



Advice NI response to

Draft Budget 2011 - 15

January 2011

Background

Advice NI is a membership organisation that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. Advice NI exists to provide its members with the capacity and tools to ensure effective advice services delivery. This includes: advice and information management systems, funding and planning, quality assurance support, NVQs in advice and guidance, social policy co-ordination and ICT development. Membership of Advice NI is normally for organisations that provide significant advice and information services to the public.

Context

Since the UK officially entered recession in Q3 of 2008, advisers have been hit by a 'double whammy' of more people needing help as a result of the economic downturn, coupled with increasing numbers of people seeking help as a result of welfare reforms introduced from Westminster. During this period Advice NI members have provided information, advice and advocacy services to over 224,817 people, dealing with over 475,591 enquiries on an extensive range of matters including: social security, housing, debt, consumer and employment issues. The debt workload has climbed to 1,642 clients presenting with 5,092 debts amounting to £28.7million. The tribunal representation workload of members has also increased dramatically by 43% to 2,261 as more people, some of whom have been confronted with the social security system for the first time, have struggled to access their proper benefit entitlement. Far from Northern Ireland being in a period of recovery, the

situation has continued to deteriorate during 2010 where the Northern Ireland claimant count increased by 8.9% (4,800) to 58,600, compared to a decrease of 10% in the UK as a whole.

In terms of the future, Advice NI believe that people here face significant difficulties and hardship as a result of the Coalition Government's plans to tackle the budget deficit – including cuts to departmental spend across our Government Departments, the VAT increase to 20% and the raft of welfare benefit cuts. There is a very real concern that there will be a 'second wave' of additional job losses in Northern Ireland including people currently employed in the public sector; and people within 'arms length' organisations providing services for / on behalf of the public sector. Moving forward there are also risk factors outwith current Budget deliberations but which will nonetheless impact on and 'squeeze' households across Northern Ireland. These include the threat of interest rate increases on the back of rising inflation as reflected in consumer prices index (CPI) data. The effect of higher interest rates combined with high inflation will be felt by each and every household through hikes to grocery bills, household goods, home heating bills, petrol, transport costs, mortgages, credit card and personal loan commitments.

Advice NI and our members are most definitely at the frontline in helping people through these difficult times.

The following quotation from an adviser reflects the situation:

“The demand for locally accessible quality frontline advice services has dramatically increased with significant additional debt related work which is time consuming and yet there are no additional resources to meet demand. There are reports all across N.I. from independent advice agencies about the increased demand and many offices are struggling to meet current demand or even remain open, with some having to restrict service delivery due to current case load management issues.”

It is in the context of increased demand for advice services and increased workloads that Advice NI has approached the Draft Budget consultation document. We understand that difficult decisions need to be made in terms of revenue raising and expenditure cuts. Advice

NI's position is that we see the protection of the most vulnerable low income households as being our primary concern.

Introduction

Advice NI welcomes the fact that the NI Executive has agreed a Draft Budget for 2011-15. In addition we welcome the fact that the focus of the Draft Budget has broadened from solely concentrating on economic growth to protecting the vulnerable, protecting frontline services and improving the effectiveness of public services. Advice NI agrees that the prospect of any economic recovery for NI is lagging behind other regions and that public expenditure cuts allied to welfare cuts will have a disproportionately severe impact on the people of NI. We foresee that demands for advice services will continue to rise in terms of people who will suffer redundancy or cuts in hours; people who will need help work their way through the social security system; people who will need help keep a roof over their heads and deal with money and debt worries. We would have liked to have seen a clearer commitment and more detail as to how services and jobs in the advice sector, in addition to the public sector, could similarly be protected given the contribution of advice providers in assisting people through these difficult times.

A general criticism that could be aimed at the Draft Budget document and the associated Departmental Budgets is the lack of detail as regards impact: where will the axe fall; impact on public sector jobs; impact on funding streams; impact on frontline services; what jobs will be lost within the public sector. Advice NI would also liked to have seen some further high level information in relation to the potential impact of alternative approaches to generating local revenue, for example above-inflation increases in the regional rate and amendments to universal schemes such as concessionary travel and free prescription charges.

