

Policy and Performance Scrutiny Committee - 4 April 2019

Non-confidential minutes of the meeting of the Policy and Performance Scrutiny Committee held at on 4 April 2019 at 7.30 pm.

Present: **Councillors:** Champion (Chair), Debono, O'Sullivan, Heather, Khondoker, Chowdhury, Gantly, Chapman, Bell-Bradford, Jeapes and Wayne
Also Present: **Councillors:** Hull

Councillor Rowena Champion in the Chair

- 94 **APOLOGIES FOR ABSENCE (Item 1)**
 Councillors Woodbyrne, Khurana and Gallagher
- 95 **DECLARATION OF SUBSTITUTE MEMBERS (Item 2)**
 None
- 96 **DECLARATIONS OF INTEREST (Item 3)**
 None
- 97 **TO APPROVE MINUTES OF PREVIOUS MEETING (Item 4)**
 RESOLVED:
 That the minutes of the meeting of the Committee held on 14 February 2019 be confirmed and the Chair be authorised to sign them
- 98 **MATTERS ARISING FROM THE MINUTES (Item 5)**
 None
- 99 **PUBLIC QUESTIONS (Item 6)**
 The Chair outlined the procedures for filming at meetings and public questions and also the fire evacuation procedures
- 100 **CHAIR'S REPORT (Item 7)**
 None
- 101 **SCRUTINY REVIEW - UNIVERSAL CREDIT - WITNESS EVIDENCE - VERBAL (Item 8)**
 Ruth Hayes, Islington Law Centre, and Deniz Ugur, Director of IMECE Women's Centre were present for discussion of this item, and made presentations to the Committee. Details of the use of Food Banks in Islington from 2011 – 2018 were also laid round.

During consideration of the presentations the following main points were made –

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- The Islington Strategic Partnership (ISP) comprises Citizens Advice Bureau, Islington Law Centre, Islington People's Rights, Help on Your Doorstep, Islington BAMER Advice Alliance, which includes Evelyn Oldfield Unit, Eritrean Community in the UK, Islington Bangladesh Association, IMECE, Islington Somali Community and Kurdish and Middle Eastern Women's Association
- The organisations meet regularly, together with the Council, and are involved in various local partnerships
- ISP was very aware of the impact that UC was having where it was rolled out elsewhere, and has undertaken a number of actions to try to prepare for the impact to assist people to mitigate the likely hardship and to highlight policy issues. Specific activities have included – a community conference, a research project, a community survey to gather feedback from a number of local front line organisations, promoting and participating in Know your Rights group, training for community groups, applications to lever in additional resources to the borough. CAI has been awarded additional funding from the Government to increase the level of help to claimants making and maintaining claims, and this help is located in Job Centres. The Law Centre has been awarded £180k over 3 years by City Bridge Trust to increase capacity for specialist casework, as well as support to community groups. Islington Peoples Rights has been awarded £134k over 3 years from City Bridge Trust to provide specialist welfare benefits and debt advice to vulnerable Islington residents, particularly through Help on Your Doorstep
- All the above client groups represent the diversity of the borough and most clients present with more than one issue. The demand for assistance with social security appeals is currently higher than can be met
- This has a particularly detrimental effect on disabled people. Disabled residents may face a very difficult decision if they are turned down for disability benefits, following a work capability assessment, if they claim UC, they cannot go back on a legacy benefit and have to claim PIP, and they may get the Severe Disability Premium of over £64 additional income, but this is not payable under UC, and UC claimants are prevented from making claims for PIP). This could lead to a loss of over £3300 to some of the residents with the greatest need. However, it is uncertain how long an appeal may take and claimants face difficulties in the interim. Once a mandatory reconsideration (the initial step prior to an appeal), has been considered, clients can then claim ESA, in the interim, whilst they wait for their appeal, and that is often in their best interests
- The specialist Advice Partners are increasingly seeing people once they have already been advised to claim UC (often incorrectly by DWP), which reduces the potential income open to them. There is also an implication for the number of people who can be assisted by the Advice Agencies, as disabled claimants who move from ESA onto UC will then be subject to a further work capability assessment. This can give rise to a situation where an Advice Agency supports a client with an appeal and wins, and then has to start all over again, as the first appeal is against a decision in relation to ESA, and the second decision is in relation to a separate claim for UC, and the Tribunal will need to consider both as separate appeals. This will mean that the same client requires double the amount of casework assistance, simply to remain on the benefits that they are entitled to, but at a lower level of income
- It has been the experience that the Council HB team are generally helpful in identifying what people's income is and ensuring that HB remains in place where appropriate, so that people are not forced onto UC purely in order to ensure that their rent is paid
- Other people facing challenges include – older people less confident in use of IT, people not confident in written language, people with learning difficulties, people with mental health difficulties, households with one adult, women experiencing domestic violence/gender based abuse

