

**BUSINESS SUPPORT
OVERVIEW AND SCRUTINY COMMITTEE
3 FEBRUARY 2015
6 MONTH REVIEW OF WELFARE REFORM TASK GROUP
REVIEW**

Report from: Mick Hayward, Chief Finance Officer

Authors: Jon Poulson, Revenues and Benefits Contract Manager

Summary

This report provides Members with an update on progress made with the Committee's recommendations from the Welfare Reform in-depth review, which were agreed by the Cabinet on 2 September 2014.

1. Budget and Policy Framework

1.1 The Welfare Reforms are not an abstract issue. Assessing this issue was therefore seen as relevant to a number of Council policy documents, such as the Council Plan 2013-15 and Sustainable Community Strategy 2010-2026, and particularly relevant to the Council's core values and strategic priorities that underpin all the Council's work and its delivery of services to the people of Medway.

2. Background

2.1 In 2011 Medway Council adopted a systematic approach to identifying and prioritising topics for in-depth review work by time limited Task Groups. This evaluated topics in line with potential impact, corporate priority, potential outcomes and timeliness.

2.2 Following consideration of a number of topics for 2013/2014 the Business Support Overview and Scrutiny Committee in April 2013 selected 'Impact of Welfare Reforms'. In particular, Members expressed an interest in reviewing the impact of Central Government's plans to radically reform the welfare benefits system on the Council and residents from April 2013.

The Welfare Agenda

- 2.3 The past few years has seen some fundamental changes to the benefits system, with the Welfare Reform Act 2012 containing a number of measures that are comprehensively reforming the Welfare State. Changes have included the introduction of a cap on benefits, the social sector housing size criteria, the replacement of Council Tax Benefit with a local Council Tax scheme and new responsibilities relating to local discretionary funds. The main reform will involve the introduction of a completely new benefit, Universal Credit. It is these elements of the Department for Work and Pensions Reform Story that have been the focus of this Task Group.
- 2.4 The Task Group has met officers from across the Council and with representatives from a number of organisations. This has included representatives from the Department for Work and Pensions, Medway Citizens Advice Bureau, StepChange, Medway Food Bank, the Hyde Group, MHS Homes, The National Landlords Association and CVS Medway. Their work was supported by additional written submissions from a number of organisations/individuals working within the remit of this review and desktop research.
- 2.5 The review document was presented to the Business Support Overview and Scrutiny Committee on 26 August 2014. It was subsequently presented and approved at Cabinet on 2 September 2014.
- 2.6 A copy of the review document can be viewed using the following link: <http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=24708>.
- 2.7 The list of actions agreed by Cabinet's on 4 September 2012, along with a commentary to update the committee on progress against each action, is attached at Appendix 1.

3. Update

- 3.1 Universal Credit: The Department for Work and Pensions has announced further details of the national roll out of Universal Credit, including confirmation of the 150 jobcentres that will be in the first wave between February and April 2015.
- Nov 2014: Universal Credit extended to families in Warrington and Wirral – new claims only
 - End of 2014: UC live in all jobcentres in the north west and Hammersmith, Bath, Rugby, Harrogate, Inverness and Shotton.
 - Jan 2015: extends to families in all existing live sites
 - Feb 2015–March 2016: National roll out to all jobcentres – new claims from single people without children

- Tranche 1 (Feb – Apr 2015) 150 jobcentres including Ashford, Swale, Tonbridge & Malling and Maidstone
 - Tranche 2 (May – Jul 2015) 160 jobcentres including Gravesham
 - Tranche 3 (Sept – Nov 2015) 180 jobcentres
 - Tranche 4 (Dec 2015 – Mar 2016) 110 jobcentres
- May 2016–Dec 2017: National roll out to all new claims and claimants with change of circumstances
 - Jan 2018–Dec 2019: Managed transfer of legacy benefit claims including housing benefit, JSA and income support.

As yet there has been no indication of which remaining tranche Medway will be in.

3.2 New Digital Service: The DWP is using a 'test and learn' approach to improving its live application service, and a revised service will be rolled out nationally from February 2015.

3.3 Autumn Statement:

- Universal Credit Working Allowances (earning disregards) frozen for a further year, to 2018
- Increasing help with child care costs for people on UC from 2016
- Ending unemployment benefits for migrants with no prospect of employment
- Greater incentives for local authorities to reduce housing benefit fraud and error

3.4 Consultation on Data Sharing: The DWP has just completed a consultation exercise on additional powers that would allow it to share data with local service providers. The DWP hopes the regulations will come into force by February 2015 and include the ability for social landlords to be notified when a social tenant applies for Universal Credit.

3.5 Local Welfare Provision: The provisional Financial Assessment was announced on 18 December 2014 and within each authority's Settlement Funding Assessment was a figure identifiable as Local Welfare provision. However, this was achieved by transferring monies from other funding and was summed up by the Local Government Association as follows,

It is hugely disappointing that the Government has not listened to councils and charities who have called for funding to support local welfare assistance. Instead of providing separate money for councils to

help the vulnerable, the Government has instead suggested that councils will have to find this money from existing budgets, at a time when these are being cut by more than £2.5 billion.