Advice NI is concerned about the effect the drive for ongoing departmental efficiency savings will have, coupled with the significant reduction in the levels of funding available as outlined in the Budget. On their own, these factors would have a significant impact; in combination they will serve to aggravate an already difficult situation.

Advice NI would highlight the role of the private sector, including NIE and its '*For Your Benefit*' programme and Ulster Bank's support for money and debt provision, in funding specific programmes aimed at vulnerable households across Northern Ireland. We believe that the NI Executive could do more to encourage large private sector companies (in particular the larger utility providers) in NI to develop this kind 'social responsibility' approach aimed protecting vulnerable groups.

Resources

Within Chapter 3 the Draft Budget refers to the Coalition Government's deficit reduction plan which has led to a significant reduction in the level of funding available to the Northern Ireland Executive.

In terms of sources of revenue and ways of trying to generate additional income, Advice NI recognises that the Executive has deferred the introduction of domestic water charges and we would support this decision given the lack of clarity and the lack of assurance around the level of protection which could be afforded to the most vulnerable low income households across Northern Ireland.

As highlighted above, Advice NI forecast a significant squeeze on household incomes over the coming years. That said, Advice NI would not be opposed to above-inflation increases to domestic rates for the following reason. There is already a system in place namely the means tested rate relief scheme which caters for ratepayers' ability to pay and which provides graduated financial support ranging from 100% relief to partial relief based on individual circumstances. We would assert that if a decision was made to introduce above-inflation increases to domestic rates, there would need to be a renewed focus on take-up with a view to identifying improvements which could be made to address poor take-up among certain ratepayers.

The situation is different in relation to social housing rental income. Whilst there is a Housing Benefit scheme in place to protect low income tenants, Advice NI is concerned that the cuts to Housing Benefit / Local Housing Allowance as outlined by the Coalition Government undermine the protection afforded to vulnerable low income households in

the public and private rented sectors. As such Advice NI could not support hikes to social housing rental charges.

We note the reference (at Section 3.26) to minimising impact on frontline services. We would repeat our assertion that advice services are a vital frontline service as evidenced above and that every effort should be made across all Departments to prioritise the maintenance of funding levels currently being made available for advice service provision.

Savings

Advice NI firmly believes that there is an as yet untapped opportunity to reduce bureaucracy, improve staff morale and improve efficiency within public services using the Systems Thinking methodology. Advice NI's work in this area to date builds on Systems Thinking work in GB and demonstrates the immense contribution advice services can make to improving public service delivery and minimising waste and how gaining absolute knowledge of systems is the key to unlocking cost and waste. A systems thinking methodology, whereby customer demand and service purpose is clearly understood and work-flow is analysed with front-line staff taking the lead is essential for service improvement. It provides the key to the absolute knowledge that is needed to reduce cost and waste and deliver what customers really want. We would commend this approach to the NI Executive.

The following quotation from Professor John Seddon reflects the Systems Thinking ideology:

“At the highest level there are two types of customer demand: ‘value’ and ‘failure’ demand. Value demands are those you want customers to place on the system; they are the reason you are in business. Failure demands are those you don’t want: demands caused by a failure to do something or do something right for the customer. It follows that failure demand, being created by the organisation, is entirely under the organisation’s control. Turning off the causes of failure demand is one of the most powerful economic levers available to managers; it has an immediate impact on capacity.”

Advice NI would be opposed to the introduction of any savings measures which negatively impact upon the delivery of advice services which are already under unprecedented pressure.

Revenue raising options

Advice NI notes that new revenue raising options have been considered and some have been factored into the preparation of the Draft Budget. It is proposed that these will be used to fund the Social Protection Fund (Section 3.46) on an ongoing basis following a guaranteed initial allocation of £20million in 2011/12. In general terms the concern would be that these additional revenue streams will not be realised (either wholly or in part) which would serve to put in jeopardy any social protection measures introduced in 2011/12. Whilst welcoming this fund, if it is aimed at assisting people directly affected by welfare cuts, then expectations as to what this fund can expect to achieve will have to be carefully managed, particularly given that welfare cuts are estimated to take up to £500million in welfare payments from NI claimants.

