

ANGUS COUNCIL – 11 FEBRUARY 2016

WELFARE REFORM UPDATE

REPORT BY IAN LORIMER, HEAD OF CORPORATE IMPROVEMENT & FINANCE

ABSTRACT

This report provides members with an update on progress in implementing service changes in response to welfare reform including the latest indications for the rollout of Universal Credit in Angus. The report also provides an update on use of the Welfare Reform Fund created in the 2014/15 financial year.

1. RECOMMENDATION(S)

1.1 It is recommended that the Committee:

- (i) Note that the service changes agreed in Report 391/13 are now substantially complete;
- (ii) Note that the roll out of Universal Credit in the Angus area is due to commence in April 2016;
- (iii) Note the use made so far of the Council's Welfare Reform Fund as outlined in the report; and
- (iii) Agree that an elected member briefing session be organised before the end of April 2016 covering Welfare Reform, Universal Credit and the actions being taken by the Council and its partners to support Angus citizens

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

2.1 This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- 2. Angus is a good place to live in, work in and visit;
- 4. Adults maximise their potential through learning opportunities;
- 6. Individuals are involved in their communities;
- 7. Our communities are safe, secure and vibrant;
- 8. We have improved the health and wellbeing of our people and inequalities are reduced;
- 9. Individuals are supported in their own communities with good quality services.

3. BACKGROUND

3.1 Report No 391/13 "Transforming Angus – Shaping Services to Meet the Welfare Reform Challenge" was considered by members at the June 2013 meeting of Angus Council and a number of recommendations were made at that time aimed at mitigating the effects of Welfare Reform and providing better more efficient services to customers. A progress update report was also submitted to the Council in June 2014.

3.2 This report provides a further update on the actions agreed in Report 391/13 and a number of activities which are either underway or planned to assist Angus citizens with the introduction of Universal Credit (UC) and other welfare changes. The report also provides information on the Council's Welfare Reform Fund and the use of this Fund under officer delegation covering the period 1 December 2014 to 31 December 2015.

4. CURRENT POSITION

Implementation of Report 391/13 Recommendations

4.1 Report 391/13 had 10 recommendations and a brief update on each is given below.

4.2 a) Transfer of the administration of Educational Maintenance Allowances (EMAs) from the People Directorate to the Revenues & Benefits Service.

This recommendation has been implemented in full and budgets adjusted accordingly. Schools continue to lead on the academic aspects of EMAs.

4.3 b) Responsibility for the financial assessment of non residential charging financial assessments to be revisited during 2014/15 taking into account revised COSLA guidance.

Having considered this further the Angus Welfare Reform Group (AWRG) recommend this action be deleted. There is considered to be limited cross over to other financial assessment/benefit work and therefore limited potential benefit from investing limited staff resources in undertaking such a review.

4.4 c) A new visiting officer role is created to deliver a more comprehensive service to tenants and other service users relating to financial matters.

This action has been implemented in full from 1 December 2015 with housing arrears staff transferring to the Revenues & Benefits service. Review of existing working arrangements is now underway. Arrears management will continue to be very important especially once Universal Credit begins full roll out.

4.5 d) Collection of rent to be transferred from Housing to Revenues and Benefits to be integrated with Council Tax and Housing Benefits administration.

This action has been completed. Arrears work is now managed by the Revenues & Benefits service.

4.6 e) CLD and libraries staff design and jointly deliver an IT skills training programme badged as the Angus Digital Skills Academy.

A pilot project funded by DWP (JobCentrePlus - JCP) for an Angus Digital Skills Academy (ADSA) ran successfully from October 2013 to April 2014. The Academy has continued to run since then and has been extended to September 2016 using Welfare Reform Fund resources.

Although the Academy has, to date, focussed mainly on job seekers the need to invest in supporting local people to access services digitally remains strong. In the context of the Council's wider financial challenges and the changes to services which are necessary as a result the need to ensure inclusive access to digital services has never been more important. Permanent funding for the Academy will be considered through the 2016/17 budget process.

4.7 f) Libraries and CLD PCs to be upgraded so that they are fit for purpose for public internet access and IT skills training delivery.

This recommendation has been implemented in full with new equipment made available throughout the Angus library network and in CLD facilities in Autumn 2013.

4.8 g) Welfare Rights is renamed the financial inclusion team /service and leads the Council's financial inclusion approach to Welfare Reform and beyond.

The formal renaming of the team has still to take place and will be looked at as part of finalising the future management arrangements for the welfare right service. The service will regardless of its name have a lead role to play in supporting implementation of the financial inclusion strategy (see below) alongside the Council's Welfare Reform Officer.

