



Meeting of the Resources and Transformation Scrutiny Committee

Monday 7th March, 2016 at 6.00pm

In Committee Room 2 at the Council House, Priory Road, Dudley

Agenda - Public Session

(Meeting open to the public and press)

1. Apologies for absence.
2. To report the appointment of any substitute members serving for this meeting of the Committee.
3. To receive any declarations of interest under the Members' Code of Conduct.
4. To confirm and sign the minutes of the meeting of the Committee held on 19th January, 2016, as a correct record.
5. Public Forum
6. Welfare Reform Update (Pages 1 – 11)
7. Local Welfare Assistance Scheme (Pages 12 – 14)
8. To consider any questions from Members to the Chair where two clear days notice has been given to the Strategic Director Resources and Transformation (Council Procedure Rule 11.8).

A handwritten signature in black ink, appearing to be "P. Z.", is written over a horizontal line.

Strategic Director Resources and Transformation

Dated: 26th February, 2016

Distribution:

Members of the Resources and Transformation Scrutiny Committee:

Councillor D Blood (Chair)

Councillor B Cotterill (Vice Chair)

Councillors S Anderton, C Baugh, S Clark, T Herbert, P Miller, M Mottram, M Rogers, E Taylor and Q Zada.

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Minutes of the Resources and Transformation Scrutiny Committee

Tuesday 19th January, 2016 at 6.00 p.m.
In Committee Room 2, The Council House, Dudley

Present:

Councillor D Blood (Chair)
Councillor B Cotterill (Vice-Chair)
Councillors S Anderton, C Baugh, P Harley, T Herbert, P Miller, M Rogers,
E Taylor, D Tyler and Q Zada

Officers:

M Bowsher (Chief Officer Adult Social Care) – Lead Officer to the Committee,
M Williams (Chief Officer Corporate and Customer Services), S Beckett
(Head of Customer Services), A McCartney (Transformation Partner) and K
Griffiths (Democratic Services Officer) – Resources and Transformation
Directorate

Also in attendance

I Newman (Chief Officer Finance and Legal Services), R Cooper (Head of
Financial Services) and J Croft (Finance Manager) – Resources and
Transformation Directorate – for Agenda Item No. 6 (Medium Term Financial
Strategy)

24 **Apologies for Absence**

Apologies for absence from the meeting were received on behalf of
Councillors S Clark and M Mottram.

25 **Appointment of Substitute Members**

It was reported that Councillors P Harley and D Tyler had been appointed to
serve in place of Councillors S Clark and M Mottram for this meeting of this
Committee only.

26 **Declarations of Interest**

The Chief Officer Corporate and Customer Services declared a pecuniary
interest in Agenda Item Number 5 (Medium Term Financial Strategy), as he
was directly affected by the proposed Management Restructure within the
Resources and Transformation Directorate and withdrew from the meeting
during consideration of this item.

27

Minutes

Resolved

That the minutes of the meeting of the Committee held on 17th November, 2015, be approved as a correct record and signed.

28

Public Forum

There were no issues raised under this agenda item.

29

Medium Term Financial Strategy

A joint report of the Chief Executive, Chief Officer Finance and Legal Services and the Strategic Director Resources and Transformation was submitted on the updated Medium Term Financial Strategy (MTFS) to 2018/19, approved by Cabinet on 18th January, 2016 as a basis for further consultation, with an emphasis on those proposals relating to the Committee's terms of reference. Items directly relevant to this Committee were those in relation to the Resources and Transformation Directorate as set out in paragraphs 32 and 34 of the report submitted.

The Chief Officer Finance and Legal Services gave an overview of the report, highlighting key paragraphs and updated the Committee on the position regarding the Provisional Local Government Finance Settlement 2016/17, received in December, 2015. Reference was made to the additional proposals for action by the Council to work towards addressing the financial challenge. The impact of changes compared with the previous report were analysed in Appendix A.

A copy of the report was circulated to Members with the agenda papers and a copy was available on the Committee Management Information System (CMIS).