In terms of public sector pay (and indeed pay levels across all sectors which rely upon public sector funding) Advice NI supports an approach that advocates pay restraint particularly as regards senior officials within the public sector and beyond. We note that a public sector pay freeze has been proposed with the stated aim of protecting jobs in the public sector; we would similarly call for departments to explore how posts and services presently funded can be protected with cuts and job losses being measures of last resort.

Advice NI welcomes the establishment of a Social Investment Fund (Section 3.45) of £20million per annum to tackle the problem of disadvantage. We understand that this is additional money and look forward to finding out more about how this fund will operate.

In terms of the Invest to Save Fund, Advice NI would link this to the Systems Thinking approach advocated above. The Invest to Save Fund may well represent an ideal opportunity for departments to take forward Systems Thinking projects which we believe would ultimately transform services; boost staff morale and maximise returns on investment.

Departmental Budgets (Department for Social Development, DSD)

From the perspective of advice services, the Department for Social Development (DSD) has policy responsibility for voluntary advice in Northern Ireland and leads the implementation of the Department's Advice Strategy 'Opening Doors'. DSD's funding for frontline voluntary

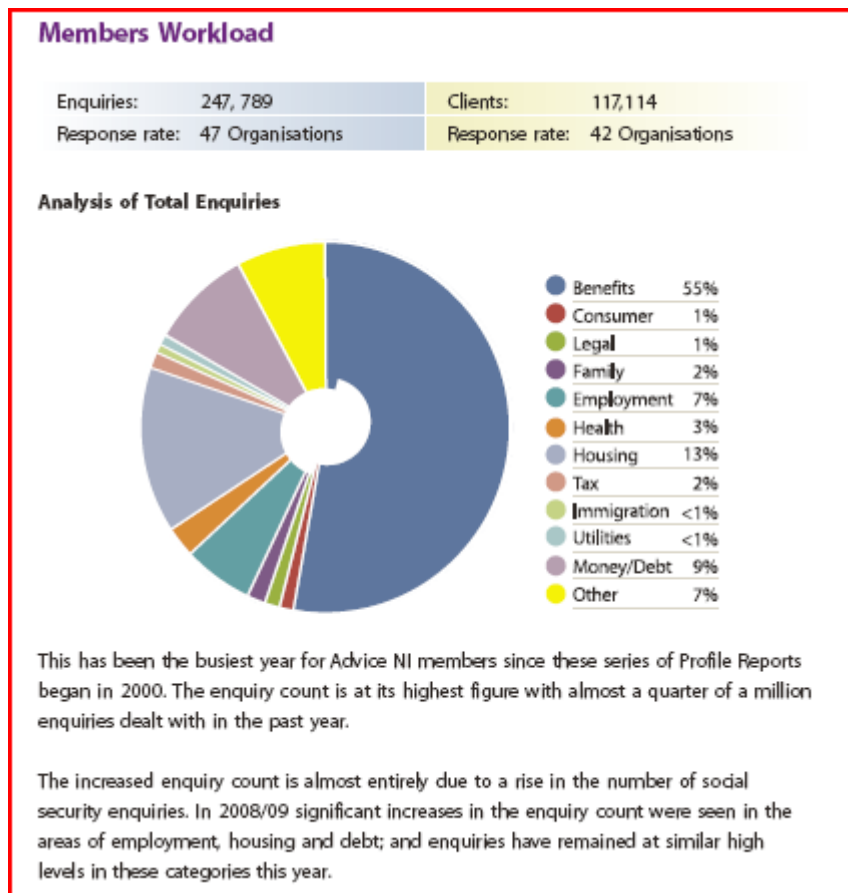
advice services is channelled through the Community Support Programme where it is established practice that local Councils are responsible for all local funding arrangements with the voluntary and community organisations supported through this programme. DSD also centrally funds and supports regional advice services provided by Law Centre NI, Advice NI and Citizens' Advice. This funding is delivered through the Department's Regional Infrastructure Programme.

The DSD Draft Budget highlights a number of factors crucial in the economic and employment environment faced by NI including welfare reform and the need to make sure that persons and families including the most vulnerable are protected from the adverse consequences of the reform; the continued economic slump and subsequent increased demand for the safety net of the social welfare system; increasing housing pressures including affordability and fuel poverty; and maximising each and every opportunity to develop and regenerate disadvantaged areas and communities.