4.9 h) A financial inclusion strategy is developed in partnership with the third sector and the CPP
This action is complete. The Strategy was approved by the Angus Community Planning Partnership (ACPP) in September 2015 and is now in the implementation phase. Implementation is happening on a partnership basis. A copy of the Strategy is attached as Appendix 1 for ease of reference.

4.10 i) A financial inclusion network is established with representation from all key internal and external partners to ensure a robust and holistic response can be made to the challenges arising from welfare reform.

The financial inclusion implementation group is the main part of the intended network. Further development of these arrangements will be kept under review through the work of the Angus Welfare Reform Group (AWRG).

4.11 j) A tool kit of resources is developed to assist all front facing staff to increase their ownership and resolution of service users' issues at an early stage.

This is well advanced and will be launched in the next couple of months. This is just one action of many arising from the financial inclusion strategy.

4.12 On the basis of the updates in paragraphs 4.2 to 4.11 the actions arising from Report 391/13 have been completed in full with just a few pieces of further work to do on the financial inclusion toolkit prior to this being launched.

Rollout of Universal Credit (UC)

Background

4.13 As members will be aware the roll out of Universal Credit has been subject to several delays since it was originally proposed but the scheme is now live across a number of sites across the UK including in the Dundee City Council area.

4.14 It is worth emphasising that Universal Credit is a national benefit scheme which is the responsibility of the Department for Work & Pensions (DWP). Councils currently process Housing Benefit on behalf of the DWP but this will change and eventually cease for working age claimants as they move over to Universal Credit. Although Universal Credit is not a Local Authority responsibility the DWP will require Councils to support them in helping local citizens claim Universal Credit and provide them with support where necessary, e.g. budgeting support.

Universal Credit Roll Out Schedule

4.15 The latest advice from the DWP on the roll out of UC is set out below. At the moment the benefit is only available to new claimants with specific circumstances and there will be a lengthy period of transitioning existing claimants on various benefits to the new UC scheme.

- Implementing the full national Digital Service from May 2016
DWP expected to begin implementing the full Universal Credit digital service from May 2016 and advise this is on track. They intend to begin rolling out the full service in stages and will begin with five jobcentres a month, accelerating to 50 jobcentres a month from the end of 2016 - with full implementation of the digital service complete by the middle of 2018.
- Final Stage – Existing Claims
DWP expect the final stage of converting the stock of existing claims from Housing Benefit onto Universal Credit to start in mid-2018 and be complete by early 2021.

4.16 Based on the above Angus Council will continue to have responsibility for administering Housing Benefit (on the DWPs behalf) for working age claimants for a number of years albeit with a gradually reducing caseload. Based on current information the Council will still have a caseload of housing benefit claims for pension age claimants.

4.17 DWP have also confirmed their view that no local authority housing benefit staff will transfer to DWP under UC implementation. This view isn't necessarily shared by local government associations but it may be difficult to change the DWP view on this.

- Rollout to Angus Job Centres
- 4.18 Roll out of Universal Credit will begin via the Arbroath, Forfar and Montrose Job Centres in April 2016. At this stage the only claimants who will be able to claim UC will be new job seeking claimants who are single people. As such the numbers of UC claims in Angus in the early months of UC are likely to be little more than a handful.
- 4.19 An engagement meeting with DWP colleagues and key representatives of Angus Council will be held on 11 February to commence discussions about how roll out of UC in Angus will work and how DWP, the Council and other partners will work together to support local citizens with this significant change to the benefit system. The focus of that meeting will be on the terms of a Partnership Agreement (see below).
- Universal Credit Delivery Partnership Agreement
- 4.20 DWP recognise that they need support from local authorities to make UC work in practice especially around making claims, providing advice, etc. and they want to formalise these support arrangements through a Delivery Partnership Agreement (DPA). The DPA makes various "asks" of the Council including in high level summary terms:-
- Provide support to UC Service Centre staff around housing cost issues that may arise.
 - Support for claimants to get on-line and stay on line through identifying PC/public internet sites; identifying which of these locations will have trained staff present to provide 'supported access'; and publicising these services to residents
 - Support for claimants with complex needs and in particular those who require personal budgeting support
 - Referring claimants to the Department who may need an alternative payment arrangement e.g. because of rent arrears or vulnerability
- 4.21 Some additional funding will be made available to the Council to provide the services being requested but concerns from other Council areas have been expressed about the adequacy of such funding relative to the cost of provision.