Members were reminded that questions within the remit of the Resources and Transformation Scrutiny Committee would be responded to during the meeting.

Following the presentation, Members raised comments on the revised budget proposals. These are summarised below:

- In relation to the proposed savings from Elections, a Member suggested holding "all out" elections on a four yearly cycle. This would create significant savings by not holding elections by thirds. A further suggestion was to reduce the number of Councillors from 72 to 48.

- In relation to the proposed senior management restructure, details were set out in Appendix C to the report. A Member expressed the view that, in order to meet the savings required, the Chief Executive's post be deleted and replaced with a Managing Director with reduced responsibilities and salary. This would be a structure similar to Wolverhampton City Council and if this proposal was pursued, further discussions would need to take place to consider viable options.

Whilst it was acknowledged that the additional savings proposals identified would help considerably towards the financial position of the Local Authority, further budget savings were necessary. The view was expressed that the position was manageable, taking into consideration the additional savings proposals.

Resolved

That the Committee note the proposals of the Cabinet for the Medium Term Financial Strategy to 2018/19, taking into account the considerations set out in paragraph 47 of the report submitted and the issues raised at the meeting.

Service Transformation and the Digital Agenda

A report of the Strategic Director Resources and Transformation was submitted on proposals to transform the Council to meet budgetary requirements, with particular focus upon the digital agenda and channel shift.

The Chief Officer Corporate and Customer Services introduced Andrew McCartney, Transformation Partner to the Committee and gave a brief overview of the report and in doing so highlighted that the move towards digital technology was a fundamental change. It was recognised that not all customers would be enabled to use digital services and emphasised that provision was made so as not to exclude such people.

The Transformation Partner then gave a brief overview of the information contained in Appendix 1 to the report. He indicated that the key issue in terms of delivering digital technology was not only to make the necessary budgetary savings but to consider how the services were delivered to customers and make the experience more attractive and beneficial to ensure that customers' needs were met. He gave further detailed information, including national statistics on the use of services. The Committee noted the information concerning Service Transformation, the Digital Agenda, the implications for the Council and service users and the proposed next steps to take this work forward.

Members were then given the opportunity to provide views at this stage in the transformation process. These are summarised below:-

- Reference was made to the need to ensure the project was undertaken within budget and that the Council's investment in systems achieved the required objectives and ensured customer satisfaction. It was suggested that it would be beneficial for Members to undertake a site visit to another authority where arrangements had been implemented successfully.
- Comments were made in relation to some services within the Council failing to deliver support to their customers and Members. The need for a more customer focused approach to the way in which the Council operated was recognised to ensure that customers and Members received the services expected from the Council.
- Reference was made to the need to ensure customers were treated fairly regardless of what method they used to undertake their business. It was important that customers would not be penalised for using traditional methods. It was recognised that the key principle within the proposal was the creation of models of delivery and technology enablement that ensured maximum suitability for both assisted access, either by face-to-face contact, telephony or on-line support.
- General comments were made in relation to the move to digital services, the impact on customers and what support would be offered to encourage customers to use the facility and its benefits. In response to concerns in relation to the impact on staff, the Chief Officer Corporate and Customer Services indicated that the creation of digitally enabled channels provided opportunities for cheaper and more effective service delivery and the idea was to release valuable resources to allow additional assistance to be provided in areas that need it.

The Transformation Partner referred to a new system (Govtech) which had been introduced to enable a number of council tax transactions to be undertaken online. These online transactions also updated the back office systems without the need for manual intervention.

- In response to a question in relation to projected savings envisaged in five years from now, the Transformation Partner indicated that although specific figures for Dudley could not be given at this time, he stated that in similar sized Authorities, savings identified had been in the region of £10m.
- Mention was made to the need to ensure that digital systems achieved their objectives in the first instance and that such systems were accessible by customers at all times to ensure maximum efficiencies and benefits for all customers.