Advice NI has responded to a call from the Department for Social Development on how the vulnerable might be protected, how the best of voluntary and community services preserved and space created to grow and test new ideas. Our response outlined that (i) advice services must be a priority area to be protected within the context of potential spending cuts. Advice services can play a vital role in helping to ensure that no-one is left to 'flounder' in an environment of stringent cuts and equally advice services can assist people move from welfare to work; (ii) the range of services (generalist, specialist, targeted) our members provide directly contribute towards the health and well-being of people in Northern Ireland; (iii) members services generate income for households which boosts the economy of Northern Ireland and directly contribute towards Governmental policy initiatives; (iv) the needs of service users must be seen as paramount at this time and reference was made to Advice NI's Systems Thinking work which evidences that by focusing on providing what customers want, costs are driven out; cost-reduction is a consequence, not a focus for management.

Advice NI would again take the opportunity to highlight the vital role advice agencies play in helping to address all these key issues. In 2010 Advice NI members assisted 117,114 people

with 247,789 enquiries. The following pie chart taken from the Membership profile report 2010 illustrates a breakdown of this workload:



The reality of life for people affected by job loss and welfare cuts is a struggle to survive on comparatively reduced incomes, whilst struggling to meet fixed outgoings. The following case study serves to illustrate the impact of an intervention by an Advice NI adviser:

“The Advice Service was contacted by a local bank with regard to a couple with two children who were in financial difficulties. An appointment was made to see the couple that same day.

The clients were homeowners with a £25,000 secured loan and £22,500 of unsecured debt spread across ten separate creditors, which included store cards, credit cards, personal loans and catalogues. They had been to a fee paying Debt Management Company but found the payments and fees unmanageable. With the help of the adviser the couple are now servicing their mortgage and secured loan in full and have realistic arrangements in place with their

unsecured creditors. The couple now feel that they are in control of their financial situation and are no longer too frightened to answer their door or telephone.”

Advice NI would call for resources to be made available to maintain and enhance advice capacity in the face of increased demand. In terms of trying to cope with & mitigate against the worst consequences of welfare reform, Advice NI has identified specific areas where the advice sector can contribute:

1. Assisting with Support for Mortgage Interest shortfall

Advice NI is very concerned about the impact of the cut to the SMI scheme to the Average Mortgage Rate from October 2010. We understand that more than 14,270 households in Northern Ireland receive assistance via the SMI scheme with at least 7 – 9,000 being negatively affected and will see a shortfall in their mortgage interest support.

Advice NI would like to propose that an initiative similar to the current Social Security Agency (SSA) Benefit Uptake programme be initiated to address the impact of this cut on the poorest households in Northern Ireland. We know that the SSA has a database of all households who receive help under the SMI scheme; we would propose that SSA write to all these households and invite them to contact Advice NI for a benefit check / money and debt advice if they are struggling to repay their mortgage.

2. Assisting with withdrawal of SMI for long term unemployed

Advice NI is concerned that the withdrawal of Support for Mortgage Interest for long term unemployed will make it harder, and in many cases impossible, for many people to stay in their homes.

Advice NI would propose a similar initiative be initiated to address the impact of the withdrawal of this support on those affected households across Northern Ireland. As above, we know that the SSA has a database of all households who will be affected by this issue; we would propose that SSA write to all these households and invite them to contact Advice NI for a benefit check / money and debt advice if they are struggling to repay their mortgage.

3. Incapacity Benefit / Income Support re-assessment

The government's Welfare Reform White Paper in December 2008 - *'Raising expectations and increasing support – reforming welfare for the future.'* sets out the intention to transfer existing incapacity benefits customers to Employment and Support Allowance (ESA) using the Work Capability Assessment (WCA).

This exercise will impact on over 90,000 people and it is estimated that approximately 1:4 (25%, 22,500 people) will not 'pass' the WCA and so not receive Employment and Support Allowance. Therefore a significant number of people with long term health problems will need assistance and support regarding what benefit options may be available to them.

Again we would recommend an approach highlighted above, as SSA will have a database of all households who will be affected by this issue.

