into a broader Benefits and Financial Welfare Service.

#### **1. Budget and Policy Framework**

1.1. The delivery of the functions of the Benefits Team are the responsibility of Cabinet. The development of the team into a broader Welfare function will support the delivery of the Council's Council Plan priorities and values that underpin all the Council's work in the delivery of services to the people of Medway, particularly preventing homelessness and working together to empower communities.

#### **2. Background**

2.1. The Benefits and Financial Welfare Service currently has responsibility for the administration of Housing Benefit and Discretionary Housing Payments on behalf of the Department for Work and Pensions. Section 13A(1)(a) of the Local Government Finance Act 1992 prescribes that Medway Council is required to have a council tax reduction scheme (CTRS) to assist taxpayers on low incomes.

2.2. Changes arising through the government's Welfare Reforms, not least Universal Credit, have driven a reduction in the number of Housing Benefit claims, however the pandemic and subsequent cost of living crisis continue to drive an increase in the number of applications for Discretionary Housing Payments and the Council Tax Reduction Scheme.

2.3. Additionally, during the pandemic and beyond, the team has been distributing significant levels of additional grant funding to residents including Test and Trace Support Payments, Emergency Assistance Grants, Covid-19 Winter Support Fund and more recently and ongoing, the Household Support Fund (HSF).

2.4. Outside of Finance, services across the Council provide support for the welfare of Medway residents with some delivery in-house and some through contracts let with external providers. Welfare support for Medway residents is currently dispersed around the Council as follows:

2.4.1. **Benefits Team (excluding core Housing Benefits/Council Tax Reduction):** 3 Full Time Equivalent (FTE) permanent staff with a budgeted cost of £100,000 are currently supported by eight FTE each week temporary resource funded from administrative grant funding for the Household Support Fund (HSF), delivering the following:

- HSF grant scheme including Free School Meals; allocation from September 2022 of £2.262million of which 10% can be used for administration costs. HSF has been confirmed to run to March 2024.
- Discretionary Housing Payments Fund, current balance c£475,000 with associated admin funding £60,000.
- Council Tax Exceptional Hardship Payments / Council Tax Discretionary Relief.
- Administration of appeals for all claims/applications as appropriate.
- Alternative funding support for energy bills scheme from January 2023.

2.4.2. **Macmillan Welfare Benefits (within Customer and Business Support):** 2.8FTE permanent staff with a budgeted cost of £105,000 deliver a dedicated welfare support service for cancer patients and their families in Medway.

2.4.3. **Housing Services:**

- 2FTE permanent staff with a budgeted cost of £78,000 deliver a dedicated welfare benefit and tenancy sustainment role supporting Medway Council Tenants within our Housing Revenue Account Service (HRA).
- An external contract is let to AMAT at a cost of £400,000 per annum to who deliver a Floating Support service.
- An external contract is let to Medway Citizen's Advice Bureau at a cost of £50,000 per annum to deliver debt advice services.

2.4.4. **Adult Social Care:** A 0.86FTE Welfare Benefits Advisor at a budgeted cost of £30,000 works to maximise income collection for those receiving social care.

2.4.5. **Local Welfare Provision let by Adults Partnership Commissioning Service:** An external contract is let to Medway Citizens Advice Bureau at a cost of £164,000 per annum to provide the Welfare and Debt Advice service. Alongside this contract, CAB are allocated a further £40,000 funding to distribute directly to residents as the Local Welfare Provision. Though the

Covid-19 related Emergency Assistance Grant was initially delivered by CAB alongside this contract, that funding stream has since been rolled into the HSF and has therefore been administered internally within Benefits since then.

### 3. Proposed changes to arrangements from 2022/23

- 3.1. Since 2013 there has been significant change within the welfare state from benefit capping, social sector size restrictions (commonly known as bedroom tax), two child limits within certain benefits and the introduction of Universal Credit (UC). The UC Full Service was implemented in Medway in May 2018 and Medway is a lead authority in the recent 'Move to UC' tests, and as such legacy benefit caseloads are reducing. However, the Autumn Statement paused migration for those individuals on Employment and Support Allowance (ESA), not also receiving child tax credits. This means that the benefits service will retain an additional 2,000 claims up to 2028. A significant element of the government's financial support for individuals throughout the pandemic and through the current cost of living crisis was and continues to be delivered through local authorities, principally through the Benefits Service in Medway.
- 3.2. Inflation, high energy costs and increasing mortgage rates mean that alongside most parts of the UK, the financial outlook for many of Medway's households is bleak. The combined impact of these pressures is likely to drive up demand for statutory services and reduce the ability of individuals and businesses to meet their liabilities including Council Tax, Business Rates, Rent and social care contributions.
- 3.3. The Finance service has entered into a partnership with the Money and Pensions Service (MaPs); are an arm's-length body sponsored by the Department for Work and Pensions) to provide three distinct areas of support:
  - Money Advisor Network – The network brings together some of the country's best known debt advice providers so that Medway's residents can access free, confidential and independent debt advice immediately. By entering into a partnership, the Council is able to directly refer residents who are experiencing debt issues to accredited and regulated debt advice services.
  - Money Helper – Whilst residents can access this independently, by working in collaboration with MaPs, we can embed the tools and content within the Council's website to support both residents and employees. We are working with colleagues within Human Resources to ensure that tools and learning are shared across the organisation.
  - Money Guiders – MaPs offers support to anyone who provides non-regulated money guidance to individuals or groups. Council employees can access the Money Guidance Competency Framework which sets out the core competencies needed for us to provide a safe and quality service to residents. As a partner, Medway will benefit from access to free e-learning mapped to a City and Guilds endorsed credentials with access to themed content and shared learning. This could also be extended, with the correct accreditation to the Council having specific and qualified debt advisors internally who will be able