- In referring to the success of the payment machines located at Dudley Council Plus, it was suggested that similar machines be placed in Community Hubs around the Borough for people in the community to use. In responding, the Chief Officer Corporate and Customer Services acknowledged the idea, however, indicated that no agreement in relation to the requirements of a community hub had yet been made.
- The Head of Customer Services referred to the online facility of completing various benefit forms. He indicated that support would not be eradicated but would provide the opportunity for customers to control how they used the facility and at a time that benefited them. Unlike other online applications, this particular facility had the option to save the form to enable customers to contact the Council should they require any support or advice to enable them to complete the form.

In summary, the Chair expressed the view that the following points should be addressed by Scrutiny moving forward:-

- The impact of transformation/digital on customer charging.
- Support for local people to use new technologies.
- Which areas of Council Services will be impacted?
- The business cases for the investment of the £2m in transformational activity.

Resolved

That the Committee note the contents of the report submitted and the issues raised at the meeting as identified above.

Local Welfare Assistance Scheme

A report of the Strategic Director Resources and Transformation was submitted following a request from the Scrutiny Committee at its meeting on 17th November, 2015 on the options for the future provision of Local Welfare Assistance (LWA) in Dudley. Alternative options were necessary to accommodate proposed changes to funding for the LWA scheme from 2016/17 onwards.

A copy of the report was circulated to Members with the agenda papers and a copy was available on the Committee Management Information System (CMIS).

The Chief Officer Corporate and Customer Services gave a brief overview of the report highlighting the proposals to review the provision of the LWA scheme operated by Dudley. He then referred to the three options identified within the report, these included:-

- Option 1, as referred to in paragraph 6 of the report submitted – continue as now for 2016/17 only. The LWA scheme could continue in an amended form for 12 months only with a reduced budget of £100,000.
- Option 2, as referred to in paragraph 7 of the report submitted – to close the scheme.
- Option 3 and the preferred option, as referred to in paragraph 8 of the report submitted – provide assistance in a different way via a repayable loan scheme.

The Chief Officer Corporate and Customer Services indicated that discussions had not proceeded as quickly as anticipated with the Credit Union and the local voluntary sector in relation to the loan scheme provision, however, he assured Members he would update the Committee once more details were available.

Members were given the opportunity to provide views as part of the budget consultation process. These are summarised below:-

- In confirming that a proportion of the £200,000 allocated to the LWA was used to fund staff salaries, a suggestion was made to deliver the service elsewhere within the Council without any funding for staff. The Head of Customer Services outlined the figures currently used to fund salaries and questioned whether other services within the Council would be able to provide the LWA service without being issued with appropriate funding to carry out the functions.
- Members expressed concern with the percentage of funding used from the LWA budget to pay staff salaries. Members expected that, should the facility be transferred to third party organisations, the full budget should be used solely on the services offered.

- Members expressed concern in relation to the impact the proposal would have on the provision of services, given that the LWA scheme provided support for the most vulnerable people in the Borough. The Chief Officer Corporate and Customer Services explained that when the facility was transferred to the Local Authority in 2013, it was accompanied by non-ring-fenced award funding for 2013/14 and 2014/15. In 2015, the Government announced that in 2015/16 and beyond there would be no specific local welfare assistance funding. In early 2015 additional funding was awarded to councils for social care, including LWA and £200,000 of the funding was allocated to Dudley's LWA scheme for 2015/16. He indicated that should the proposals outlined in the Medium Term Financial Strategy be approved, the budget for the LWA would be reduced to £100,000 in 2016/17 and the complete budget would be removed in 2017/18.
- Members welcomed support from third sector organisations, however, in referring to the changes to service in which Dudley Credit Union currently operated, a Member suggested utilising Community Hubs as a designated place to discuss and receive advice in relation to various services offered. It was considered a more cost effective way of delivering services to the community.

In responding, the Head of Customer Services outlined the changes to services currently operated by Castle and Crystal Credit Union and in doing so confirmed that the facility was not closing. He indicated that the organisation would no longer provide over-the-counter cash facility but could provide pre-paid debit cards or transfers to bank accounts, which would allow flexibility to withdraw money from ATMs and make payments online.