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- Common issues that have arisen include difficulty making a claim due to both lack of confidence and issues around IT. Difficulty making claims due to claimant commitment requirements and digital access, inaccurate information and advice from DWP, immense difficulty getting through to DWP for both claimants and advisers, poor decision making by DWP, particularly on Habitual Residency Test, difficulty getting specialist advice early enough to get the best outcome, especially for the disabled, and those with complex situations. In addition, people have difficulty understanding both processes and awards, payments going to one adult with particular concerns about increased financial abuse and coercive control, difficulty managing variable income, especially for self-employed people, and those in irregular work. Where there are frequent changes in circumstances this is hard to manage, and may affect BAME communities to a greater level. There are also difficulties in managing payments in arrears, even when an advance payment has been applied for, and there are childcare costs and severe hardship for families with children, leading to a worsening of child poverty. The complexity of issues makes it difficult for people to know where to start in seeking help and having the Housing Element included means that if there is any problem with the claim, rental arrears build up immediately
- There is also increased need for emergency help such as foodbanks, help to maintain utilities etc. and difficulties getting help to ensure clients can get the best long term help. Often significant psychological distress is caused not only due to the hardship, but of the difficulty in resolving issues with the DWP, and the unpredictability of the procedures
- Over 90% of respondents to the Community Survey in March 2019 have indicated UC is having a negative impact and the five most frequent impacts were – people unable to make claims due to complexity, people were left with no or very little income, people in debt, people in rent arrears and people experiencing adverse impact on mental health
- Many advice claimants have health conditions and/or disabilities, and it is expected that this will affect GP, and other health providers
- The Advice Agencies provide a range of services, which include Form Filling, detailed triage and support, one off advice, casework and representation. Between them Islington People's Rights, Islington Law Centre, and Citizens Advice Bureau advised local people on 1,923 people relating to housing, debt and welfare benefits from October to February. However, the level of need is high, and the complexity of people's conditions is increasing. It is the experience of all the agencies that it is taking longer to assist people to obtain sustainable improvements in their situation as average case length grows
- There is a need expressed by community groups for improved access to specialist advice for claimants, as well as to clear locally relevant information, and the agencies will continue to seek resources to increase capacity
- The key findings of the ISAP members are that the system is difficult to navigate, information from DWP can be confusing and it is sometimes inaccurate, lack of money leads to immediate debt and hardship, and claimants finding it impossible to plan and there is cyclical hardship
- The Advice Agencies have come to a number of conclusions and recommendations. The roll out of UC is within a context, in which both low paid and those on out of work benefits have seen their incomes drop in real terms over the past 10 years. There are major pressures on both Local Authorities and health services, and funding within the voluntary sector is limited
- The cuts to legal aid in 2013 removed funding for most social security and debt work, which has affected the major advice agencies, and meant that local private practice is unable to taken cases that they would have done previously. Nonetheless, advice provision has a major impact for individuals, in terms of the

local economy, for example the ILC's welfare benefits team brought in over £2m for local residents, and IPR's team generated over £1.6m. This is money into the pockets of some of the poorest Islington residents, and their families

- There are some positives in relation to the situation in Islington, as opposed to other areas – these include the survey of the claimants shows that there are higher levels of satisfaction with the services provided by Job Centres than across London, and particularly high satisfaction with the Barnsbury Job Centre. There had been positive feedback on a number of individual work coaches. In addition, the Council has retained a commitment to the Resident Support Scheme, and there are various other schemes for residents. There is effective joint working between the Council, local funders, and the 'not for profit sector', and a genuine commitment to innovation and partnership. The advice sector has worked hard, and has attracted additional resources to the borough
- Suggestions to build on these successes include – continued work to increase the capacity of the specialist advice sector, with a focus on early appointments, a package of support for community groups, including well designed leaflets, ongoing training, outreach, second tier advice and improved ability to make referrals. In addition, continued partnership work with the Council and other statutory partners, to both prevent issues arising and to mitigate the impact where people are experiencing difficulties, a forum for agencies with an interest in UC to share information, and to collect evidence to support campaigning and advocacy work should take place. There is also a need to campaign against UC to enable change from Central Government
- An anti- poverty alliance at a strategic and cross sectoral level, which both develops and campaigns for improvements in the system should also be established
- It was noted that the use of food banks has increased substantially from April 2011 until March 2018
- IMECE expressed the view that the Equalities Assessment for UC was inadequate and this should be reviewed and this could be an area that the Council could consider making representations on in the review recommendations
- It was also felt that data collection needed to be improved, as there is a vulnerable cohort of clients that are affected adversely by UC and that evidence needed to be collected on this to present to DWP and Central Government
- Councillor Debono outlined the excellent work carried out by the Islington Food Bank and that this is staffed by volunteers who were very dedicated
- Literacy and lack of IT skills made it difficult, especially for vulnerable claimants, to complete online claims. The elderly faced difficulties
- Reference was made to the fact that funding for organisations by the Council could reflect the need to assist those most vulnerable sections in the community, and to investigate what the future partnership between the Council and advice sector should look like
- It was noted that residents often did not seek help until they were at crisis point, and often certain groups were not willing to contact the Council, and tended to contact advice agencies, for a variety of reasons

