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Common Advice Performance Management Reporting Framework

Annual Report 2021-22

Contents

Investment

In 2021/22 Scottish local authorities funded

25

internally delivered money and welfare rights advice services

Local authorities reported

£13m

investment in internally delivered services

Approximately

£7.9m

income from other funders was secured in addition to local authority investment in 2021/22

63

externally delivered services were commissioned by local authorities to provide money and welfare rights advice in 2021/22

Externally delivered services reported

£11.8m

investment from local authorities in 2021/22

Services who received **additional funding** noted this was used to cover new projects or increased delivery costs

Who accesses advice?

34%

of clients supported by local authority funded money and welfare rights advice services in 2021/22 were aged 60+

Approximately

3/4

of clients had a household income **below £15,000** in 2021/22

In 2021/22

48%

of money and welfare rights advice clients lived in social rented housing

Clients from smaller ethnicity groups made up

6%

in 2021/22, a reduction of 1.4% from the previous year but comparatively higher than 4% of the Scottish population

Clients from single adult households represented

51%

of money and welfare rights advice clients in 2021/22, an increase of 5% from the previous year

The proportion of clients who said they had a disability or long-term condition **fell by 7%**, accounting for

49%

of clients

Activity

In 2021/22, local authority funded money and welfare rights advice services supported

239,265

clients

Services supported

135,024

benefits entitlement checks during 2021/22

The number of debt clients supported increased approximately

24%

between 2020/21 and 2021/22

Council tax arrears, rent arrears and utility arrears

were the most common debt types clients presented with in 2021/22

Face-to-face contact with services remained low in 2021/22, with only

12%

of initial contacts made through this channel

Welfare rights activity

continued to decline during 2021/22 with fewer claims, mandatory reconsiderations and appeals supported compared with the previous year

Outcomes

In 2021/22, every £1 of local authority funding invested in money and welfare rights advice resulted in

£11

financial gain for clients

Services reported securing over a

£¼ bn

of verified financial gain for clients in 2021/22

58,598

welfare benefit/social security benefits were awarded to clients in 2021/22 as a result of the support provided

In

63%

of recorded debt client outputs in 2021/22, a debt strategy was agreed for the client

Clients self-reported improvements as a result of receiving advice.

"I feel so much better now and more on top of things."

In addition to verified financial gain, services reported

£34m

unverified financial gain for clients in 2021/22

Introduction

For the past eight years the Common Advice Performance Management Reporting Framework (CAPMRF) has demonstrated the benefits delivered by local authority funded money and welfare rights advice services and the value these services have for some of the most vulnerable citizens. Throughout this time these services have continually adapted to the changing landscape including welfare reforms, the introduction of new benefits through Social Security Scotland, Brexit, COVID-19, budget cuts and short-term funding cycles. In the most recent few years, the landscape has become increasingly complex with consecutive economic crises leaving growing numbers of households financially vulnerable and making service delivery ever more expensive and complex.

The current report covers the 2021/22 financial year. The timeline in figure 1 outlines the context during this reporting year, April 2021 to March 2022, as well as a few months following this up to September 2022.[1] As shown, COVID-19 continued to be one of the most prominent issues during this time but as restrictions were lifted and households and businesses resumed a level of normality the cost of living crisis was emerging. The impacts of this were already beginning to be felt towards the end of the CAPMRF 2021/22 reporting period. Research from the Office of National Statistics carried out between April and May 2022 showed that 77% of UK adults reported feeling worried about the rising cost of living.[2] Whilst some incomes were protected during the height of COVID-19, all households are likely to feel the effects of rising costs in some way.

1 SPICE. (November 2022). Timeline of Coronavirus (COVID-19) in Scotland. https://spice-spotlight.scot/2022/11/25/timeline-of-coronavirus-covid-19-in-scotland/

2 ONS. (June 2022). Worries about the rising cost of living, Great Britain: April to May 2022. https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/worriesabouttherisingcostsoflivinggreatbritain/apriltomay2022

Figure 1 – Timeline of events from April 2021 to September 2022

April 2021
Start of CAPMRF reporting period

April 2021
Several COVID-19 restrictions still in place

July 2021
Scotland moves to level 0 COVID-19 restrictions following vaccination roll out throughout summer

October 2021
Temporary uplift on Universal Credit standard allowances and basic element of Working Tax Credit is removed

December 2021
COVID-19 Omicron variant spreads. Self-isolation and physical distancing returns

January 2022
Businesses in Scotland can resume hybrid working arrangements

February 2022
Russia invades Ukraine

March 2022
End of CAPMRF 2021-22 reporting period

April 2022
Remaining COVID-19 restrictions removed including legal requirement to wear face covering and contact tracing

May 2022
UK government announces cost of living support package

September 2022
The UK Prime Minister sets out a package of energy relief for households alongside support for business

September 2022
The UK government sets out a mini budget resulting in negative reaction from the markets and increased inflation rates

The cost of living crisis has worsened throughout 2022, resulting in a range of support measures being put in place by the UK Government. However, even with these measures there are growing numbers of financially vulnerable households. The most disadvantaged households spend a higher proportion of their income on essentials like food and heating, therefore are less able to accommodate rising costs.[3] This is likely to increase demand for advice services, meaning services are entering another challenging period.

This report, and the previous 2020/21 report, outline how local authority money and welfare rights advice services have already successfully supported some of the most vulnerable households throughout the challenges of COVID-19. Services supported almost a quarter of a million clients in 2021/22 and achieved £11 of financial gain for every £1 invested. The advice and support provided is vital to local communities and plays a crucial role in ensuring households access all they are entitled to, at a time when budgets are undoubtedly stretched. Although these services are well placed to provide support, this has not, and will not be without challenges.

Services supported almost a quarter of a million clients in 2021/22 and achieved £11 of financial gain for every £1 invested.

Throughout COVID-19, services had to adapt both to new ways of working and an increasingly complicated legislative context as new support became available. Advisers have worked proficiently over recent years to adapt to these challenges, including the increased level of complex cases and clients experiencing mental health issues.[4] In common with many others, advisers will face their own challenges from the rising cost of living and, like many public sector workers, are experiencing increased stress and fatigue from the constant state of emergency.[5] Furthermore, services must consider the rising cost of delivery and how this could impede their ability to deliver against rising demand.

If there is a continued expectation that money and welfare rights advice services are available to support local communities through ongoing crises, it's fundamental that these issues are addressed.

3 Scottish Government. (November 2022). The Cost of Living Crisis in Scotland: analytical report. https://www.gov.scot/publications/cost-living-crisis-scotland-analytical-report/pages/1/

4 The Improvement Service. (February 2022). Local authority funded money and welfare rights advice services – An insight from service leads and advisers. https://www.improvementservice.org.uk/__data/assets/pdf_file/0017/31463/CAPMRF-additonal-research.pdf

5 Money Advice Scotland. (May 2022). Adviser Wellbeing Index 2021-2022. https://www.moneyadvicescotland.org.uk/Handlers/Download.ashx?IDMF=5de32ed6-2223-48b3-8cf9-6d9effa3f54f


Advice
Bureau

Key findings

The key findings for 2021/22 are as follows:

Investment

- Close examination of the data suggests that there has been an overall increase in local authority investment in money and welfare rights advice services. Local authorities reported investment of £24.8 million in 2021/22 although the true figure is likely higher.

- Whilst some local authorities have increased investment through dedicated COVID-19 funding, this funding will not continue. In other cases, increased investment does not necessarily equate to additional monies as these increases often reflect rising costs of delivery. Whilst this has been an issue for several years, this is likely to be heightened in the coming years given the rapid increase in inflation and new pay agreements.

- This is likely to place significant pressure on service budgets, particularly when overall local authority budgets are already stretched. As advice is not a statutory service, these budgets will not be protected in the same way as other local authority services.

Who accesses advice?

- The clients receiving advice in 2021/22 are similar to those seen prior to the pandemic. This continues to include the most vulnerable members of society such as, older age groups, those with lower incomes, those living in social rented housing and those who are unable to work.

- Nevertheless, services also support clients who would typically be defined as less vulnerable. For example, there are reasonable proportions of clients who are in employment, do not have a disability and clients without children. These groups represented higher proportions of clients during the height of the COVID-19. It's possible these groups may rise again in the following years as the cost of living crisis leaves wider groups financially vulnerable.

Activity

- Following a drop in 2020/21 the total number of clients supported rose in 2021/22, starting to return to pre-pandemic levels. This increase may be partially attributed to an increase in clients for whom support is ongoing from the previous year. Advisers suggest that cases are increasingly complex and therefore it's possible that more clients need ongoing support.

- As was anticipated by service leads, the number of debt clients has increased in 2021/22. COVID-19 support measures were no longer available during 2021/22, therefore those who were struggling during the pandemic may have reached crisis point once creditors resumed collections. The most common debt types supported, included council tax arrears, rent arrears and utility arrears, suggesting that clients are more frequently struggling with essentials. It's possible this trend will continue as the effects of the cost of living crisis unfold.

- Support with welfare rights advice including, claims, mandatory reconsiderations and appeals, fell for a second year. This may reflect a continued impact from changes in DWP policy made during COVID-19 but could also represent a shift in demand towards debt advice, or an increase in complexity of cases. .

Outcomes

- Financial gains achieved for clients continued to decrease in 2021/22. However, even with a reduction this still reflects significant gains with over a quarter of a billion pounds reported by services. These gains alone demonstrate excellent value for money with £11 of financial gain achieved for every £1 invested by local authorities.

