

REDDITCH BOROUGH COUNCIL

CORPORATE PERFORMANCE REPORT: 'HELP ME TO BE FINANCIALLY INDEPENDENT'– MAY 2019

1. INTRODUCTION

- 1.1 This report highlights the key areas for the strategic purpose 'Help me to be financially independent'.
- 1.2 The other report this month, 'Help me to run a successful business', contains the sickness measures.

2. CONTEXT

2.1 Support residents to reduce levels of individual debt

Between November 2018 and April 2019, the Financial Inclusion Team (FIT) dealt with 195 cases. Of these, 125 were women and 62 Men (where recorded), spanning an age range from 19 to 80. The vast majority of households were either single or a single parent, with nearly half living Council tenants.

Debt was the highest reason recorded as to why cases were referred into the team. Where stated, the cause of debt included migration to Universal Credit, benefit sanctions, mental health issues and spending of non-essential items.

67 cases had had their rent arrears reduced as a result of support, 42 cases were referred for debt advice, 33 cases were awarded Council Tax Hardship and 9 cases received support from the Essential Living Fund. In 82 cases, customer confidence levels at the start and after FIT intervention were captured out of 10; 69 cases saw an improvement of 3 or more points.

The community survey was run throughout September 2018 and was available to members of the Redditch Community Panel and Redditch residents alike. One section of the survey, 'Living Independently and Social Contact', included a question around personal finance. "To what extent do you agree or disagree with these statements about living independently and social contact?"

I am able to manage my household finances	I agree/agree strongly	86.7%
	Neither agree nor disagree	7.4%
	Disagree/disagree strongly	4.1%

Whilst the majority of people agree they can manage their household finances, the number of people who responded that they disagreed is still significant.

2.2 Develop education and skills to sustain financial independence

The Financial Independence Team (FIT) had 28 cases referred to them due to budgeting problems and 42 cases were referred for debt advice.

Until July 2018 the Council had a contract with Signs of Hope to support residents with their finances and enable them to move towards financial independence. The contract was terminated by Signs of Hope due to unforeseen circumstances.

Between 2017 and July 2018 Signs of Hope received 50 referrals from Redditch Borough Council. 41 cases reported having a disability. 25 cases were unemployed and 16 cases were employed (where data available).

The FIT team has supported as many residents as possible with personal budgeting support and have referred more complex cases to the Citizens Advice. It is worth noting that from April 2019 the funding from the DWP in relation to Personal Budgeting Advice is to be withdrawn from the Council and transferred to the CAB. The FIT team will however continue to provide the service to our most vulnerable residents as it has proven valuable to our communities.

2.3 Support communities during changes to welfare and benefits

A recent review of the Benefits service identified that the service was not dealing with benefit claims in a timely manner and, working with the DWP, a number of actions have been implemented which have improved performance and support to claimants.

This work produced the following short term actions:

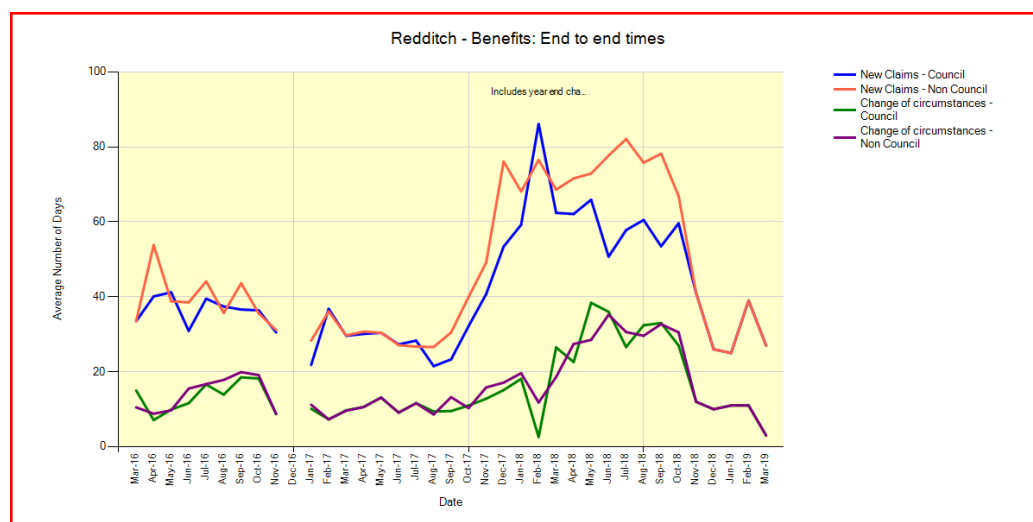
- Additional support sourced to ensure that outstanding workloads are brought under control
- Ensure that adequate resources remain in place to control forecasted workloads
- Identify training needs for new and inexperienced staff
- Introduce performance management framework to ensure processing standards are maintained.
- Identify how system and existing technology can support assessment of welfare support

In addition it was apparent that there was a lack of management support to the teams and therefore an interim structure has been implemented to include:

- Providing specialist 4th Tier management for the Welfare Support team.
- Internal recruitment to team leader, systems support and senior quality officer roles
- Implementing clear performance management frameworks for each 5th tier manager's areas of responsibility.