- In responding to comments made in relation to the reduced demand for services, the Head of Customer Services provided a breakdown of statistics of telephone calls received and the percentage of calls answered during the past two years. He also outlined current figures and the expected figures by the end of 2015/16. He confirmed that, having contacted neighbouring authorities, all had confirmed that the demand for the service had reduced.
- Members acknowledged that the demand for services had reduced, however, concerns were expressed considering the facility benefited the most vulnerable people in the Borough. It was suggested that further options be considered as a more sophisticated approach was required without the need for overhead costs. This would ensure that the full budget proposed for LWA would focus on the awards offered. In responding, the Chief Officer Corporate and Customer Services indicated that a number of options were currently being looked into and that Members would be updated at a future meeting of the Committee.

- The Head of Customer Services indicated that the funding for staffing provided the cost of employing two staff, to ensure phone lines were answered between 8.30am to 5.00pm Monday to Friday and claims assessed and awards made. He assured the Committee that every effort was made to ensure systems and services were effective.
- In referring to the facility used to provide residents with B & Q vouchers when moving into new properties, a suggestion was made that a similar facility be used whereby a voucher was presented to people who qualified for either a crisis award or a community care award. The Head of Customer Services confirmed that charitable organisations within the Borough were used to provide appropriate items to the people that were eligible for such awards.
- Concerns were expressed at the lack of planning and consideration given in terms of providing a solution to the budget proposals. It was acknowledged that the budget would be reduced to £100,000 in 2016/17, however, it was unclear what would happen to the services from April 2016 and the implications on customers. The Chief Officer Corporate and Customer Services indicated that a report would be considered at the next meeting which would include further information and options.

Resolved

- (1) That the Committee note the contents of the report submitted; the proposal to review provision of the scheme from 2016/17 onwards and the issues raised at the meeting as summarised above.
- (2) That a further report to update Members on the Local Welfare Assistance scheme be submitted to a future meeting of the Committee.

The meeting ended at 7.35 p.m.

CHAIR

Resources and Transformation Scrutiny Committee – 7th March 2016

Report of the Strategic Director Resources and Transformation

Welfare Reform Update

Purpose of Report

1. To provide an update for the Committee on developments relating to welfare reforms since the previous reports in June 2015 and September 2015.

Background

2. The annual programme for this Scrutiny Committee has identified *the latest Welfare Reforms and their impact on Dudley* as an area for detailed consideration during 2015/16. At the meeting on 18th June 2015, the Committee received an overview of the main areas of change and the impact that this is likely to have on residents in Dudley. At the meeting on 14th September 2015, the Committee received a detailed report on the geographic distribution of welfare benefit claimants and examples of the personal financial impact of the proposed reforms.
3. Since September, we have seen a number of government announcements relating to welfare reforms, including the Chancellor's Autumn Statement as well as the progress of the Welfare Reform and Work Bill through Parliament.

Local context

4. In 2010, Dudley was the 104th most deprived borough of 326 in total. Locally, this places Dudley 6th out of the 7 West Midlands metropolitan areas in terms of deprivation. In autumn 2015, the Department for Communities and Local Government issued updated statistics, and Dudley is now the 118th most deprived borough of 326 (a relative improvement) and remains 6th out of the 7 West Midlands metropolitan areas in terms of deprivation.

Local Authority	Rank of average Super Output Area score 2010 (1 = most deprived; 326 = least deprived)	Rank of average Super Output Area score 2015 (1 = most deprived; 326 = least deprived)
Birmingham	9	11
Sandwell	12	12
Wolverhampton	21	19
Walsall	30	41
Coventry	50	60
Dudley	104	118
Solihull	179	216

