

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:-	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:-	7th April, 2014
3.	Title:-	Financial Inclusion - promoting benefit take up by older council house tenants
4.	Directorate:-	NEIGHBOURHOOD & ADULT SERVICES

5. Summary

Supporting people to claim the benefits they are entitled to is a key strand of the Health and Wellbeing Strategy 2012-2015. Information is available which indicates that the numbers of people claiming Attendance Allowance have fallen at the same time as it would be reasonable to expect rates to increase due to an ageing demographic disability profile for the borough. This report proposes establishing a one year pilot project designed to significantly increase the numbers of local people receiving Attendance Allowance.

6. Recommendations

That Cabinet Member,

- 1. Agrees to establish a 1 year pilot project designed to increase the numbers of tenants who have reached pension credit age who successfully apply for Attendance Allowance**
- 2. Agrees in the light of the organisations existing experience, to commission Age UK Rotherham (AUKR) to undertake this pilot project at a cost of £30,000**

7 Proposal and details

7.1 Introduction

The Council has approximately 8800 tenants who have reached Pension Credit Age and are a minimum of 62 years of age. Approximately 70% of the tenants pay their rent by Housing Benefit and although not affected by Welfare Reform such as the Bedroom Tax, such tenants will receive a low and fixed income. The remaining 30% may have seen their income reduce as private pensions may not have kept pace with inflation. Both groups will be affected by the increase in the costs of basic necessities from a limited income and other sources of income such as the interest gained on their savings will be reduced due to low interest rates on savings and investments.

The report identifies the benefits of establishing a pilot project designed to increase benefit take up, specifically focussing on Attendance Allowance.

7.2 Background

The poverty theme of the Health and Wellbeing Strategy 2012-15 contains the following key action *'To consider how we can actively work with every household in deprived areas to maximise benefit take-up of every person'*. Attendance allowance (AA) is a non means tested state benefit, designed to help with the extra costs of living attributed to long-term illness or disability. It is paid to applicants who have either physical or mental illness and it is paid on a scale between £55 to £80 per week. Payments are for life, or until the applicant has a change in circumstances such as entering into non self funding residential care. As such it can make a significant difference to the financial wellbeing of some of the borough's older or disabled residents. AA can be paid regardless of income, savings or National Insurance contribution record. Claiming AA does not reduce other benefits, it may even increase the amount recipients get as it can be used as a passport to other benefits. There are no restrictions on how AA is spent.

Whilst it is surprising that claimant rates are falling, one possible explanation is that home visits by the DWP have ceased in recent years. Because of the complex application process, assistance is often required to make a successful claim.

According to Age UK Rotherham (AUKR) estimates, that there are approximately 14,000 people in Rotherham who are not FAC eligible but could potentially significantly benefit from AA because of their poor family/support networks. Targeting residents, who are not yet in such need as to become eligible for statutory services, but yet still have significant health difficulties, could have longer term benefits for the council. The importance of early intervention is well documented and contributes to allowing elderly people to maintain their independence and the ability to self-care which in turn minimises the potential future reliance on publically funded services

The Council currently employs 2 visiting officers within the Revenues and Benefits Service who will assist with the full range of benefits advice, although only 1 officer is currently working, and the amount of time available for all potential claimants is obviously limited.

7.3 Barriers to applying for Attendance Allowance

In comparison to some other benefits, AA does not have claimant rates as high. This may be for a number of reasons; Information concerning AA may not be widely available to the possible recipients and many older people may not realise they qualify for the benefit

regardless of income or lifetime savings. In addition the application form is 48 pages long and can be extremely daunting to many people with poor literacy skills or not experienced in completing forms. There may also be some cultural reasons for poor take up with some older people not wanting to admit they need help and as a result do not answer the questions as fully as they could. Age UK Rotherham (AUKR) have identified that as many as 40% of the application forms completed without assistance will not be approved and many people do not reapply. However with assistance people who do reapply are often deemed eligible.

7.4 The Benefits

Improving people's material circumstances can have various benefits;

- Health - The reduction of income experienced by elderly people can have adverse effects to their health if they are unable to adequately heat their home, maintain a healthy diet and have a varied and active social life. Elderly people can very often experience illness due to living in cold homes and can become depressed and socially isolated if unable to leave their home. The allowance can pay for anything the recipient determines; it could for example pay for heating or indeed taxis to help attend social events without relying on family.
- Housing – The allowance can pay for heating, gardening, cleaning and decorating all of which helps maintain the property and contributes to maintaining independence and reduces the reliance on family and public services. From a landlord perspective, any monies spent by tenants on heating or up keeping their home are beneficial in maintaining the fabric of the property.
- Rotherham Economy – The increase in income will impact on the Rotherham economy as more money will be spent in the Rotherham area.
- Access to other benefits – If the claim for Attendance Allowance is accepted this can lead to being entitled to other benefits which further increases income.
- Reduction in need for Social Care – Being able to live an independent life for as long as possible minimises the need to request assistance from publically funded services.
- Bereavement – Older people do not have many changes in circumstances in later life but the loss of a partner is a significant change that older people will have to face. If the spouse or partner is the main income provider, many widows only receive a fraction of their husband's pension, and they continue to live in the same property the expenses can remain the same while the income is reduced. The additional income which Attendance Allowance provides can help provide much needed financial assistance and may avoid having to leave or sell their current home and avoids adding additional anxiety and stress in this time of grief.

7.5 Proposal

It is proposed to commission AUKR to deliver a one year pilot project, the purpose of which will be to determine if it is possible to significantly increase the financial wellbeing of older frail or disabled council tenants. AUKR could fill the apparent gap left by the DWP and have a track record of making 120 successful claims from 200 applications. However

to increase their existing capacity they will require additional resources. On the basis of past performance relating to Attendance Allowance claims, AUKR suggest a return on investment of £16.59 for every £1 spent is achievable.

The pilot project will work exclusively with council house tenants, and represent a key strand in Rotherham Housing Services' financial inclusion strategy. It is felt to be especially relevant to housing tenants because of the high proportions of older and poorer residents who live in council housing. However the one year pilot will determine the appropriateness of a) continuing with the scheme, and b) further developing the scheme to address the needs of all potential applicants in the borough.

AUKR are in a unique position to provide this pilot service, nationally they are taking forward a programme of promotion and support for claiming Attendance Allowance. To ensure that moving forward there are no failings in the appropriate procurement of the service a tender exercise will take place once a full analysis of the findings of this pilot has been assessed, in line with Financial Regulations and Standing Orders.

8. Finance

It is proposed to fund the project to the tune of £30,000 for one year. For this, AUKR have advised that they will be able to assist 300 applicants, at an average cost of £100 per application. If past success rates are replicated, this would potentially generate an additional annual benefit income to Rotherham of £497,000.

The project will work exclusively with Rotherham council house tenants and will be funded from the Housing Revenue Account. Financial provision for this project has been made in the budget for 2014/15.

9. Background papers and consultation

RMBC's Health and Well Being Strategy
Age UK proposal

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