4. Risk Management

- 4.1 Changes of the magnitude of the Welfare Reform agenda inevitably bring risks to the organisation and its residents. This is magnified by the fact that the impact is on the more vulnerable members of society.
- 4.2 The fact that other local authorities in the area have been selected to go live with Universal Credit prior to Medway allows officers the chance to learn from their experiences as does the fact that the DWP has put in place a team of regional Universal Support Development Managers to facilitate local partnerships between local authorities, DWP and local stakeholders and keep them informed of the experiences of those further afield.
- 4.3 The Welfare Reform agenda does include the three major areas of triage, digital inclusion and financial inclusion and as such reach into most area of the Council. It is vital therefore that there is a co-ordinated approach between services and projects to ensure a smooth and efficient transition.

5. Financial and legal implications

- 5.1 There are no financial or legal implications arising directly from this report.

6. Recommendations

- 6.1 The Committee is recommended to note the progress made against the actions from the review.

Lead officer contact

Jon Poulson, Revenues and Benefits Contract Manager
Tel: (01634) 333700 Email: jon.poulson@medway.gov.uk

Background papers: [Cabinet Report – Welfare Reform Task Group](#)
<http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=24708>.

	DECISIONS	ACTION BY	STATUS/COMMENT
145/2014	<p>The Cabinet agreed that the Welfare Reform Officers Working Group continues to lead the Medway response to Welfare Reform and to work to develop communication between the Council and other agencies, with the objective of providing the customer with the single journey through a coordinated response. This should include:</p> <p>(a) a Stakeholder event explaining the Welfare Reforms and the schemes in operation in Medway. This event should enable organisations to showcase their response to the reforms;</p> <p>(b) the development of a booklet (in print and online) for all affected residents, signposting the various organisations providing support.</p> <p>(c) A briefing for all Members on the Welfare Reforms.</p>	Welfare Reform Officers Working Group	<p>ONGOING Originally scheduled for December / January the date has been put back to give more time to identify all the relevant organisations for whom it would be relevant to attend. A live date for Universal Credit was also expected by now which would enable a more informed discussion.</p> <p>ONGOING The booklet is scheduled to follow the Stakeholder Event. In the meantime, however, there will be a build-up of information relating to Universal Credit in Medway Matters from the February 2015 until go-live or later if necessary. In addition a draft communications plan has been produced for approval at the next Officers Group meeting</p> <p>COMPLETED Briefing held on 10 December with presentations from both Medway Council and DWP officers. Copies of the slides are at Appendix A.</p>
146/2014	The Cabinet agreed that the Welfare Reform Officers Working Group undertakes further work to improve communication channels for potentially vulnerable claimants	Welfare Reform Officers Working Group	

DECISIONS	ACTION BY	STATUS/COMMENT
<p>of discretionary payments, who may find themselves excluded. This should incorporate:</p> <p>(a) any positive learning from existing cross agency partnerships, such as Street Weeks and Troubled Families;</p> <p>(b) a review of Council systems, with a view to highlighting vulnerable claimants, especially where there may be safeguarding issues, and the potential need for 'personal intervention' in the debt recovery process;</p> <p>(c) undertaking a Diversity Impact Assessment to understand the cumulative impact of the Welfare Reforms including the impact on groups with protected characteristics and to identify the necessary actions to take forward.</p>		<p>ONGOING DWP representation on the Officers Group includes a member of the Street Weeks team whilst other members maintain contact with the Troubled Families Team. A further two DWP representatives are dedicated to keeping up to date with all developments within the national pilot schemes.</p> <p>ONGOING There are no obvious links between the Council's current council tax systems and other corporate systems. However, the future of the council tax document management system and the possibility of migrating to the corporate system is an on-going exercise within in finance & ICT.</p> <p>ONGOING Officers have been unable as yet to identify a means of doing this which will guarantee meaningful answers. Discussion with a private sector company identified a service which would extract all the Council' housing benefit data and show the impact across equality groups. The service cost £11,500 and even then would only include housing benefit recipients and thus not all those affected by Welfare Reform.</p> <p>Further research identified a letter written by the Minister for Welfare Reform to the Chair of the Social Security Advisory Committee in which he confirms that Government is unable to break down the results to smaller sub groups of the population. (see appendix B).</p> <p>However, officers acknowledge that this is an important issue to address despite the impediments. Accordingly a small group of 'council experts' is to look again at this issue and attempt to produce a more meaningful answer outside the constraints of a formal DIA exercise.</p>