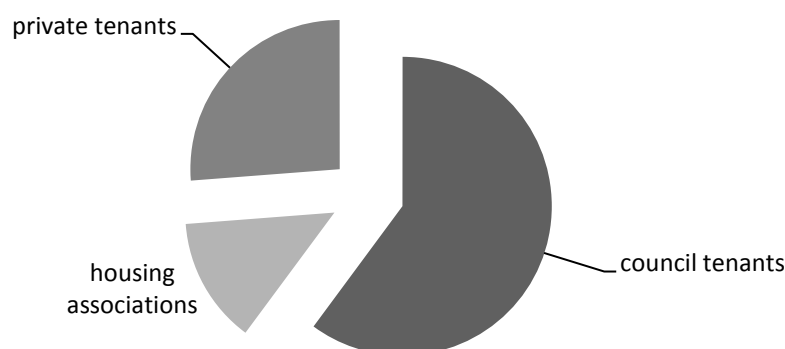
However, this overall picture masks significant areas of deprivation. 16 of Dudley's Super Output Areas (SOAs) are in the 10% most deprived in England (see Appendix 1).

Update on claimant numbers and geographic distribution

5. DMBC administers housing benefit for tenants in the borough who are claiming benefits (Employment and Support Allowance, Income Support, Jobseeker's Allowance or Pension Credit) or who are on a low income and have less than £16,000 in savings¹.
6. Housing Benefit can be claimed across all tenures (council, housing associations and private landlords). In Dudley, at the start of February 2016, we have just over 23,500 housing benefit claimants, with 14,100 council tenants, 3,200 housing association tenants and 6,200 private rented sector tenants. This represents a reduction of 2.5% on overall numbers claiming Housing Benefit since summer 2015, mainly council and private tenants, and is largely owing to the roll-out of Universal Credit.

¹ Source of all data: Benefits and Rent system reports at the start of February 2016.

Housing Benefit claims February 2016



7. The geographic position and location of claimants remains similar to that presented to the Committee in September 2015.

Universal Credit update

8. Universal Credit was introduced in Dudley at the end of March 2015 for new, single claimants. There are over 1,700 claimants in the Dudley council area at the end of January 2016. Of these, almost 600 are recorded as being in work and 1,100 are not employed. We are aware of just over 180 council tenants who are now receiving Universal Credit, rather than Housing Benefit.
9. The current rollout of Universal Credit to all new, single claimants, which started in February 2016, is almost complete, with all areas scheduled to be taking new claims from May 2016. The next phase of the rollout has just been announced, with selected jobcentres taking *all* new claims, including changes in circumstances (i.e. including couples, families and claimants with support needs, caring responsibilities, in receipt of tax credits etc.) from May to December 2016. Appendix 2 gives the schedule of jobcentres where this full Universal Credit service will apply: there are none at all in the West Midlands metropolitan area.
10. At this stage, we do not have timescales for the full Universal Credit service after December 2016. DWP advise that the transition process will be complete by mid-2018, at which point all remaining existing benefit claimants will start to be moved across to Universal Credit. The latest indicative completion date for this process is 2021.
11. Our experience as a landlord so far with tenants moving onto Universal Credit has been that arrears increase, particularly in the early months of receiving the new benefit. This is partly the result of the benefit being

paid monthly in arrears, so there is a longer waiting period before any money is received, particularly when the time for setting up and administering the claim is taken into account. At the end of January, we had 183 tenants receiving Universal Credit, of whom 81% were in arrears, with the average balance being £350. This is a much higher proportion in arrears than for the rest of our tenant population.

Benefit cap

12. Relatively few Dudley residents (just over 100) were affected by the initial introduction of the benefit cap (£26,000 for couples / families and £18,200 for single claimants). With the proposed reduction to £20,000 for couples / families and £13,400 for single claimants, we expect that more of our residents will be affected, as outlined in the previous report to this Committee. DWP has now announced that the benefit cap reduction will take place from autumn 2016, and households will be notified in advance if they are likely to be affected, to give them time to plan how they will manage this reduction in income. We do not yet know numbers of residents affected, but initial assessments, based on November 2014 benefits data, indicate that for Dudley we are likely to see between 400 – 599 households affected by the benefit cap.
13. For a couple or family, £20,000 works out at £1,666 actual income per month or £385 per week. For a single person, £13,400 is equivalent to £1,116 per month or £257 per week. Examples of the personal impact of the benefit cap on Dudley residents are provided in Appendix 3.
14. In Dudley, we have so far seen only large and complex families, generally also with disabled members, affected by the benefit cap. As the cap is reduced, we are likely to see many more households being affected by the cap, including most households where neither parent is working and where there are 3 or more children.