4. IB / IS re-assessment and impact on need for appeal representation

One option that will be open to those negatively affected by IB /IS re-assessment will be to appeal the WCA decision. Statistics independently provided by The Appeals Service highlighted a dramatic increase in representation work of Advice NI members in 2010. Representation was provided at a record high 1,329 hearings, amounting to an increase of 397 or 43% as compared to 2009. The bulk of this increase was found to be in relation to WCA's. Advisers are struggling to cope with the current volumes and undoubtedly there will be a need for extra resources to assist advice providers to meet the expected increased demand for tribunal representation services by people who fail the WCA as part of the IB/ IS re-assessment process.

5. Assisting people affected by cuts to Housing Benefit including proposals to withdraw the £15 excess payments; Housing Benefit for local housing allowance rates to be set at the 30th percentile of rents in each broad rental market area rather than the median

The Emergency Budget in June contained proposals that local housing allowance rates for private sector tenants be set at the 30th percentile of rents in each broad rental market area rather than the median; with the proposal to take effect from April 2011. The plan to reduce housing benefit awards to 90 per cent of the initial award after 12 months for claimants receiving JSA, is due to be introduced in April 2013. The Labour Government

announced proposals to withdraw the £15 excess payments in the Budget 2009, deferring the introduction of this proposal to April 2011.

Advice NI believes that DSD / NIHE must take action to try and mitigate the worst consequences of these proposed cuts. Again NIHE will have a database of all households who will be affected by this issue and we would call for a all households to be contacted and invited to contact Advice NI for a benefit check / money and debt advice if they are struggling to pay their rent.

Advice NI notes that the DSD Draft Budget does make allowances for the impact of welfare reform on the Social Security Agency – there must be an acknowledgement that welfare reform will similarly have downstream consequences for the advice sector and similar additional resources must be built into the budgets at this time to ensure that the advice sector is equipped to meet the increased demands that will be posed by welfare reform.

Department for Enterprise, Trade and Investment

As a regional support organisation Advice NI has been advocating for much needed resources for debt advice services for some considerable time. Advice NI has been involved in the area of money and debt for over 15 years in a policy, development, training and delivery capacity and has delivered on a number of successful DETI contracts including the DETI pilot debt advice project 2005 and the Vulnerable Groups debt advice service 2010.

Since 1st November 2009 Advice NI has been delivering on the Debt Action NI face to face debt advice contract. During the first year (1st November 2009 – 30th October 2010) over 1,640 clients have been helped with over 5,000 debts amounting to almost £30 million. To date, the figures are 2,150 clients with debts amounting to £33.8 million. The average debt in this period per client was just under £17,500 and this was exceeded in seven Council areas. Of those using the service 2 in 5 were in receipt of state benefits and 1 in 7 suffered from a mental health problem.

Advice NI delivers this service in partnership with members to ensure resources flow to the frontline and debt help is provided in local communities to those who need it most.

The service is delivered in 13 Council areas across NI and ensures equality of opportunity in terms of access by offering an integrated approach to the service with a range of entry points –via the telephone, email and face to face advice. The service also offers assisted self help options through the dedicated website www.debtaction-ni.net and a series of informative topic specific leaflets.

Cuts outlined in the Draft Budget will have a worrying impact on employment prospects and services. In the current economic climate, and when NI is lagging behind the rest of the UK in terms of economic recovery, there is more of a need for debt advice now than there ever was. The statistics speak for themselves:

- Highest number of bankruptcy orders in 2009 @1,237 compared to 517 in 2000
- An increase of 83% in applications to enforce a judgement order between 2007 and 2009

Increased redundancies, increasing unemployment, continuing declining house prices along with rises in energy costs and VAT all add to the necessity for this service.

Whilst mortgage possession has to some extent been kept at bay as a result of low interest rates and lenders forbearance policies any changes to these as well as the cuts in Support for Mortgage Interest will result in many borrowers who are already under considerable financial pressure facing the reality of losing their homes over the next few years.

Advice NI supports the introduction of Debt Relief Orders later this year as they will assist those who currently have no real solution to their debt problems, though recognise this will place increasing demands on debt advice services.

Advice NI welcomed the Ministers announcement at the Debt Action NI Annual Event on the 14th February to extend the Advice NI contract for a further year. Nevertheless, we would encourage the Department to commit funding to this service for the budget term at least given the projected slow economic recovery and the impact it and Welfare Reform will have on the most vulnerable people in NI.