to support the Corporate Debt Team amongst other services in the collection of council debt.

- 3.4. The restructure of the Finance and Business Improvement (FBI) Division has delivered a budget reduction of £500,000 in 2022/23 while strengthening management capacity across Finance to better serve customers and improve support to other Council services. The Benefits service works closely with all other services delivering welfare related activities as set out in section 2 of this report. The role of the Benefits team in coordinating the strands of the Household Support Grant since the pandemic has expanded the skills and experience in the service and made it a natural and operational central point for welfare matters. It is therefore proposed that this team forms the basis of a broader service which co-ordinates the work of all Council welfare support to deliver a centralised, cohesive and more efficient service to Medway's residents.
- 3.5. As part of this change, we would transfer the Macmillan Welfare Service from CABS (externally funded, secured for three years) into a new Benefits and Financial Welfare Service. Due to the success of the Macmillan service and the unfortunate increase in cancer diagnosis incidents, Medway Council has been approached to expand the service provided in Medway and potentially beyond our boundaries with funding increasing to offset additional costs. We are currently focused on exploring opportunities that could increase the size of the team to enable more cases to be handled and provide Macmillan support for other services in Medway such as Adult Social Care.
- 3.6. The staffing resources in Housing would and Adults Social Care would remain in their respective services, however a new Benefits and Financial Welfare service would create a working group involving all other internal and external welfare activities (as set out in Section 2 of this report) to ensure a consistent, high standard of financial welfare support is delivered to Medway residents. Over time there may be opportunities to amend ways of working to maximise the efficiency and effectiveness of available resources including avoiding any duplication of effort and/or grant funding streams.

## 4. Options

- 4.1. Option 1: Members agree that the Benefits team is expanded to become a broader Benefits and Financial Welfare Team incorporating the Macmillan Welfare Benefits team from 1 April 2023, and for officers to continue to explore opportunities to develop the service where these benefit Medway residents and do not result in any increased net cost.
- 4.2. Option 2: The Council continues as it is currently operating with functions being devolved within services.

## 5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
<b>Ability to meet demand</b>	In an evolving service, we could find that demand outstrips the resources we have.	Careful horizon scanning, efficient processes and collaborative working across all services	C3
<b>Workforce Development</b>	Significant work will need to be undertaken to ensure we have the extended knowledge and ability to meet the demands of customers.	Partnerships with MaPs, working with the Talent Acquisition Team to recruit and train the right people	D3

Likelihood	Impact:
A Very high B High C Significant D Low E Very low F Almost impossible	1 Catastrophic (Showstopper) 2 Critical 3 Marginal 4 Negligible

## 6. Financial and legal implications

- 6.1. There are no direct legal implications arising from this report.
- 6.2. Welfare related staffing resources are currently budgeted at £313,000 across the Council, with a further £614,000 of budgeted expenditure through existing contracts with partners delivering services across Medway.
- 6.3. This recommendations in this report can be delivered within existing budgets, and there may be opportunities over time to reduce expenditure in this area as efficiencies arising from better collaboration, shared knowledge and a more resilient service materialise estimated at c10% or £31,000, however this will be delivered in the budget as part of the MRBS and CABS transformation programme.

## 7. Recommendations

- 7.1. The Cabinet is asked to agree that the Benefits Team in Finance is expanded to become a broader, centralised Benefits and Financial Welfare Service, and to incorporate the Macmillan Welfare Benefits Service currently in CABS from

1 April 2023.

7.2. The Cabinet is asked to agree that officers continue to explore opportunities to develop the service where these benefit Medway residents and do not result in any increased net cost.

## 8. Reasons for decision

8.1. Cabinet has responsibility to ensure an effective benefits service is in place to deliver the Council's statutory obligations.

### Lead officer contact

Katey Durkin, Chief Finance Officer, [katey.durkin@medway.gov.uk](mailto:katey.durkin@medway.gov.uk) , 01634 332355

Gemma Gilley, Head of Benefits and Financial Welfare,  
[gemma.gilley@medway.gov.uk](mailto:gemma.gilley@medway.gov.uk) , 01634 332310

### Appendices

None

### Background papers

None