- In addition to financial gain, services also noted the positive impact clients reported after receiving advice, highlighting the value clients place on these services and the difference they make to individuals' quality of life.

- Compared with 2020/21 a lower proportion of clients agreed a debt strategy in 2021/22. Some clients do disengage with the service before agreeing a strategy however this decrease may also be due to the increased complexity already mentioned. If clients do not seek out advice until they reach crisis point, there may be fewer options available to them.

Methodology

The purpose of the CAPMRF is to report and analyse the investment made by local authorities in money and welfare rights advice services (covering both internal delivery and external commissioning) and to assess the outputs and impacts achieved for this investment. In doing so, the report aims to help ‘tell the story’ regarding the value of advice services, as well as provide a mechanism for councils to benchmark their performance against national trends and identify scope to further improve the impact and value for money of these services. This report has been produced by the Improvement Service (IS) in conjunction with Scotland’s local authorities. The work has been made possible as the result of funding provided to the IS by the Scottish Government.

The framework is now in its eighth year of reporting. This iteration of the framework is the fifth in which indicators for welfare rights advice have been included, following the request of local authorities in 2017/18 to change the scope of the framework to reflect the shift towards generic working and funding in many services. This report analyses the returns submitted voluntarily by 32 local authorities covering the period 1st April 2021 – 31st March 2022.

As with previous iterations of the framework, gaps do exist in the data. All 32 local authorities in Scotland provide either in-house money and welfare rights advice, fund an external provider to deliver these services or, indeed, do both. In 2021/22 Scottish local authorities funded 25 internally delivered services and 63 externally delivered services. Although all local authorities were able to provide some data, four local authorities could not provide data for all services they fund, and as result four services are missing data for 2021/22. Other gaps in the data exist where services cannot record certain indicators partly due to varying capabilities of the case management systems used. Gaps are identified where they exist in the analysis and must be considered when interpreting the findings. It should be noted that missing data are generally likely to contribute to underestimations of the workload and impact of the services.

Whilst gaps do exist in the data, the volume and quality of data reported by local authorities has continued to improve. This is a result of continued improvements made over several years to the data collection process and indicators included. Details of these improvements can be found in the indicator guide.[6] Given the gaps in the data and changes over time in how data is recorded, comparisons over time should be treated with caution. As such this report focuses on proportional breakdowns of measures and the direction of change over time.

6 https://www.improvementservice.org.uk/products-and-services/performance-management-and-benchmarking/common-advice-performance-management-framework/campf-indicator-guide-and-return-template

The data received from each local authority in Scotland, upon which this analysis is based, is publicly available in the form of individual statistical summaries on the Improvement Service website,[7] as is a national statistical summary which provides a more detailed breakdown of the figures highlighted in this report. These reports highlight in detail where gaps and caveats exist in the data and where figures should be treated with caution. An indicator guide is also available on the Improvement Service website which outlines the measures included in the framework and how these are recorded. The Improvement Service will continue to review the framework and the collection process with stakeholders to further strengthen the robustness of the data and ensure there is a focus on indicators that are most relevant and reliable. The data provided improves each year and continues to demonstrate the value of local authority investment, and given the caveats, it is likely this investment is delivering more than demonstrated here.

The data received from each local authority in Scotland, upon which this analysis is based, is publicly available in the form of individual statistical summaries on the Improvement Service website, as is a national statistical summary which provides a more detailed breakdown of the figures highlighted in this report.

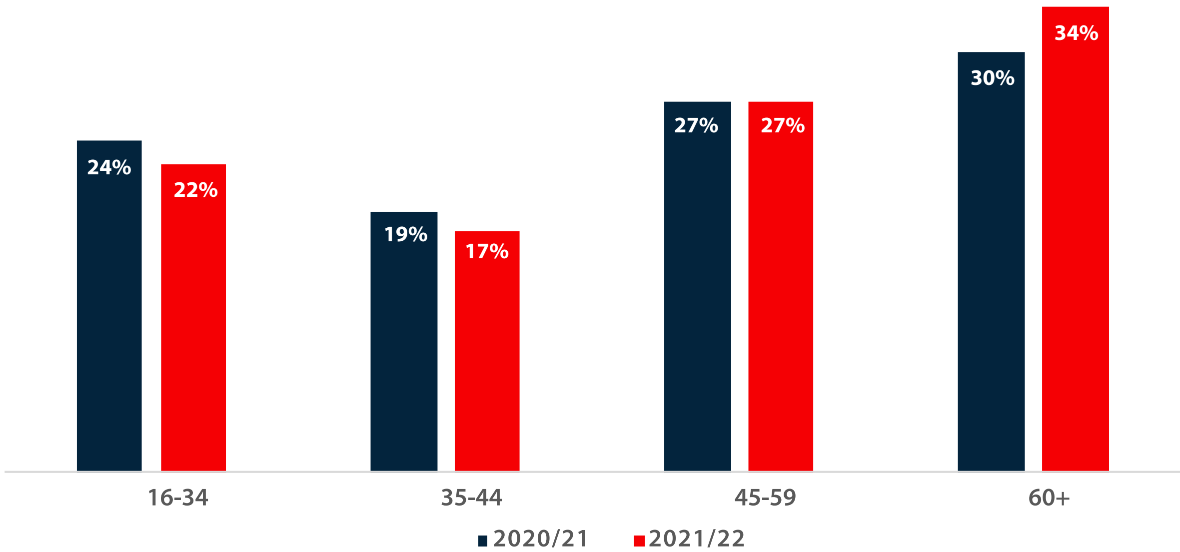
7 https://www.improvementservice.org.uk/products-and-services/performance-management-and-benchmarking/common-advice-performance-management-framework

Demographics[8]

In 2020/21 the demographic structure of clients showed some divergence to figures seen historically, possibly reflecting a change in demand from a variety of groups during the height of the COVID-19 pandemic. However, figures from the current reporting year, 2021/22, show a return to the typical demographic structure seen prior to the pandemic. The largest proportion of clients are female (57%), from low income households (74% less than £15,000) and living in social rented housing (48%).

As shown in figure 2, clients aged 60 and above accounted for the highest proportion of clients in both 2020/21 and 2021/22. Those aged 60 and above made up 34% of clients in 2021/22. There was a slightly higher proportion of clients from younger age groups in 2020/21 but this has fallen in 2021/22.

Figure 2 - Proportion of money and welfare rights advice clients by age, 2020/21 to 2021/22



In line with the increase in older age groups, the proportion of clients who were recorded as permanently retired from work increased three percentage points between 2020/21 and 2021/22 and was the second most common economic status, accounting for 16% of clients. The most common economic status of clients in 2021/22 was those who were permanently sick or disabled or unable to work because of short-term illness or injury which accounted for 34% of clients. This group fell to 28% in 2020/21 but has increased six percentage points over the past year returning to similar levels seen in previous years. These figures suggest the majority of clients supported by money and welfare

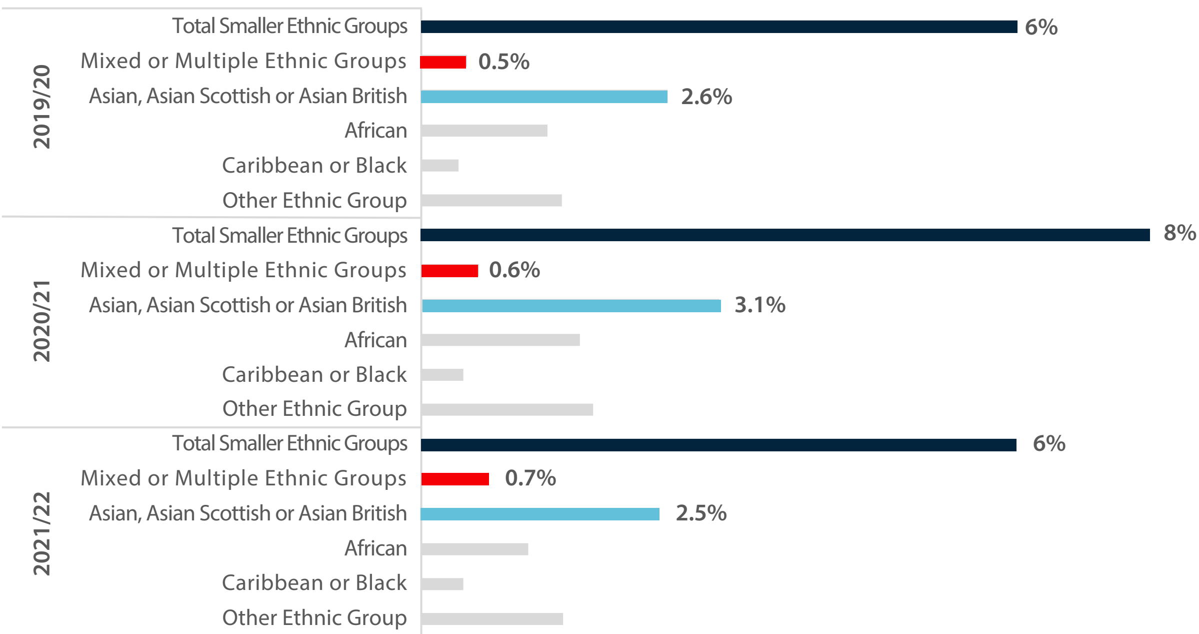
8 The figures in this section exclude “Not Recorded” and “Prefer not to answer”

rights advice services are unable to work. Nevertheless, around a quarter (26%) of clients are in some form of employment, including those who are employed full-time. A large proportion of clients in 2020/21 were unemployed and seeking work however this group reduced six percentage points in the past year and now represents 12% of clients.