5. PROPOSALS

- Preparing for Universal Credit & Supporting Citizens with Other Welfare Reforms
- 5.1 In response to welfare changes the Angus Welfare Reform Group (AWRG) was set up in December 2014 to oversee partnership activity in this area and to respond to the challenges welfare reform and the introduction of Universal Credit create. The Group is chaired by the Head of Corporate Improvement & Finance and has representation from all key stakeholders including the Council, DWP and the Third Sector.
- 5.2 The AWRG's main remit is to ensure that the Council and other service providers are aware of and are responding to the challenges of Welfare Reform and related work to alleviate poverty and disadvantage in Angus communities. A Welfare Reform Officer has been appointed to provide full time support to the work of the AWRG and in particular arrangements for UC roll out.
- 5.3 A number of actions are underway or planned to support local people with the introduction of UC and other welfare changes including:-
- Identifying venues in Angus where UC claimants can get on-line and also receive support with making and maintaining their UC claim. For the majority of claimants UC will be an on-line benefit; however there will be claimants who will require additional support in this area.
 - Ensuring that the Angus Council website contains relevant information relating to UC and other welfare reform topics. In addition to this it contains information about financial inclusion issues, for example, appropriate bank accounts, income maximisation, energy efficiency and debt advice.
 - Targeted awareness of UC by use of appropriate methods such as social media, leaflets.

- Ensuring frontline council and third sector staff are provided with information on UC and welfare reform issues. This will be carried out through various methods such as E-learning modules and face-to-face training delivered by the welfare rights service.
- Holding monthly partnership meetings with Registered Social Landlords (RSL's) and the DWP to ensure that social tenants are provided with the best possible service through their UC transition.
- Providing advice in areas of Angus where provision is limited. This will be done by trialling pop-up advice shops and by utilising the mobile library.
- Organising a cross-partnership event for claimants who will be impacted by the lowering of the benefit cap. Claimants would be invited to come along to receive information and assistance which will hopefully help mitigate their loss in income under the benefit cap.
- Explore funding and resourcing opportunities which will enhance Financial Inclusion and applications are made where appropriate.

Use of the Council's Welfare Reform Fund

5.4 Report 273/14 gave delegated authority to the Head of Corporate Improvement & Finance (in liaison with the Angus Welfare Reform Group) to operate the Welfare Reform Fund on the following basis:-

- Projects or initiatives with a total cost over their lifetime exceeding £100,000 would require prior approval by the Policy & Resources Committee
- Projects or initiatives will only be supported if they will reduce or eliminate the impact of Welfare Reform or otherwise alleviate poverty in disadvantage in Angus communities
- Projects or initiatives will be developed to be complimentary to the emerging DWP Local Support Services Framework (LSSF) expected to roll out nationally in 2016
- Expenditure will be limited to that of a one-off or time limited nature – any proposals which would add to the Council's cost base on an ongoing basis would require prior approval by the Policy & Resources Committee
- Expenditure agreed under delegated powers will be reported at least annually to elected members (this would probably be via budget monitoring or Annual Accounts reports)

5.5 The table below shows how the Welfare Reform Fund has been utilised during the period 1 September 2014 to 31 December 2015. The Fund is being used for specific initiatives and to meet the cost of Discretionary Housing Payments not covered by DWP and Scottish Government grants.

	£000
Fund Balance June 2014 (Report 273/14)	521
Less Funding for Digital Skills Academy to June 2015 (agreed per Report 273/14)	(44)
Add underspend on Discretionary Housing Payment funding 2014/15	123
Fund Balance as at 31 March 2015	600
Less Funding Used Under Delegated Authority (to 31-12-15):	
Angus Citizens Advice – Benefit Advisors short term funding	(24)
Angus Digital Skills Academy (funding to Sept 16)	(37)
Welfare Reform Officer (funding to Sept 17)	(70)
Uncommitted Fund Balance as at 31 December 2015	469

5.6 No additional resources to increase the balance on the Welfare Reform Fund are currently available so the Fund will eventually run out unless additional resources can be found. This will be kept under review and opportunities to sustain the Fund identified. It is likely that some of the Fund will need to be used in 2015/16 to support Discretionary Housing Payments beyond the grant monies made available from DWP and Scottish Government.

Briefing for Elected Members

- 5.7 It has been some time since elected members received a briefing on welfare changes and the start of the introduction of UC in Angus seems like an opportune time to give members more information on this important area of activity. The Committee are accordingly asked to agree that such a briefing be arranged to take place before the end of April 2016.
- 5.8 Given the nature of UC and welfare changes and how these will result in calls for assistance to local representatives it is intended that local MPs and MSPs be invited to the briefing too. The briefing will cover among other things the work which the AWRG is doing to support local people, the DPA agreement with the DWP and issues which have arisen from UC implementation elsewhere.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no additional financial implications arising from this report. Funding for the work involved is funded through existing budgets, DWP funding or through use of the Welfare Reform Fund as described in Section 5.5 of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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