Local Housing Allowance rate for social housing benefits

15. From April 2018, and applying to all social tenancies stating from April 2016, the maximum housing benefit or Universal Credit housing element which can be paid is the Local Housing Allowance (LHA) rate. This is the maximum that can be paid as housing benefit on private sector tenancies. For single tenants aged under 35, the LHA room rate (£60 per week in Dudley) will also be the maximum that can be claimed.
16. Although most social rents are below LHA rates, this proposal will affect two groups: single, unemployed tenants aged under 35, and tenants in supported and sheltered housing who pay higher rents because of the additional support needs, e.g. Extra Care housing and supported living for residents with learning difficulties or other physical or mental disabilities. The Government has recognised the difficulties that this will cause for registered providers of social housing for vulnerable tenants, and has undertaken to review its plans, reporting back in March.

Discretionary Housing Payments

17. We have just received our Discretionary Housing Payment (DHP) allocation for 2016/17. We will receive £672,883, an increase of 18% compared to the 2015/16 allocation of £569,990. This reflects the national increase of £25m (20%) in overall DHP funding to local authorities, taking into account expected additional demands on DHP as a result of the lower benefit cap.
18. Councils may top up their DHP allocation and may spend a maximum of 2 ½ times their government allocation. So we may spend in total £1,682,208. Current budgets include a top up of £550,000 from the Housing Revenue Account (HRA) to support DHP expenditure, given that a significant proportion of DHP claimants are council tenants.
19. DHP, however, is intended as a short-term remedy for claimants who have a shortfall in benefit relating to their housing costs. The expectation is that they will change their circumstances for example by getting work or moving to a smaller or cheaper home, and will not expect to be supported on a long-term basis by awards of DHP. Our experience in Dudley is that many of our DHP claimants are not changing their circumstances and are receiving DHP awards for a lengthy period. Many, in fact, are claimants with disabilities where there is no likelihood of their circumstances changing and where their homes may have been adapted to meet their specific needs. The additional demands on the fund as a result of the reduction in the benefit cap and in future years also the cap on housing benefit at LHA rates will put increasing pressure on our limited DHP funding.

Further changes to tax credit and benefits

20. Changes to tax credits (working and child) will reduce the level of support, for instance for larger families. As more claimants move onto Universal Credit, tax credit claims will cease and will be included within the relevant elements of Universal Credit up to the maximum amount payable and subject to the benefit cap. Larger families will also be affected by the removal of Family Premium from new housing benefit claims, from May 2016.
21. 18 – 21 year olds will cease to be entitled to housing benefit, or to the housing element of Universal Credit from April 2017. They will be expected to participate in an intensive programme of support, resulting in apprenticeship / traineeship or a work placement. Limited exemptions apply for vulnerable 18 – 21 year olds e.g. care leavers, for 18 – 21 year olds who are themselves parents and whose children are living with them, and for young people who have previously been living independently and working for six months.

22. The move from Disabled Living Allowance (DLA) to Personal Independence Payments (PIP) for working age claimants continues, with all new claims being processed as PIP and claimants currently with a long-term or indefinite DLA assessment being migrated to PIP. This migration period for long-term DLA claims began in July 2015.
23. The Council has recently reviewed its Council Tax Reduction Scheme, as reported to this Committee in September 2015 and subsequently to Cabinet.
24. Local Welfare Assistance scheme is the subject of a separate report to this meeting of the Committee.

Future developments

25. As well as the changes outlined above, there are a number of other measures in the Housing and Planning Bill which will affect social housing and welfare benefits, including "Pay to Stay", where social tenants earning over £30,000 will have to pay higher rents (market rent or close to that level) and the introduction of fixed term tenancies of no more than five years.