These actions are in the process of being implemented, with the interim management structure in place.

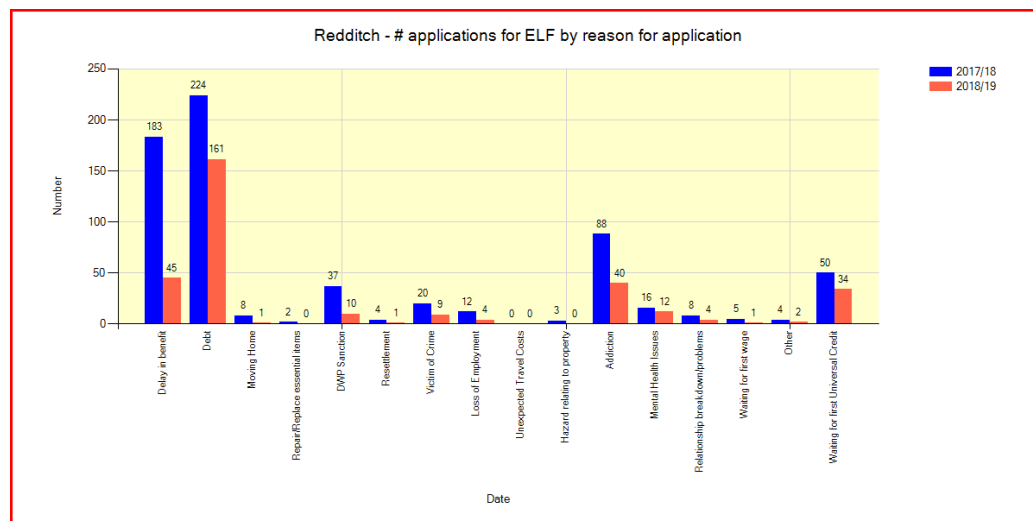
Benefits: End to end times



As can be seen in the above chart the processing times peaked in January 2018-October 2018. This was due to a number of factors including resources available and the way that the data was compiled. Officers have worked to improve performance and have cleansed the data and as can be seen above the last 2 months have seen a significant decrease in the processing times.

We do however expect to see a reduction in new claims due to the roll out of Universal Credit, although we do not anticipate this decrease will be as pronounced in the volume of changes in circumstances.

applications for ELF by reason for application



Whilst the number of applications for ELF has stayed around the same officers continue to support individuals to understand the reason that the claimant is in urgent financial need with the aim to give additional advice or signposting when required.

The top 3 reasons in 2018/19 for making a claim for ELF are 1) debt, 2) delay in benefit and, 3) addiction. Although the top 3 reasons remain the same, those claiming ELF due to a delay in benefits has fallen significantly to align with the improvements we have made in speed of processing times.

2.4 Support reduction in fuel poverty

Fuel poverty is defined as the inability to keep a home adequately heated. In England, fuel poverty is measured by the Low Income, High Cost definition (LIHC). This measure states that a household is in fuel poverty when energy costs to heat to adequate levels are above the national average and, if they were to heat to this level, the residual income would leave the household below the poverty line.

Redditch Borough Council has been working to address the issue of fuel poverty for a number of years as well as linking in to the county work through Warmer Worcestershire. The Warmer Worcestershire Network which works together to produce and enable fulfilment of the Worcestershire fuel poverty plan, which is led by Worcestershire County Council. Energy advice and support has been provided for over 15 years through partners Act on Energy who have run several energy efficiency schemes ranging from insulation through to boiler replacements. In 2015, a 3 year Energy Efficiency Fund and Scheme to address fuel poverty was launched. In addition, work has taken place alongside District and County partner to deliver a successful external wall insulation programme.

Fuel poverty data for Redditch show that the proportion of households described as 'fuel poor' is 10.6% (2016); this has been rising slowly over the past three years. There are a number of factors which impact on fuel poverty and work will continue with partners to keep this to a minimum.

Community Survey 2018:

The Climate Change and Energy Support Service aims to help you use less energy e.g. reducing energy bills, support with insulation and boilers. Do you know how to access this service?	Yes, I know how to access this service	20.5%
	No, I am aware of the service but I don't know how to access it	19.3%
	No, I have never heard of this service	60.2%

This data shows that a large number of residents are unaware of the support available to them. Further work around raising awareness is planned.