Finally, Advice NI is keen that the Department reviews its approach of applying a grant culture to tenders and that a balance is struck between outcomes and accountability. This we believe has been raised through a recent NI Audit Office report.

Department for Employment & Learning

Advice NI is aware and concerned that the Department for Employment and Learning is struggling to cope with the current and future demands placed upon it by the recession and welfare reform. Currently the employment service is providing a service for a claimant count of @58,000, whilst we are told by departmental officials that it is 'sized' to cope with a claimant count of 35,000. The welfare reforms and in particular the re-assessment of Incapacity Benefit / Income Support claimants due to commence in 2011 will undoubtedly cause the current claimant count to grow. Advice NI would argue that welfare reform-related activity (for example more active labour market policies and greater conditionality associated with social security benefits) impacting upon the workload of DEL should be financed from welfare reform budgets, thus ensuring that welfare reform-related activity does not differentially impact upon other DEL services.

Otherwise Advice NI would be concerned that vulnerable poorest families and households (namely those in receipt of disability and means-tested social security benefits) will be adversely affected.

For example Advice NI would be concerned if the Department was considering withdrawing the Return to Work Credit which is a tax-free payment of £40 per week for people that have, or have had, a health condition or disability. In addition we would be concerned about any threat to the Steps to Work programme which aims to assist people who are unemployed or economically inactive to find and sustain employment. Given the priority placed on encouraging people to make the journey from welfare to work, Advice NI feels that any withdrawal of support in any of these areas in respect of support to vulnerable people would be a retrograde step.

Similarly Advice NI would be concerned about any plans to withdraw the Educational Maintenance Allowance (EMA). EMA It is paid directly to young people from households with an income of £33,950 or less who stay on in education after they reach statutory

leaving age (i.e. after the end of their compulsory schooling). Advice NI would urge that the EMA is retained, with a potential compromise being that households should be in receipt of a means tested benefit, which should assist with targeting the most vulnerable households and would serve to actually streamline the administration process.

Advice NI would urge that the opportunity be seized by DEL to reduce bureaucracy, improve staff morale, improve efficiency and improve customer service by using the Systems Thinking methodology. The needs of DEL service users must be seen as paramount at this time and by focusing on providing what customers need, costs are driven out; cost-reduction is a consequence, not a focus for management.

Advice NI would also point to the vital work that independent advice centres play in supporting people to make the transition from welfare to work, in particular often those who are furthest from the labour market. This is done by carrying out 'better off' calculations and helping people access all the in-work support that may be available to them. Additionally many Advice NI members provide additional support such as help completing job application forms; assistance with job interview techniques, advice and information to help with employment, training and education choices, job search assistance and access to resources / facilities, for example telephone, photocopier, computer, internet, stationery.

Advice NI would call upon DEL to enhance this role in order that more households and individuals can be supported to make the journey from welfare to work.

Department of Justice

Advice services provide information, advice, support and representation to people concerning their legal rights and responsibilities. This includes advising people who are in debt, representing those who have suffered discrimination and defending those threatened with homelessness. Advice services make a vital contribution to tackling problems that affect people's day to day lives across Northern Ireland. In particular advice services target deprivation and need as it exists within local geographic areas and within particular social groups – ensuring that the most vulnerable people have access to advice services on issues affecting them.

Advice NI would particularly draw attention to the issue of tribunal representation. We believe that representation plays a key role not only in terms of generating positive outcomes for appellants but also for the effective functioning of the tribunal system. Specifically in relation to social security appeal tribunals, these cases generally impact on benefit entitlement for low income households and as such can have very significant impacts. For example a typical case may involve entitlement to Disability Living Allowance; a successful hearing may not only involve award of that particular benefit but can trigger the award of additional premiums on other means tested benefits with the result that income can be boosted by over 100%. It is therefore difficult to over-state the importance of these hearings.

Tribunal representation by Advice NI members has increased dramatically by 43% to 2,261 as more people, some of whom have been confronted with the social security system for the first time, have struggled to access their proper benefit entitlement. The bulk of the increase has been generated by welfare reforms, in particular in relation to Work Capability Assessments (WCA's) in respect of Employment and Support Allowance. The information provided by The Appeals Service highlights the impact that representation has on outcomes – Advice NI representation generates a 38% success rate as opposed to an unrepresented success rate of 18%.