As with previous years, the majority of clients in 2021/22 were from a white ethnicity, whilst smaller ethnicity groups only accounted for 6% of all clients. Nevertheless, this is still comparatively higher than the Scottish population where 4% are from smaller ethnicity groups.[9]

There was greater representation of smaller ethnic groups in 2020/21, however the proportions have fallen in 2021/22, particularly for those from an Asian, Asian Scottish or Asian British ethnicity which fell from 3.1% in 2020/21 to 2.5% in 2021/22. Although clients from a white ethnicity account for the greatest proportion of clients (94% in 2021/22) this category covers a range of ethnicities including white European ethnicities. It's possible this group may continue to grow in future years as more support from money and welfare rights advice services is targeted at Ukrainian refugees. Figure 3 shows a breakdown of the ethnicity of clients over the past three years.

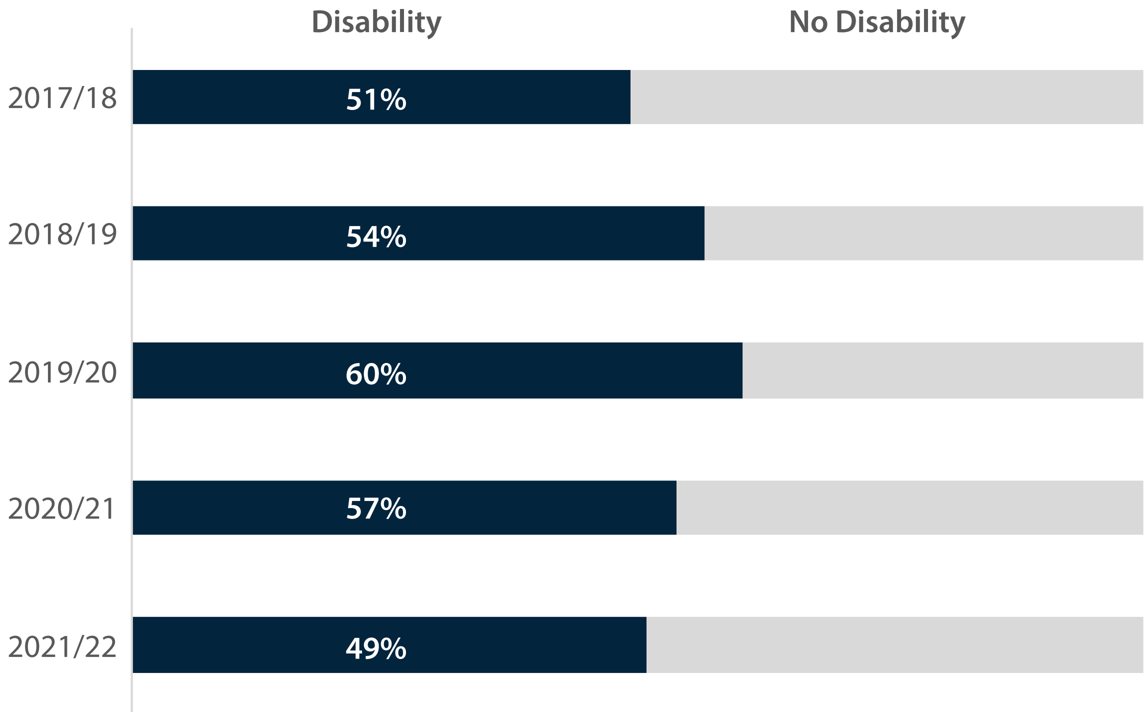
Figure 3 - Proportion of money and welfare rights advice clients by ethnicity, 2019/20 to 2021/22



9 Scottish Government. (September 2020). Scottish Household Survey 2019: Annual Report. https://www.gov.scot/publications/scottish-household-survey-2019-annual-report/

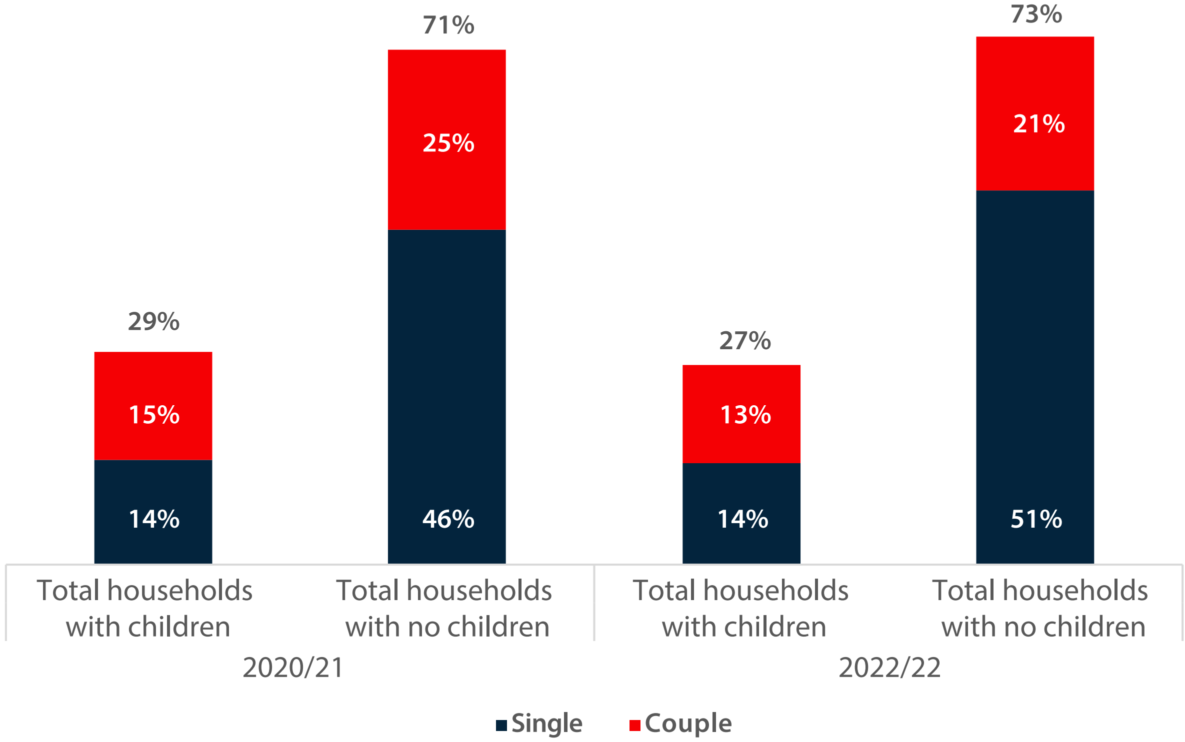
Although many demographic categories in the current year are broadly similar to what was seen prior to COVID-19, disability status has continued to change. As shown in figure 4, in historic years the majority of clients were recorded as having a disability or long-term condition. However, the proportion of clients with a disability reduced four percentage points in 2020/21 and a further seven percentage points in 2021/22. Clients recorded as having a disability or long-term condition made up 49% of clients in 2021/22, the lowest proportion in the past five years.

Figure 4 - Proportion of money and welfare rights advice clients reporting a disability or long-term condition, 2017/18 to 2021/22



Household composition has also shown change in the most recent year. Whilst households with children continue to represent a reasonable proportion of clients (27% in 2021/22), the proportion of households without children has increased two percentage points in the past year to 73%. This is largely driven by an increase in single households without children which increased from 46% of clients in 2020/21 to 51% in 2021/22. A breakdown of household composition is displayed in figure 5.

Figure 5 - Proportion of money and welfare rights advice clients by household composition, 2020/21 to 2021/22

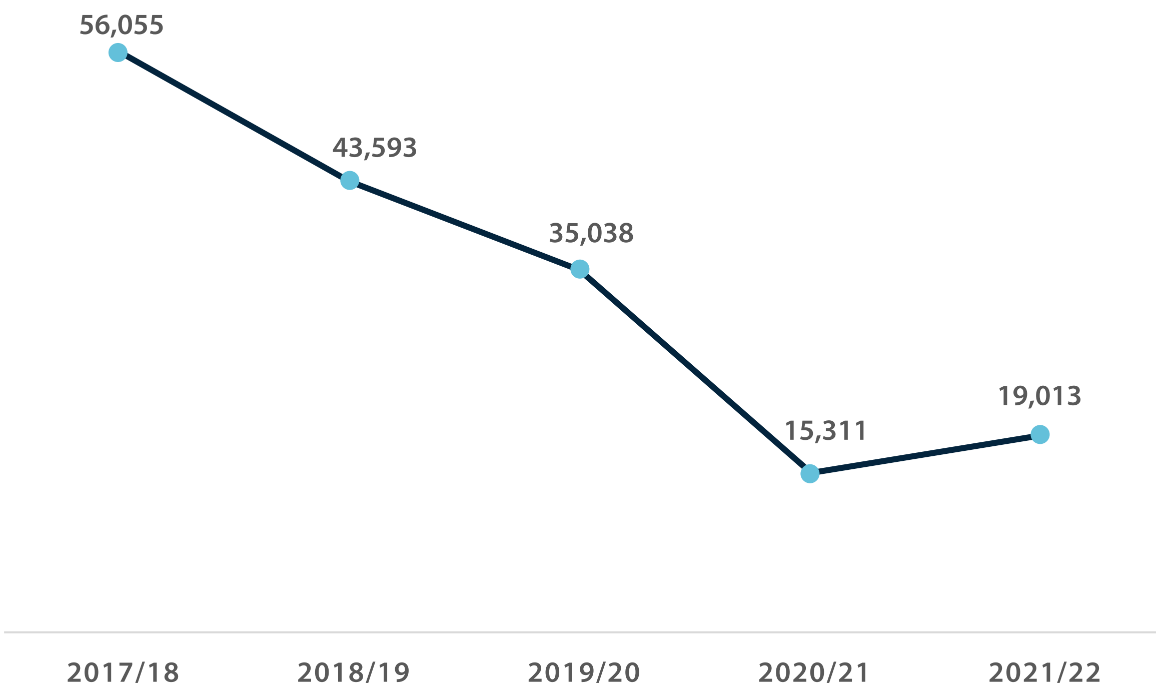


Debt clients and amount owed

The total number of debt clients reported by local authority funded money advice services increased in 2021/22 for the first time since 2017/18. As shown in figure 6 a total of 19,013 debt clients were supported across services in Scotland, representing an increase of 24% since the previous year.