2.5 Future Focus

There are a number of actions required to ensure we are delivering against our purpose of helping people be financially independent. These include:

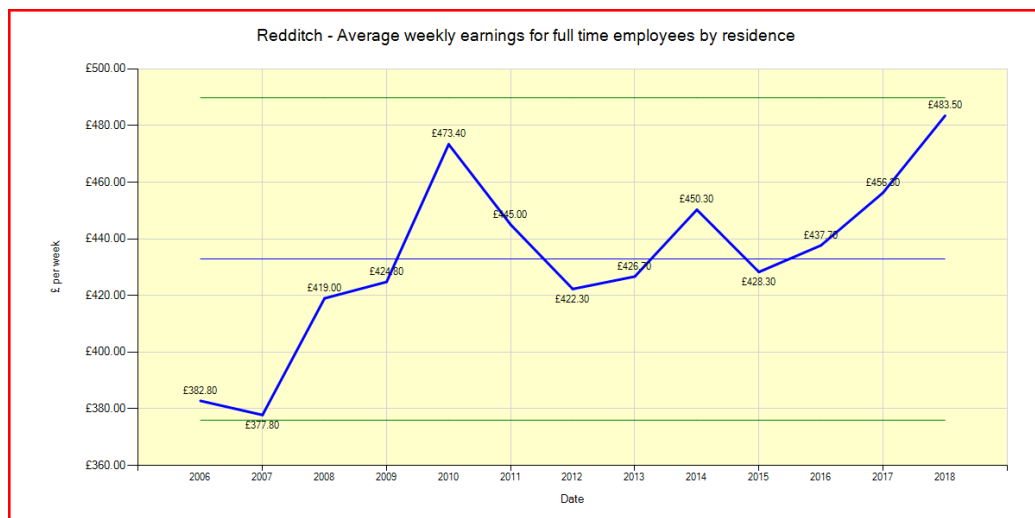
- Maintaining performance in processing times
- Continuing to support vulnerable residents in terms of advice and urgent financial support
- Continuation of the debt advice support to schools (using the electronic module)
- Reviewing the service to customer to streamline and improve customer journey
- Provide ongoing digital support to residents and improve on line access

2.6 Context data

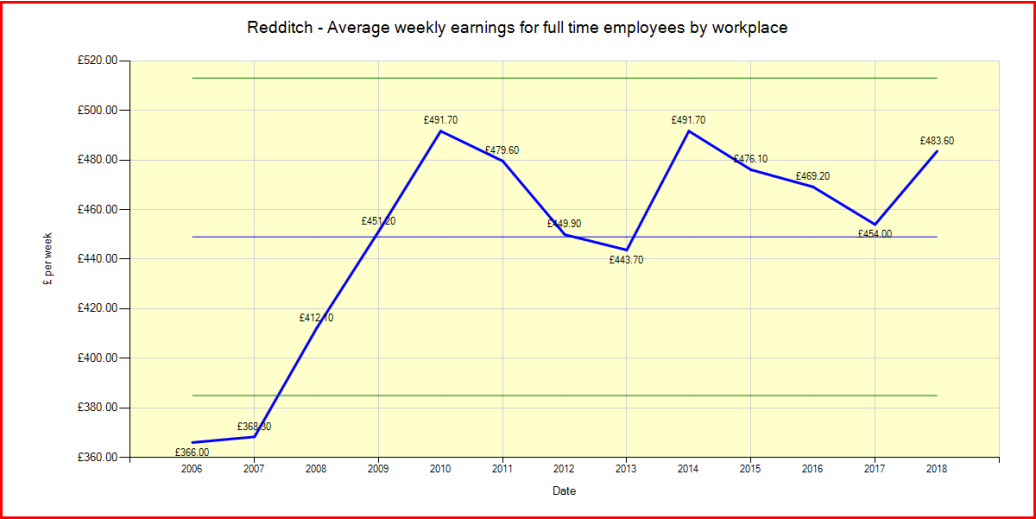
The Office of National Statistics for 2018 show the lower quartile house price for Redditch is £152,500 and the annual residence-based lower quartile earnings as £19,165, giving an affordability ratio of 7.96:1 for purchasing in the open market. This shows that those on lower incomes have little chance of accessing home ownership, as generally a ratio of 4:1 is considered to be affordable.

The unemployment claimant count for March 2019 was 2.9%. However, the claimant count for 18-24 year olds is the highest in the County at 5.1%; this is a rise of 1.4% on the previous year. The wards with the highest unemployment claimants are Batchley & Brockhill (3.9%), Greenlands (3.8%) and Church Hill (3.7%).

Average weekly earnings for full time employees by residence



Average weekly earnings for full time employees by workplace



Looking at earnings, there is very little difference in the income of those who live in Redditch versus those who work in Redditch. This could suggest that a large number of residents do not travel far for employment.