Finance

26. Housing Benefit payments are funded via government grant. There is also a separate allocation of grant for Discretionary Housing Payments, though local authorities may spend more than their allocation if resources and priorities allow. Spending on Discretionary Housing Payments is limited to 2.5 times the government allocation to a local authority.
27. Rent for council homes is collected and administered through the Housing Revenue Account, and is ring-fenced so it can only be spent on the management, maintenance and improvement of council homes. Local authorities must not budget for a deficit on the Housing Revenue Account.

Law

28. Awards of benefit are made under the relevant legislation. The Welfare Reform Act 2012 introduced Universal Credit, the benefit cap, underoccupancy penalties and a number of other changes to the benefit system, and the Welfare Reform and Work Bill, which is currently going through Parliament, will bring into effect further changes, including those highlighted in the Chancellor's July 2015 budget announcement and Autumn Statement of November 2015.

Equality Impact

29. All awards of benefit are made in line with relevant legislation and with the Council's equality policies.

Recommendation

30. It is recommended that Members note the contents of this report.



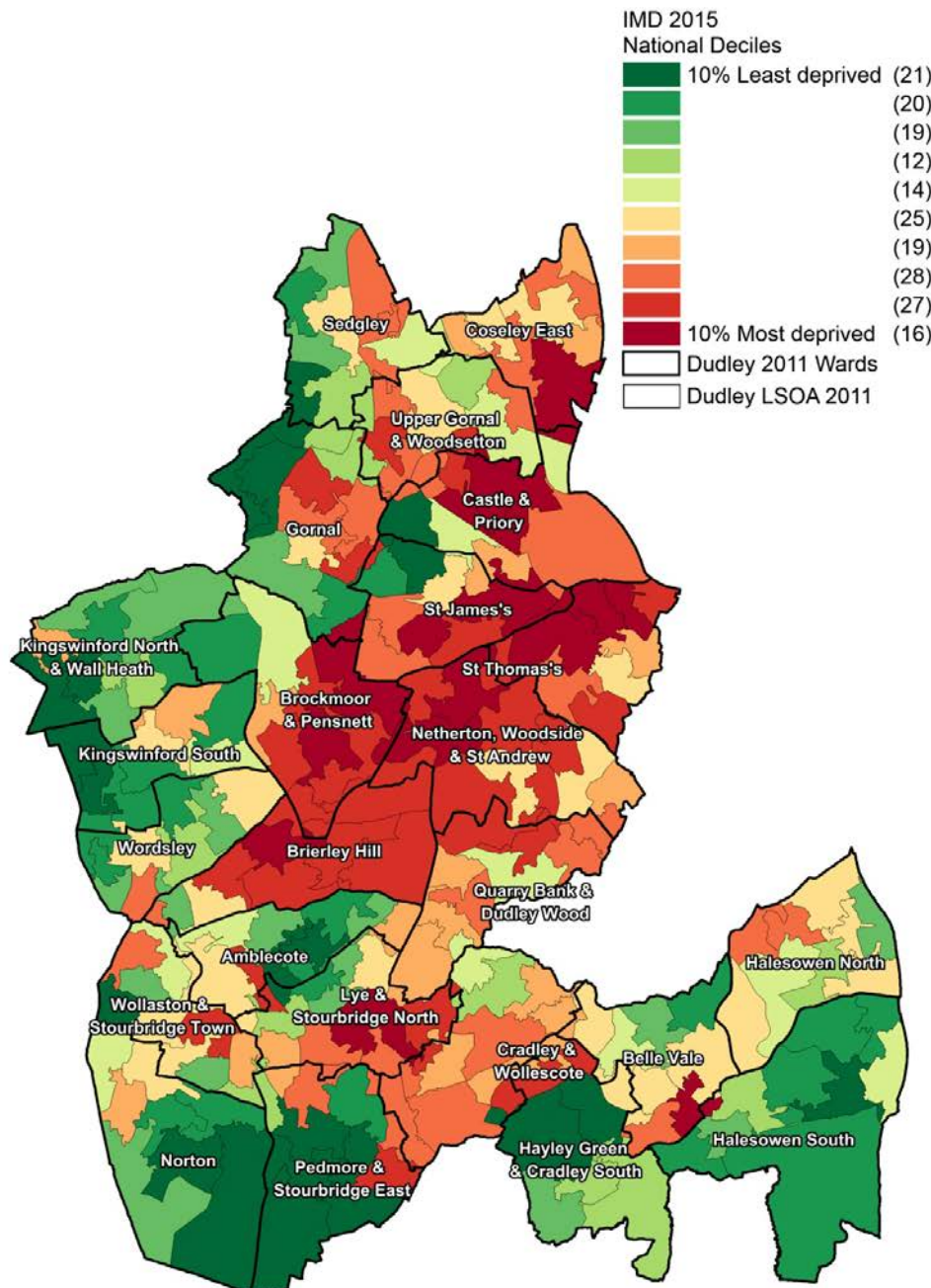
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Appendix 1