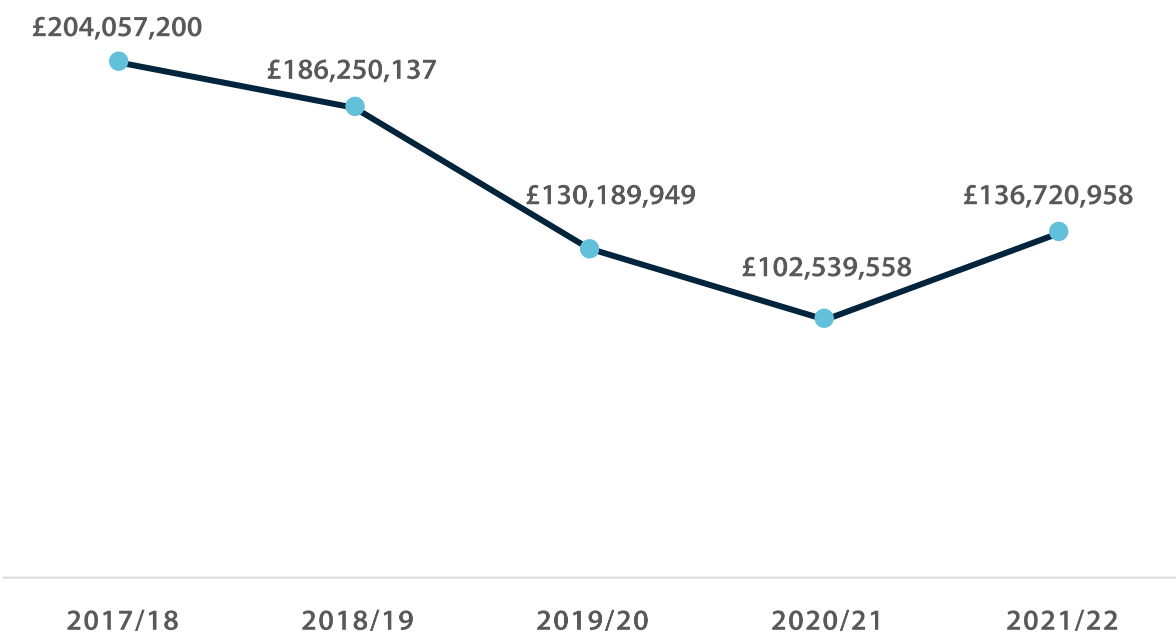
Total debt clients prior to 2020/21 may have been overinflated as these totals were calculated from the breakdown of debt clients by debt type, for which some services may have recorded the same individual more than once under each of the debt types they presented with. Both 2020/21 and 2021/22 figures were more robust as services were asked to provide the total individual number of debt clients they supported. As such, 2020/21 and 2021/22 figures are directly comparable and therefore this overall trend can be considered genuine. An increase is also seen when only including services able to report figures in each year.

Figure 6 - Reported number of debt clients, 2017/18 to 2021/22



The increase in debt clients is paired with an increase in the total amount of debt owed by these clients. Figure 7 shows the total amount of debt owed, as reported by local authority funded money advice services. This is reported to have increased 33% between 2020/21 and 2021/22 taking this to a total of £136,720,958. It's possible that demand for money advice increased during 2021/22 due to the removal of support measures available during the COVID-19 pandemic, including payment holidays and the suspension of creditors pursuing debts.

Figure 7 - Reported total amount of debt owed by debt clients, 2017/18 to 2021/22



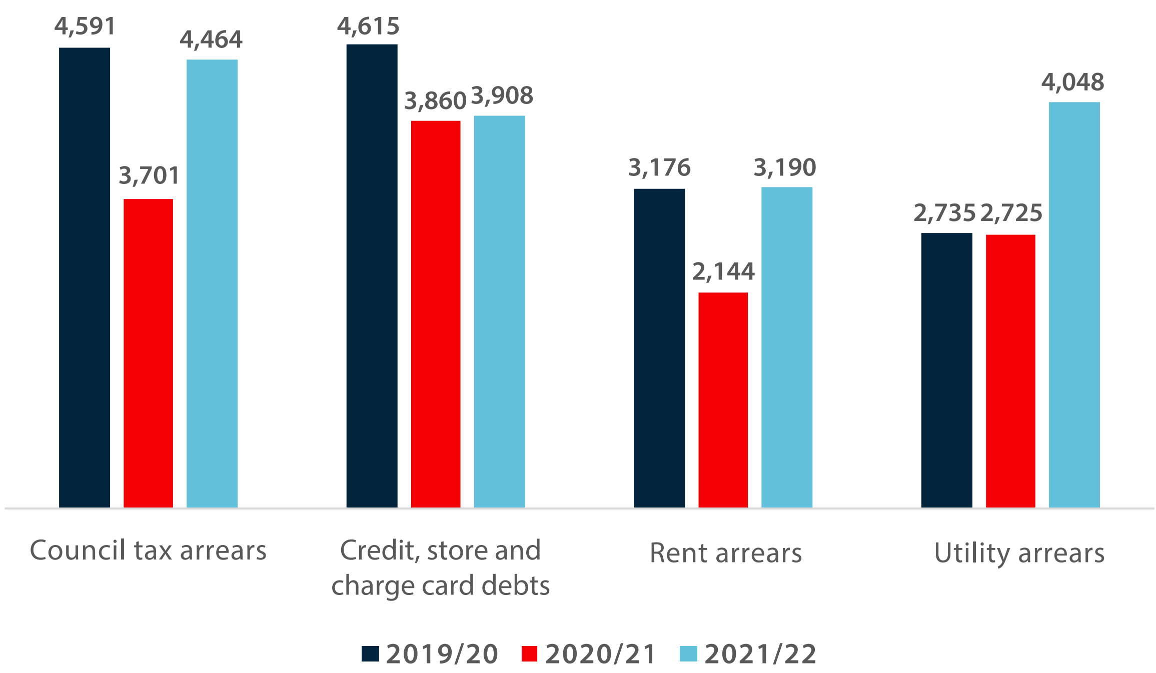
Of the types of debt clients presented with in 2021/22, Council Tax arrears, credit, store and charge card debt, rent arrears and utility arrears were the most common. The total number of clients reported with these types of debt all increased between 2020/21 and 2021/22 with the number of clients with Council Tax arrears, rent arrears and utility arrears all increasing around 45%. These debt types can be considered priority debts, therefore the increase in clients presenting with these types of debts highlights the vulnerability many people are facing. Furthermore, the increase in numbers of clients presenting with Council Tax arrears and rent arrears demonstrates an increase in local authority debt, which has implications for local authority budgets.

For services able to provide a breakdown of the type of rent arrears, local authority rent arrears were recorded as the most common and reflected the biggest increase over the past year. However, it's possible that local authority debts are better reported by services as systems within the local authority service allow easier access to records of these types of debts. Local authorities also suspended collections during the height of the COVID-19 pandemic, therefore the increase may be partly attributed to these being reinstated. This may also represent effective systems in place within the local authority to encourage people to seek support with these types of debts.[10]

A total of £4,785,741 debt was reportedly owed for utility arrears in 2021/22, the highest these arrears have been reported since 2017/18.

As shown in figure 8 utility arrears are undoubtedly becoming a more common issue for money advice clients. A total of £4,785,741 debt was reportedly owed for utility arrears in 2021/22, the highest these arrears have been reported since 2017/18. Whilst the energy crisis started toward the end of the 2021/22 reporting period, it appears as though the impact of this can already be shown. It's likely this will continue to rise in the following year as the compound effects of the COVID-19 pandemic and cost of living crisis impact on client's ability to meet their commitments. It's possible that there may be increasing number of clients presenting with debt for other essentials, such as mortgages, given the significant increase in interest rates.