Advice NI would argue that the Department of Justice consider how the representation services of advice providers could be enhanced in order to increase access to justice in Northern Ireland.

Department of Health, Social Services and Public Safety

On a daily basis advice providers make a significant contribution in terms of tackling health inequality in Northern Ireland. Advice NI members help clients, often in poor health with work limiting health conditions, often reliant upon social security benefits and in difficult financial circumstances. As confirmed within 'Lifetime Opportunities' *"people who are better off tend, for the most part, to live longer and healthier lives than those living in poverty. It is important therefore to reduce inequalities in health between geographic areas, socio-economic and minority groups and to direct spending towards those in greatest need."*

The following examples highlight the impact of advice interventions on people's lives:

"[Debt adviser]...Dealt with the case very quickly, and very well. We are much more comfortable now and ... [the debt adviser] was always at the end of the phone to help us right away. We don't know what we would have done if we hadn't met [the debt adviser]".

"I was suicidal worrying about these debts but [the debt adviser]...showed me I had nothing to worry about and I'm focusing on getting my health better now which is more important".

"A mental health social worker referred a client who had just been released from hospital. The client suffered from severe anxiety and depression. He was allowed home under the treatment of the Home Treatment Team. The client had a wife and four children aged five and under. The client was severely at risk and could not be left alone. The project worker carried out a home visit and conducted an assessment of what help could be provided. A benefits check was carried out and identified that the family were entitled to more Child Tax Credit due to the loss of the client's earnings. Applications were made for Employment & Support Allowance and Housing Benefit for rates. An application for Disability Living Allowance was completed. Since contacting the advice service, the family was better off by £288 per week making a huge difference for them in a time of crisis."

However it is worrying that advice providers are reporting that in some instances Health & Social Care Trusts are already reducing or even withdrawing completely funding to advice providers. Advice NI would call on DHSSPSNI to prioritise support for advice services given the impact that these services have on the most vulnerable households in Northern Ireland.

Department of Education

Advice NI and members have done a lot of work aimed at increasing the uptake of Free School Meals and School Uniform Allowances amongst eligible school children across Northern Ireland. It is estimated that as many as 8,000 children across N Ireland are missing out on this entitlement, which could amount to as much as £50 per month for each child, where the parent fails to come forward to apply for their entitlement to Free School Meals.

Apart from children losing out on their daily Free School Meal entitlement and the annual School Uniform Allowance, schools are also impacted financially through loss of vital funding to improve the educational outcomes for children. For every child verified as entitled to

Free School Meals within individual schools, this attracts on average, additional school funding of £436 per child.

Advice NI would call on the Department to review and enhance the work undertaken by Advice NI aimed at maximising the uptake of in-school entitlements.

Department of Agriculture and Rural Development

Advice NI welcomes the 'Maximising Access To and Uptake of Services in Rural Areas' project which is a joint initiative between the Department of Agriculture and Rural Development (DARD) and the Public Health Agency (PHA). It aims to improve the health and wellbeing of people in rural areas living in or at risk of poverty and social exclusion.

Advice NI would call on DARD (and other Departments) to build upon the methodology and approach taken, in terms of working with 'champions' in the community with a view to encouraging people to avail of services and grants to which they may be entitled.

Department of Finance and Personnel

Advice NI would focus on the work of the performance and efficiency delivery unit (PEDU) and urge that the Systems Thinking methodology be integrated into the work of the unit, with a view to sustaining the change process over the longer term. PEDU examines the scope for Departments to deliver higher levels of cash-releasing efficiencies, and to work with Departments to ensure that the funds that are allocated by the Executive deliver significant improvements in outcomes. The following case study outlines the rewards that can be reaped from the Systems Thinking approach:

Stroud District Council Case study (March 2010):

The starting point to discovering waste, according to Anne McKenzie, Head of Revenues and Benefits at Stroud District Council, is to define your purpose from the customer's point of view.

Her team's new purpose is 'to pay the right amount of housing benefit to the right person at the right time'. Once the team had defined its purpose, they worked out how much of what they did contributed directly to achieving this purpose and how much didn't.