RESOLVED:

That the Director of Law and Governance be requested to ascertain whether the Equalities Impact Assessment undertaken by the Government for the introduction of Universal Credit included disability

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FINANCIAL MONITORING UPDATE (Item 9)

Councillor Hull, Executive Member Finance, Performance and Community Safety was present, together with Steve Key, Service Director Finance

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During consideration of the report the following main points were made –

- Members noted the forecast revenue outturn for the General Fund of a gross underspend of £0.8m
- Members noted that the HRA is forecast to break even over the year
- Members noted that £107.0m of capital expenditure will be delivered in 2018/19
- Councillor Hull expressed concern that the Council were paying £750000 per annum in funding to no recourse to Public Funds and that this is not being re-imbursed by the Government
- Reference was made to the underspend in Children's Services and it was stated that this is due to the numbers of looked after children and children in care being less than originally budgeted for
- In response to a question on underspends, it was stated that managers did endeavour to stay within budget, however budgets tended to vary according to demand. Many services were demand led
- Members expressed the view that it would be useful to have more detailed information in future reports on the reasons for overspends and underspends in the budget
- Reference was made to the capital monitoring budget and the figures in the report did not give details of whether budgets were coming in as forecast, or whether especially on new build they were going over budget. Councillor Hull stated that the Council had a large new build programme but the budget had been reduced due to slippage in the programme
- In response to a question as to the vacancy factor, the saving had been achieved as a result of planned vacancies and that this would probably not occur in the future
- It was stated that in relation to the relaxation of rules on HRA borrowing, and possible increases in building costs, as a result of slippage in works, that the slippage was mainly caused at the planning stage before the contract is let. In addition whilst borrowing restrictions had been relaxed, the additional borrowing costs had to be taken into account in the HRA
- It was stated that the capital programme reflected slippage in projects and requires Executive approval as part of the 3 year budget programme

RESOLVED:

That Councillor Hull discuss with Members/officers the provision of more detailed information in future reports to the Committee, particularly in relation to the Capital Programme

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ICO UPDATE (Item 10)

Councillor Hull, Executive Member Finance, Performance and Community Safety was present, and was accompanied by Kevin O'Leary, Director of Environment and Regeneration.

During consideration of the report the following main points were made –

- Members noted the iCO business units, and that these continued to grow in terms of turnover, and that the Board expects to make a small profit in 2018/19
- Members noted the progress made in relation to commercial waste, memorials, HR services, iCO Green, and Pest Control
- Members noted the main business model, and the investments made by iCO
- Members noted that iCO is now trading in a small number of areas, but is looking to expand the Commercial Waste, Memorials, and Pest Control business units as a priority for the 2018/19 financial year. It was stated that the intention for 2019/20 is to achieve £1.2m of gross income, whilst continuing to explore new opportunities

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- iCo now had a non-executive non paid Director who had added valuable expertise to the Board, A Business Development Officer had also been appointed
- The Committee noted that iCO had made a net financial benefit to the council of £415000 in the current financial year
- Members expressed the view that the majority of savings had been achieved by E&R initiatives and other Directorates should contribute and it may be advantageous to incorporate other Directors onto the iCO Commercial Board
- In response to a question it was stated that other services could be offered for example services to Housing Associations. It was stated that discussions were taking place with other Directorates as to services that could be offered
- It was noted that there are some services that could be offered by the Council and others that could only be offered through iCO
- In response to a question it was stated that a skills audit of staff had not taken place, and that services were at present being offered on an 'opportunistic' basis, and where appropriate training and development is offered to staff

RESOLVED:

That the report be noted and consideration be given to other Directorates being involved on the Commercial Board

104 MONITORING REPORT (Item)

RESOLVED:

That the report be noted

CHAIR