Figure 8 - Reported number of debt clients presenting with the most common debt types, 2019/20 to 2021/22

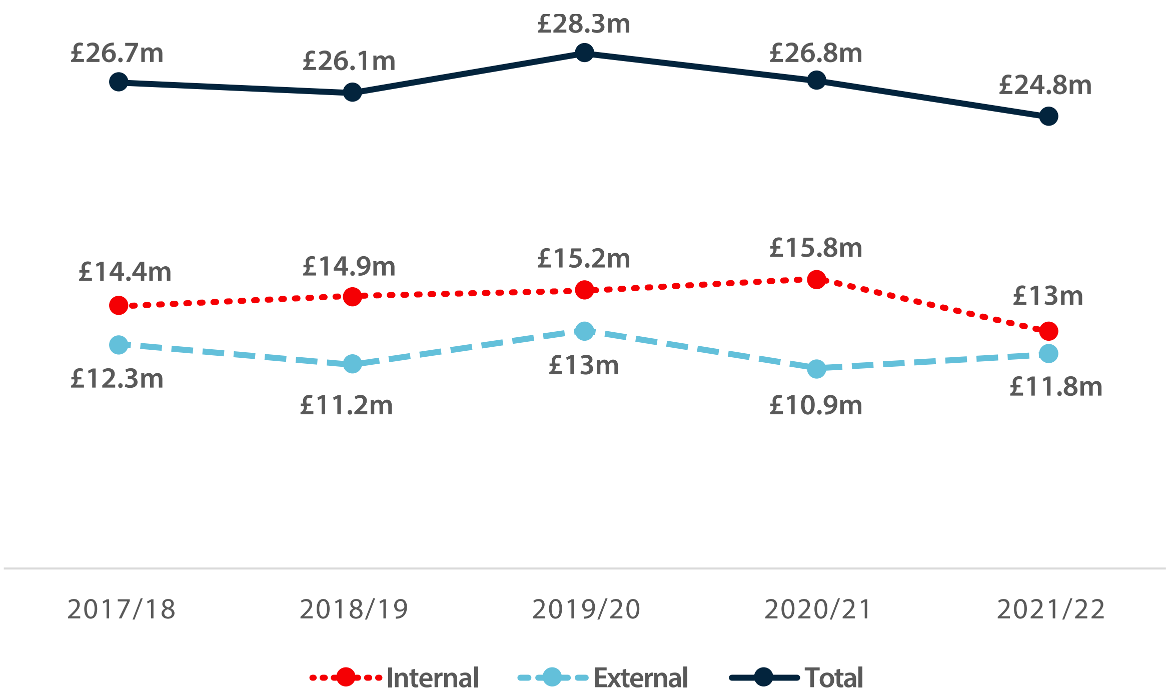


10 Improvement Service. (June 2022). Collaborative Council Tax Collection. https://www.improvementservice.org.uk/__data/assets/pdf_file/0011/11801/collaborative-council-tax-collection-May-22.pdf

Funding

In 2021/22 a total of £24,765,075 was reported to be invested by local authorities in money and welfare rights advice services. This includes £13,001,579 in internally delivered services and £11,763,495 in externally commissioned services. Figure 9 shows the reported funding over the past five years since 2017/18. An initial look at these figures suggests funding has decreased over the period. However, when considering only those services able to provide complete figures each year, the figures demonstrate an increase in funding for both internal and external services, with the total funding returning to 2019/20 levels. This increase is in line with contextual evidence supplied by services.

Figure 9 - Reported local authority funding for money and welfare rights advice by type of provision, 2017/18 to 2021/22



Of the local authorities which had an internal service and reported figures in both years, 60% had an increase between 2020/21 and 2021/22, with an average increase of 4%. For those who provided contextual information regarding the change, the increases in funding for internal services were typically attributed to funding made available for new posts or to cover increased staffing costs. The additional funding was noted to come from either existing council budgets or from new money through the COVID Recovery fund. Increased staffing costs included incremental pay increases, re-grading of posts, wage rises as well as increased hours.

Of the local authorities which had an external service and reported figures in both years, 67% had an increase over the same period, with an average increase of 12%. In external services the main reason noted for the increase in local authority funding was because additional project funding was made available. Whilst this represents an increase in funding, this type of funding is used for specific activities and therefore does not necessarily support increasing costs for the core service. There were also services which noted that whilst local authority funding had increased, this funding was used to fill a shortfall in funding for the service due to the loss of other external funding contracts.

Therefore, whilst some services do appear to have received new funding, in some cases this is short term funding and related to new work. For those with increases to their core budget this additional money won't go as far as in previous years due to inflation, and for some, the increase is only used to cover rising costs so does not actually represent new money.[11]

Therefore, whilst some services do appear to have received new funding, in some cases this is short term funding and related to new work. For those with increases to their core budget this additional money won't go as far as in previous years due to inflation, and for some, the increase is only used to cover rising costs so does not actually represent new money.

There were also services who reported a decrease in their funding which some noted was a result of reduced staff capacity for example through voluntary redundancy and retirement. One service noted that although local authority funding had reduced this reflected a shift from core funding to project funding.

The figures do suggest that investment from other funders has increased. In 2021/22 services reported receiving a total of £7,852,424 from other funders aside from the local authority, representing an increase of 5% from the figure reported in 2020/21. The Scottish Government continues to be one of the largest investors with services reporting a total of £1,454,041 invested in 2021/22. This investment is likely higher still, due to under-reporting. It's possible that as local authority budgets are tightened in the following years as costs soar that services may look for increased investment from other sources.

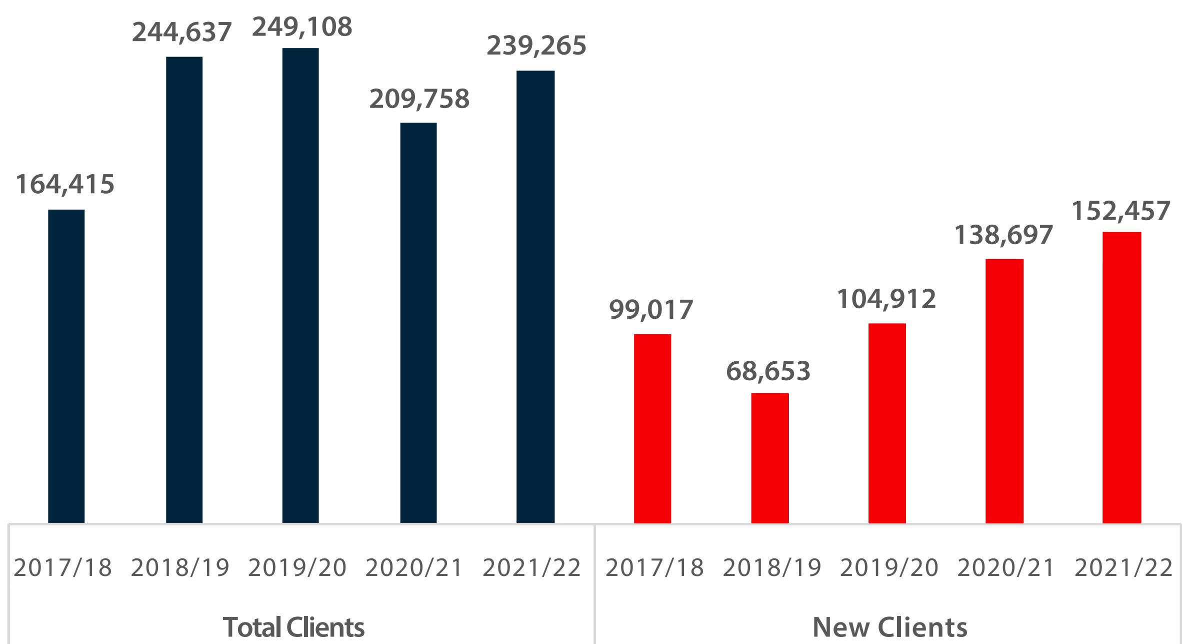
11 Audit Scotland. (March 2022). Local government in Scotland – Financial overview 2020/21. https://www.audit-scotland.gov.uk/uploads/docs/report/2022/nr_220310_local_government_finance.pdf

Volume

Reported figures suggest that client numbers started to return to normal levels in 2021/22 following a large decline during the height of the pandemic in 2020/21. As shown in figure 10, local authority funded money and welfare rights advice services reported supporting a total of 239,265 clients in 2021/22.

The fall in client numbers in 2020/21 can be partly attributed to the range of measures in place during that year to support individuals through the COVID-19 pandemic, including the furlough scheme and increased universal credit payment. Therefore, it's likely the removal of these measures contributed to the increase in demand seen in 2021/22. Services were also better established with new ways of working and were starting to provide some face to face services. This meant better access for those who may have been excluded during 2020/21 by the move to more online delivery methods caused by social distancing measures. Whilst figures for initial contacts by channel are under-reported, the figures reported suggest that 12% of initial contacts to the services in 2021/22 were face-to-face. Whilst this remains lower than historic years it is a substantial rise from 2% during the height of the pandemic. Telephone (59%) remains the most common contact channel, followed by email (20%).

Figure 10 - Reported number of total clients and new clients, 2017/18 to 2021/22



The total number of new clients in 2021/22 remained at similar levels compared with the previous year. This may suggest that the increase in total clients is due to an increase in existing clients, whose support has continued from the previous year. Research carried out during 2021/22 with local authority advice leads suggested that clients were presenting with increasingly complex cases which took longer to resolve.[12] Although under-reported, in 2021/22 services reported spending an average of five hours per client to support the client and resolve their issue and over 75% of clients needed multiple contacts with the service. The complexity of cases is likely to continue being an issue as the financial vulnerability of individuals is further heightened and available support changes rapidly making the landscape difficult to navigate for clients and advisers alike.