DECISIONS	ACTION BY	STATUS/COMMENT
147/2014	<p>Welfare Reform Officers Working Group</p>	<p>ONGOING A trial was undertaken in September where 605 benefit cases who were still paying their 2013/14 council tax and now had liability orders granted against them for the 2014/15 council tax were sent 'need to sleep leaflets' from the national Stepchange campaign. Where the debtor made contact with the recovery team and a suitable arrangement could not be made attempts were made to 'warm transfer'. An issue has been identified in so far as any call transferred from the Council to the Stepchange Freephone number will still result in call charges as the line from the debtor to the Council remains open.</p> <p>11 clients contacted Stepchange in October, and the Stepchange recommendations were as follows:</p> <ul style="list-style-type: none"> Bankruptcy x 1 Debt Relief Order x 3 Debt Management Plan x 2 Income maximisation x 3 No debts x 2 <p>A second tranche of letters were sent to a further 463 cases in the middle of November and a request made to Stepchange for updated statistics to be provided.</p> <p>Stepchange to provide training to council tax recovery staff, bailiff representatives and some members of the Officers Group on 28 January 2015 (10.30 to 12.00) and (14:00 to 15:30) on debt collection techniques, spotting vulnerability and the services Stepchange can provide.</p> <p>A second trial is on-going at Riverside 1 where The Money Advice Service have undertaken surgeries by appointment. Pre-booking turned out to be challenging and more success was obtained with a "come over and have a chat" approach during periods where no appointments had been held.</p>

DECISIONS		ACTION BY	STATUS/COMMENT
			Whilst these trials are of use to those having money difficulty, it is also recognised by the Group that budgeting advice at an early stage can avoid debt becoming an issue in the first place and will be actively seeking to identify and progress such schemes.
148/2014	The Cabinet agreed that the Welfare Reform Officers Working Group continue until after the introduction of Universal Credit and that the Corporate Management Team reviews its membership, with a view to ensuring appropriate representation at the relevant time and enhancing its collaborative work with partners.	Welfare Reform Officers Working Group	ONGOING The Officers Group continues to operate on a monthly basis. Corporate Management Team has appointed the Assistant Director Housing and Regeneration as the new chair for the group.
149/2014	The Cabinet agreed that the Welfare Reform Officers Working Group ensures that it continues to track and respond to the emerging requirements of Universal Credit and Welfare Reforms, reporting on progress to the Business Support Overview and Scrutiny Committee every 6 months.	Welfare Reform Officers Working Group	ONGOING As per this report.
150/2014	The Cabinet agreed that the Council write to the Secretary of State for Work and Pensions and Secretary of State for Communities and Local Government, copying in the Chairman of the Local Government Association,	Mick Hayward	COMPLETED Letters sent 16 October 2014, reply received 8 December and circulated to Task Group members 2014 (reply attached at Appendix C)

DECISIONS	ACTION BY	STATUS/COMMENT
	<p>highlighting the:</p> <p>(a) recognised delays and impact of the assessment phases of Employment and Support Allowance and Personal Independence Payment processes;</p> <p>(b) concerns expressed during the evidence sessions as to direct payments;</p> <p>(c) benefits of a localised Local Welfare Assistance Fund and stressing the need for Central Government to make alternative funding provision for this to continue.</p>	
151/2014	<p>The Cabinet agreed that the Welfare Reform Officers Working Group reflects on digital access, use and support across Medway. This should give particular focus on:</p> <p>(a) assisting in the development of a Corporate Customer Access Strategy and the development of an assisted digital offer;</p> <p>(b) linking in with community networks and considering the potential role of Digital Ambassadors (led by partners and the wider community);</p>	<p>Welfare Reform Officers Working Group</p> <p>ONGOING – There is little doubt that digital access is a major part of the Welfare Reform programme. However, it is only a part of the Council's larger Digital Strategy. The challenge is trying to maintain the differing the expectations and aspirations of the various organisations involved in the Officer Group. Housing and MHS being landlords are looking to ensure their tenants are fully up to speed with Universal Credit and can apply on-line to ensure their rent arrears don't go up. As such they are perhaps a little keener than the rest of the group to get things in place. To that end they are looking at schemes such as installing wireless broadband services into their estates The rest of the group will be dealing with a larger number claimants direct and don't want to encourage a stream of enquiries until the relevant resourcing is in place and are aware that digital access is a far bigger issue</p>

DECISIONS	ACTION BY	STATUS/COMMENT
<p>(c) learning from research and pilot projects that are being undertaken both locally and nationally to establish barriers and enablers to digital access and use;</p> <p>(d) the evolution of community hubs and considering the potential for privacy for claimants at Council access points.</p>		<p>when looking at the whole of the Medway area rather than close knit housing estates.</p> <p>The Officers Group is currently seeking to establish a Digital Access sub-group to work closely with those involved in the corporate Digital Strategy to ensure a unified approach, encourage joint working with welfare reform partners and maximise efficiencies and savings.</p> <p>The role of community hubs will become a standing agenda item from the January meeting of the Officer Group and will include the new facility at Kingsley House. This will have overlapping links with the Digital Strategy.</p>