They did this by analysing all calls, visits and emails into their service over a period of time. To everyone's surprise, 90 per cent of all customer demands were not contributing to the purpose and were, therefore, waste.

Ms McKenzie says: 'Much of this waste was due to customers' progress-chasing their claims, telling us they did not understand the letters we'd sent them and - by far the most frequent - incomplete claim forms. None of this was the customer's fault. We knew it was our responsibility to change the system.'

Waste

In the old system, the front and back office were split, with generic customer service staff responding to customers at reception points and answering calls. The split meant that dependency on the IT system that transferred work from the front to the back office (the DIP) was high.

Ms McKenzie says: 'We didn't realise how slavishly we worked for the DIP system, rather than using it to work for us.'

A result of the front/back office split was that assessors had very little face to face contact with customers.

In the new system, there is no front/back office split. Customers are now seen by a benefits assessor or other trained member of staff when they first come in, with the option of a home visit and help with getting documents to the office if they need it. Customers develop a personal relationship with the assessors, visiting the same assessor again if they need to tell the office about a change in their circumstances.

In the old system, claims often took 40 to 42 days to process. In the new system, most claims are completed within a week, even with the additional workload caused by the economic downturn. Twenty per cent of claims are now completed within two days.

Benefits

Customers love the new way of working and the team often receive letters of thanks and even flowers. Complaints are rare. Waste is also rare; phone calls from customers chasing

the progress of claims have almost disappeared because people know that an assessor is personally handling their claim, which gives them confidence in the process. One customer wrote:

‘I’ve always had a fear of any kind of authority and found it a bit daunting to go down to the council offices. To my surprise, I found you approachable, helpful and considerate. I feel I owe you thanks for the way you helped me.’

Staff now see their role as ‘helping people to claim benefits’. This is profoundly different to their previous role which was ‘to assess benefits’. Sickness in the team has reduced by 44 per cent. Staff enjoy the personal contact with customers and feel a real sense of accomplishment when resolving benefit claims quickly and efficiently.

Ms McKenzie’s advice to other housing benefits teams is that a low cost, low risk start to improvement can be made by analysing why customers contact a service.

She says: ‘Understanding demand provides data on how much waste there is. This can be a very powerful lever for change.’ But she warns that this, on its own, is not enough, ‘if you want to change the results, you have to change the system. And to change the system, you have to change how you think’.

Advice NI would also highlight some pilot work conducted between Advice NI and Land & Property Services in relation to the uptake of rate reliefs. This work came about as a result of two pieces of work in particular. Firstly the Rating Policy Division analysis which suggests that take up of rate relief within among pensioners in Northern Ireland is only around 42%; and secondly an Access2Benefits study examined the issues which impact on low take-up of Housing Benefit, Rate Relief and Disabled Person’s Allowance and made recommendations as to how take-up could be increased. Advice would re-iterate the call the most vulnerable within our society are protected, and that Land & Property Services enhance their focus on ensuring that the take-up of rate reliefs is maximised.

Department for Regional Development

Advice NI would simply re-iterate our position in that we recognise that the Executive has deferred the introduction of domestic water charges and we would support this decision

given the lack of clarity and the lack of assurance around the level of protection which could be afforded to the most vulnerable low income households across Northern Ireland.

The Office of the First Minister and deputy First Minister

Advice NI members are at the front line in terms of tackling poverty and helping people affected by either (or both) the recession and welfare cuts. Advice NI's membership Profile Report (2010) highlights the increased workload (@250,000 enquiries); the complexity of issues dealt with (@1,300 tribunal hearings represented); and the positive outcomes that can be generated (for example the stress alleviated as a result of the intervention of an adviser). Advice NI would call upon OFMDFM to support the enhancement of the anti-poverty role of Advice NI members.

Contact information:

Bob Stronge (Chief Executive)

Fiona Magee (Deputy Chief Executive)

Kevin Higgins (Head of Policy)

Advice NI

1 Rushfield Avenue

Belfast

BT7 3FP

Tel: 028 9064 5919

Fax: 028 9049 2313

Email: bob@adviceni.net

fiona@adviceni.net

kevin@adviceni.net

Website: www.adviceni.net