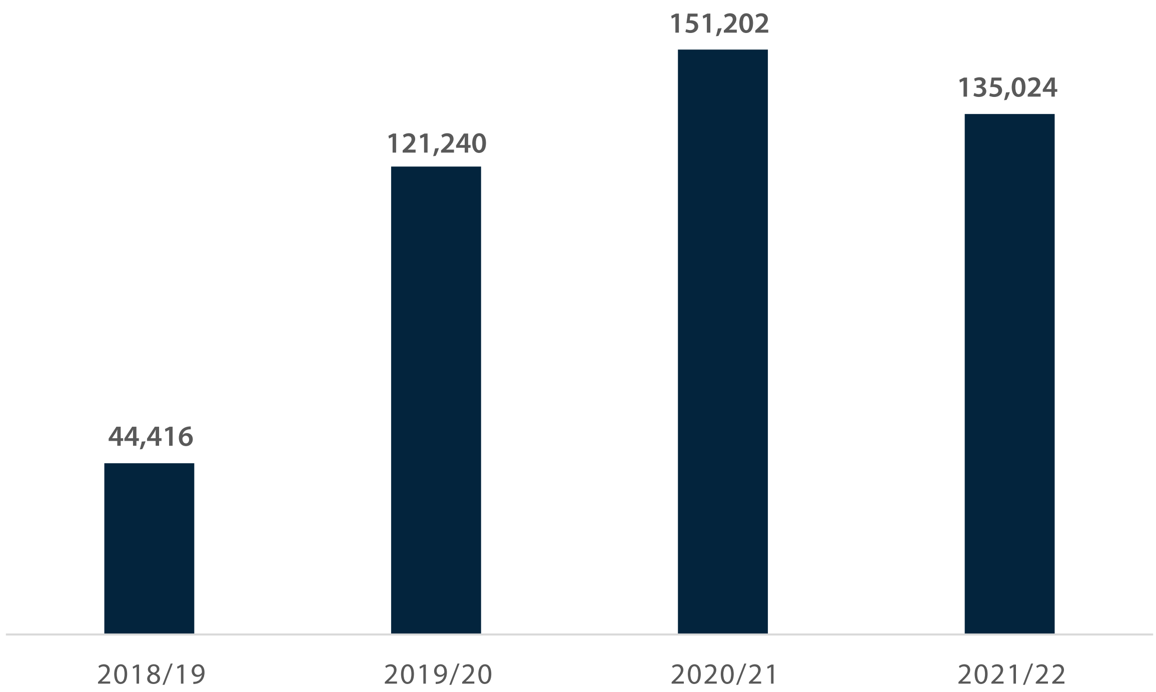
The complexity of cases is likely to continue being an issue as the financial vulnerability of individuals is further heightened and available support changes rapidly making the landscape difficult to navigate for clients and advisers alike.

One of the prominent areas of support provided by local authority funded money and welfare rights advice services is benefit entitlement checks. Services reported carrying out a total of 135,024 benefit entitlement checks on behalf of clients in 2021/22. As shown in figure 11 there has been an overall decline in the number of benefit entitlement checks since 2020/21, although levels remain higher than previous years.

It's likely that benefit entitlement checks were particularly high in 2020/21 as additional support became available during the height of the pandemic and increasing number of individuals were struggling and unsure of what was available. Therefore, the decline in 2021/22 may reflect a return to more normal levels as well as differences in reporting year on year. Some services also have benefit calculators on their website which enable individuals to carry out an entitlement check for themselves, reducing the demand on services. In 2021/22 11 services reported hosting a benefit calculator on their website.

12 Improvement Service. (February 2022). Local authority funded money and welfare rights advice services – An insight from service leads and advisers. https://www.improvementservice.org.uk/__data/assets/pdf_file/0017/31463/CAPMRF-additonal-research.pdf

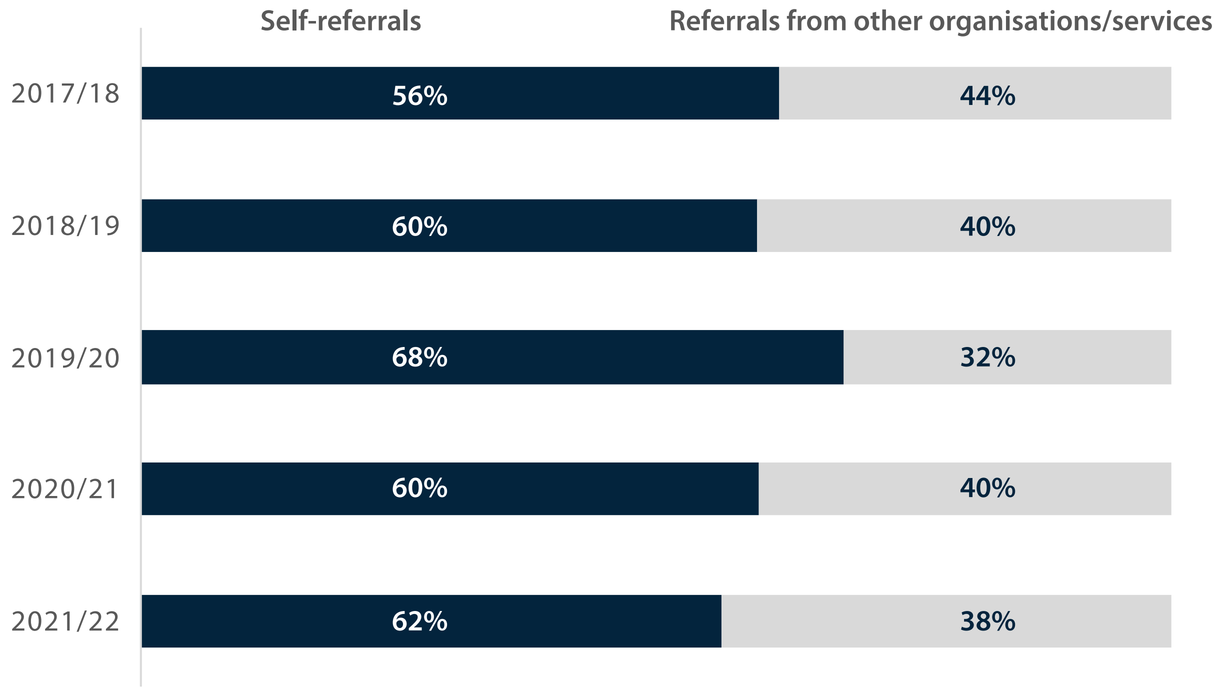
Figure 11 - Reported number of benefit entitlement checks carried out, 2017/18 to 2021/22



As in previous years, self-referrals continue to be the most common way in which clients access services. Figure 12 shows how the proportion of self-referrals, compared with referrals from other organisations/services have changed since 2017/18. The proportion of self-referrals has increased slightly in the past year from 60% of all referrals in 2020/21 to 62% in 2021/22.

Whilst a large proportion of clients do seek out support for themselves, services continue to have effective referral pathways in place to ensure those accessing support from other services are directed to money and welfare rights advice services when needed. Referrals from other organisation/services include referrals from primary health care, the third sector and other local authority departments. Within services who were able to provide a breakdown, external referrals were predominantly from other local authority services, representing 21% of all referrals in 2021/22.

Figure 12 - Proportion of referrals by referral type, 2017/18 to 2021/22



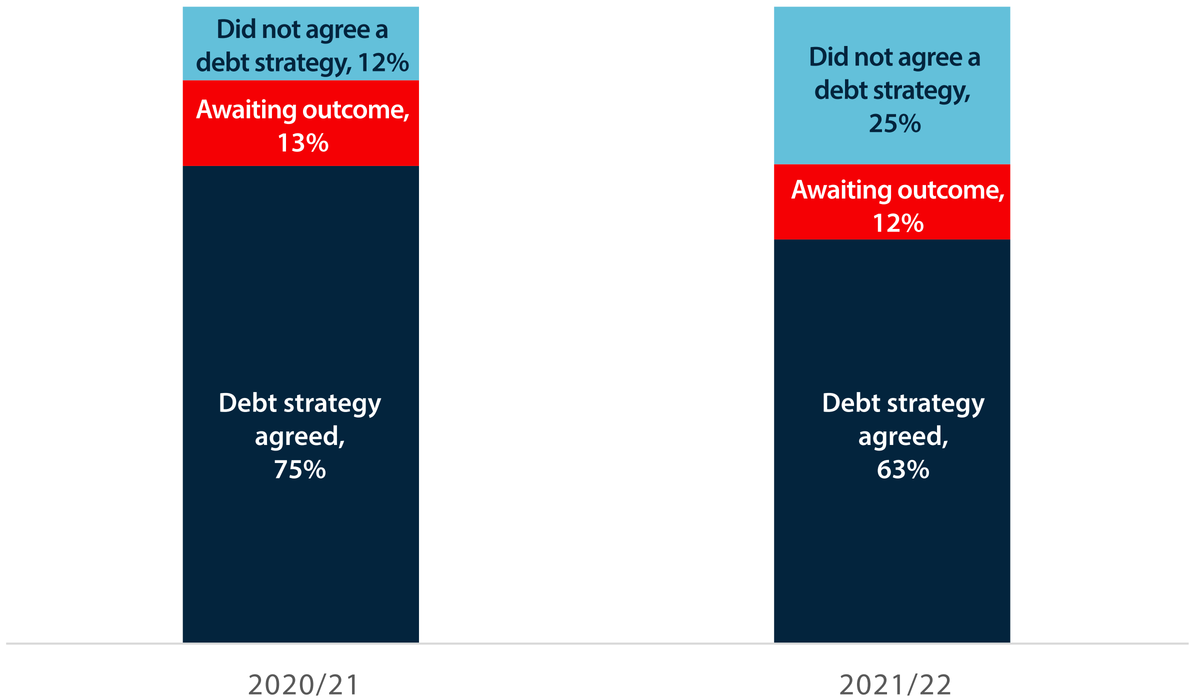

ADVICE

Debt strategies

Figure 13 displays a breakdown of the recorded debt outputs for clients in 2020/21 and 2021/22. The figures suggest that has been an increase in the proportion of clients who did not agree a debt strategy, with this accounting for 25% of outputs in 2021/22 compared with 12% in 2020/21. This measure was under-reported in both years, therefore some of this change may be accounted for by reporting differences.

This output covers all clients who did not agree a debt strategy, including clients where discussions have ended with no strategy being agreed and clients who disengaged with the service prior to any agreement. As such the increase could reflect an increase in disengagement or that the service is unable to find a strategy which is appropriate to the client's situation. The latter may be likely given the increased complexity of cases being seen by advisers, particularly if clients do not seek support until they are in crisis. Nevertheless, the majority of clients continue to have a debt strategy agreed by the end of the financial year. Of those able to provide a breakdown, repayment plans were recorded as the most common type of debt strategy agreed with clients, accounting for 21% of all strategies agreed.

Figure 13 - Proportion of debt strategy outputs, 2020/21 to 2021/22



Welfare rights

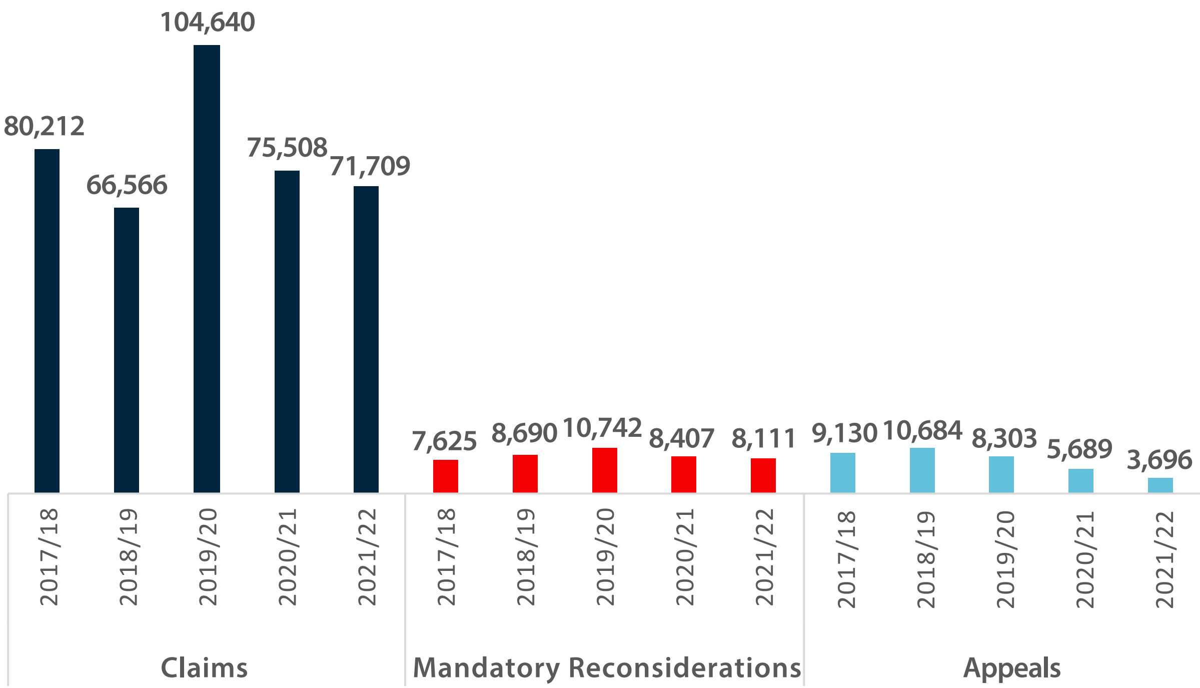
Welfare rights activity, as reported by services, has shown a continued decline in the past year. Figure 14 shows the support reported to have been provided by local authority funded welfare rights advice services since 2017/18, including the total number of claims, mandatory reconsiderations and appeals. Whilst these areas have shown a decline, there is likely several factors contributing to this. There may be a continuation of the trend seen in 2020/21 whereby services attributed the decline to; improved availability of information enabling clients to complete claims themselves, automatic extensions resulting in less need, removal of conditionality requirements resulting in fewer adverse decisions and delays in the court systems.

The welfare landscape has continually changed since the start of the COVID-19 pandemic and clients are increasingly presenting with mental health issues.

It may also be related to the increased complexity of advice, as highlighted earlier in this report. The welfare landscape has continually changed since the start of the COVID-19 pandemic and clients are increasingly presenting with mental health issues.[13] These factors have put significant pressure on advisors and can increase the time needed to support each client, therefore it may not be possible to support the same volume as in previous years.

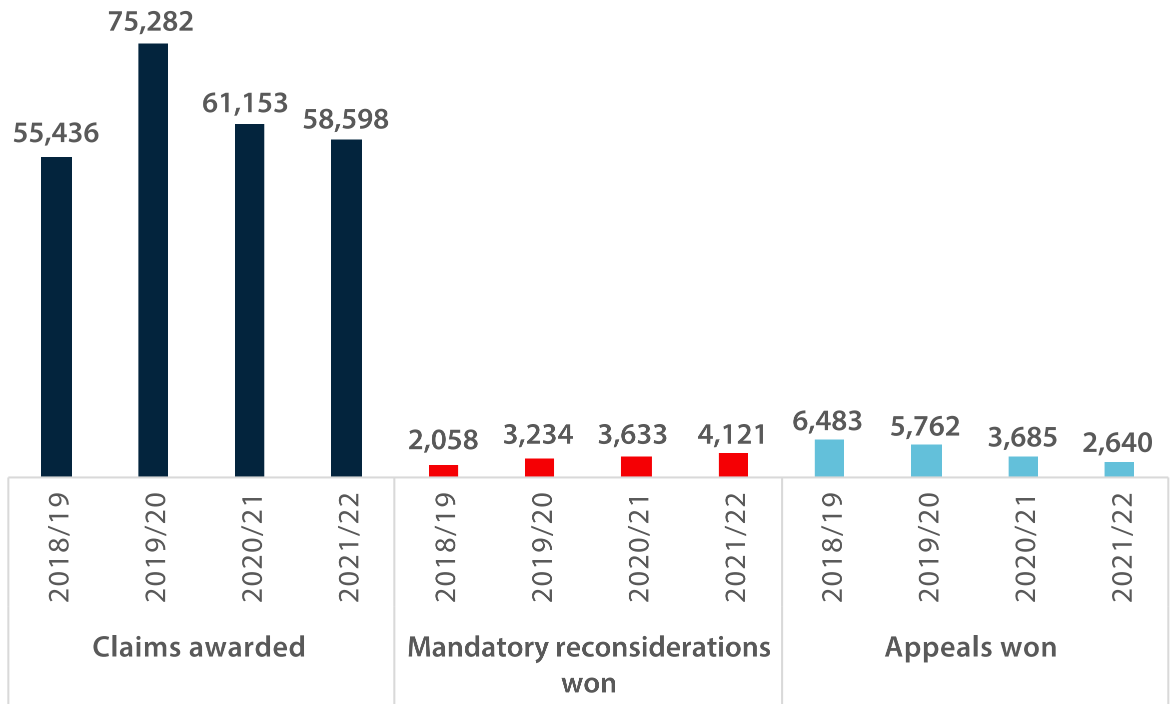
13 Improvement Service. (February 2022). Local authority funded money and welfare rights advice services – An insight from service leads and advisers. https://www.improvementservice.org.uk/__data/assets/pdf_file/0017/31463/CAPMRF-additonal-research.pdf

Figure 14 - Reported welfare rights activity, 2017/18 to 2021/22



Despite an overall reduction in volume of welfare rights activity, services continue to achieve successful outcomes as a result of this activity. Successful outcomes for claims and appeals have reduced at a lower rate than for the numbers carried out which may suggest a greater proportion are successful. Furthermore, the number of mandatory reconsiderations won has increased between 2020/21 and 2021/22 and is higher than the years prior to this. Figure 15 shows a breakdown of these outcomes.

Figure 15 - Reported welfare rights outcomes, 2018/19 to 2021/22

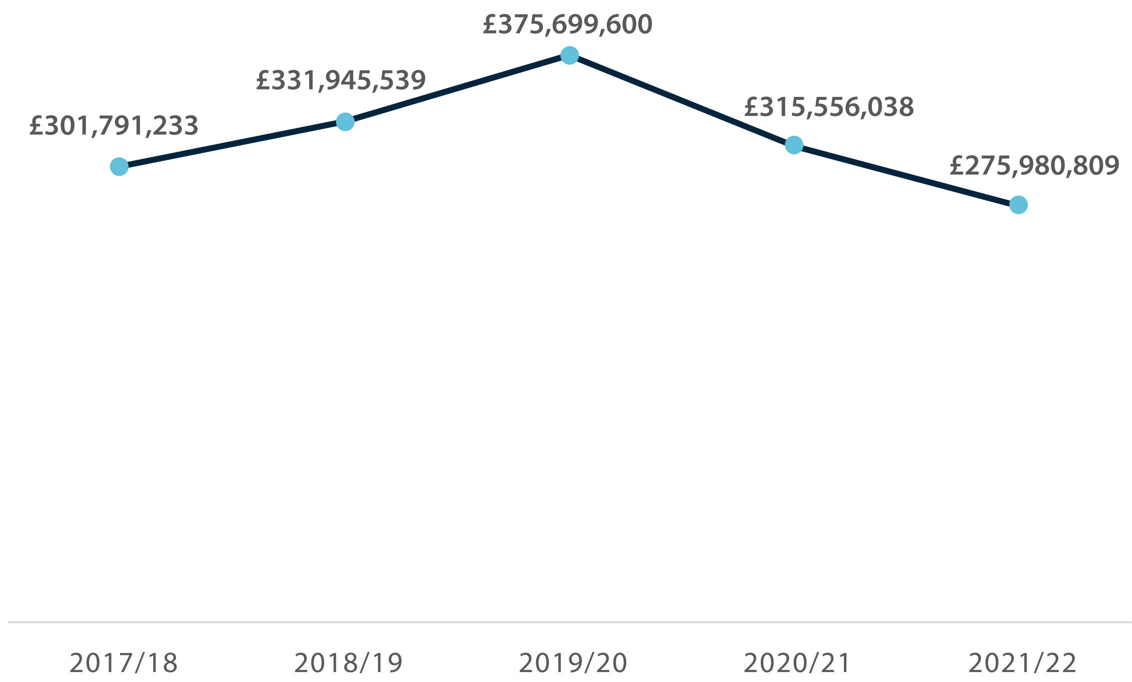


As with previous years, Personal Independence Payments continue to be the most commonly supported welfare benefit, making up the largest proportion of claims, mandatory reconsiderations and appeals. Claims for discretionary housing payments and the Scottish Welfare Fund both made up a larger proportion of claims in 2021/22.

Financial gain

Local authority funded money and welfare rights advice services secured a total of £275,980,809 verified financial gain for clients in 2021/22. As shown in figure 16 the total verified financial gain fell for a second year. This trend is also seen when looking only at figures from local authorities who were able to provide complete data in every year.

Figure 16 - Total reported verified financial gain, 2017/18 to 2021/22



Whilst there appears to be a decline in verified financial gain, these figures often under-represent the true value achieved as services have difficulty verifying gains. Clients do not always return to the service if they achieve a successful outcome, meaning the service is unaware if the gain has been achieved or not. Given the significant pressures facing services, resource is not often available to follow up to ensure gains are recorded.

Some services do record unverified gains. These are recorded when the service has supported the client to identify potential gains but is not then notified by the client that these have been secured, for example gains identified through benefit entitlement checks, for which the client then applies themselves. In comparison to verified financial gain, the total unverified financial gain recorded increased between 2019/20 and 2020/21 and again between 2020/21 and 2021/22. A total of £34,224,329 unverified financial gain was recorded in 2021/22. This highlights the potential increased level of gains which services are likely achieving for their clients.

Regardless of whether the financial gains reported are an under-representation, they reflect an excellent return on investment for local authorities. Every £1 invested by local authorities in money and welfare rights advice services returns £11 in verified financial gain for clients. This increases to £13 when unverified financial gain is also included.

Every £1 invested by local authorities in money and welfare rights advice services returns £11 in verified financial gain for clients.

Softer outcomes

Although the data suggests that financial gains have reduced, these figures do not represent everything that money and welfare rights advice services achieve for their clients. Whilst increased income is the biggest support these services provide, in doing so, this often has a wider impact, including prevention of additional negative outcomes, such as homelessness, and supporting improvement in mental and physical wellbeing.

Local authorities were asked to provide any information from their service which could demonstrate what has changed for clients as a result of receiving advice. In 2021/22 nine local authorities were able to provide information. This included a range of evidence including client feedback, case studies, surveys and measures of non-financial outcomes. A full breakdown of these can be found in the individual local authority reports.[14]

Of the services able to provide client survey results, common questions across these services have been summarised in table 1 below. This highlights the average rate of agreement across the common questions and the number of services included in this average. As shown, clients self-report high levels of agreement with a range of positive statements.

Table 1 - Reported client survey results 2021/22

Statement: “As a result of the advice/support given...”	Average rate - Agree	No. of services included
I've been feeling better about myself	99%	2
I know when to seek support and where to get it	92%	3
I'm confident I'm getting all the benefits and help to which I'm entitled	91%	2
I have reduced stress/peace of mind	91%	2
I can manage my money better	80%	4
I have improved health and wellbeing	78%	3
I can cope with my situation better	69%	3

These results highlight the positive impact advice can have on an individual. Research by the Improvement Service highlighted that services are increasingly supporting

14 https://www.improvementservice.org.uk/products-and-services/performance-management-and-benchmarking/common-advice-performance-management-framework

clients with mental health issues.[15] This means that advisers often have to provide emotional support in addition to their role. Whilst this puts significant pressure on advisers it can mean that the support provided is vital in making a difference to an individual's quality of life. Comments from advisers highlight the value clients place on these services.

Client Feedback

"The process of applying for PIP was a daunting one, the help I received made it so much easier and less stressful."

"I don't know how I would have managed without the support from welfare rights at my appeal."

"Fantastic service, I don't know what I would have done without the help I received, the benefits I was awarded have improved my quality of life no end."

"I feel so much better now and more on top of things."

"The advisers' involvement in my money matters was outstanding to say the least. Together we managed to fix money issues I had been struggling with for years and without her I would not have been able to succeed in my application for bankruptcy."

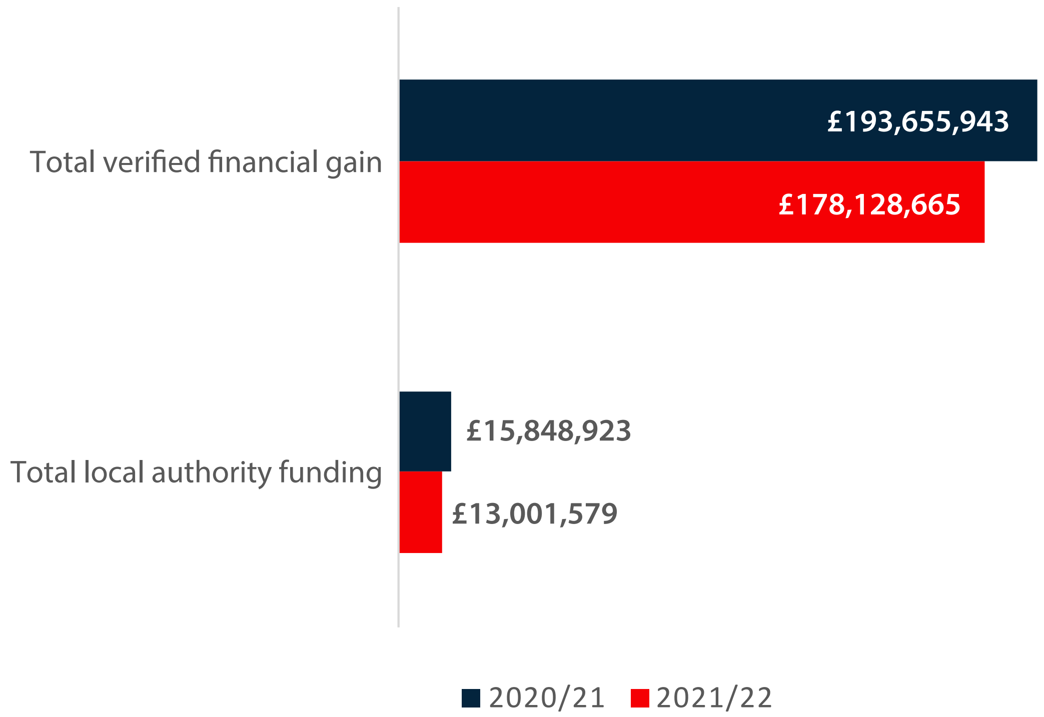
15 Improvement Service. (February 2022). Local authority funded money and welfare rights advice services – An insight from service leads and advisers. https://www.improvementservice.org.uk/__data/assets/pdf_file/0017/31463/CAPMRF-additonal-research.pdf

Local authority delivered services

This report focuses on local authority funded money and welfare rights advice services and what these services achieve. It is recognised that there is wide variety in how local authorities choose to deliver these services, with some delivering this internally, some commissioning external organisations to do so and some using a blended model of both approaches. Each local authority uses the model which best meets the need of their clients and the resources available to them.

This is the second year to provide an overview of what is delivered specifically by local authority internally delivered services. Figures from internally delivered services follow the same trends as outlined earlier in the report. Total clients increased to 139,072 in 2021/22 and total verified financial gain fell to £178,128,665. Figure 17 highlights the reported funding for internally delivered services in 2020/21 and 2021/22 and the verified financial gains achieved with this funding. Both figures show a reduction over time, however as noted earlier the reduction in funding is likely related to recording differences over time and financial gains are also likely to be higher than reported. Nevertheless, the reported figures demonstrate an excellent return on investment with internally delivered services achieving £14 of financial gain for every £1 of local authority investment.

Figure 17 - Total verified financial gain and total local authority funding for local authority delivered services, 2020/21 to 2021/22



Conclusion

The findings of this report demonstrate the significant impact that local authority money and welfare rights advice services continue to make. These services have played a vital role through the instability experienced in the early 2020's and have supported increasing numbers of vulnerable households in the past year. Services are likely to experience continued pressure in the following years. Demand from debt advice clients has already increased in the most recent year and rising costs mean there is likely to be increased demand from those struggling to make ends meet. This demand will need to be balanced with the increasing costs of service delivery.

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