Map of Dudley showing the 2015 Index of Multiple Deprivation by LSOA 2011



Map created by Public Health Intelligence, Office of Public Health Dudley,
Topographic Data © Crown copyright and database rights (2015)
Ordnance Survey License Number 100019566

Appendix 2 – Universal Credit rollout

The full Universal Credit service will be open to all new claims from all claimant types, this will also include anyone who is currently on existing benefits or Tax Credits and has a change of circumstance that would naturally trigger a new claim to Universal Credit, meaning the entire household affected would migrate to the full service. Additionally anyone who is currently claiming Universal Credit through the live service will then migrate onto the full service over the first three months of operation.

After the transition process has completed in mid 2018 we will then begin migrating all remaining existing benefit claimants to the full Universal Credit service, this part of the process will complete in 2021.

This following list is in alphabetical order by local authority.

Go Live

Date	Local Authority	Jobcentre area
May-16	Bath and North East Somerset Council	Bath JCP
	Newcastle City Council	Newcastle Cathedral Square JCP
	Rugby Borough Council	Rugby JCP
	Sedgemoor District Council	Bridgwater JCP
	Waveney District Council	Lowestoft JCP
Jun-16	Harrogate Borough Council	Harrogate JCP
	Richmondshire District Council	Richmond JCP
	Highland Council	Inverness JCP
	London Borough of Hammersmith & Fulham	Hammersmith JCP
	Ryedale District Council	Ryedale JCP
Jul-16	Halton Borough Council	Runcorn JCP
	Halton Borough Council	Widnes JCP
	Lancaster City Council	Lancaster JCP
	Lancaster City Council	Morecambe JCP
	Mendip District Council	Frome JCP
	Mendip District Council	Wells JCP
Oct-16	Craven District Council	Skipton JCP
	Hambleton District Council	Northallerton JCP
	London Borough of Lambeth	Kennington Park JCP
	London Borough of Southwark	Peckham JCP
	Taunton Deane Borough Council	Taunton JCP
	West Somerset Council	Minehead JCP
Nov-16	Allerdale Borough Council	Workington JCP
	Copeland Borough Council	Whitehaven JCP
	Daventry District Council	Daventry JCP
	Harborough District Council	Market Harborough JCP
	Highland Council	Dingwall JCP
	Highland Council	Fort William JCP

	Highland Council	Invergordon JCP
	Highland Council	Portree JCP
	Highland Council	Wick JCP
	Melton Borough Council	Melton Mowbray JCP
Dec-16	Hartlepool Borough Council	Hartlepool JCP
	Hastings Borough Council	Hastings JCP
	London Borough of Hammersmith & Fulham	Fulham JCP
	London Borough of Hammersmith & Fulham	Shepherds Bush JCP
	Stratford District Council	Stratford-upon-Avon JCP
	Swindon Borough Council	Swindon JCP

Appendix 3 – examples of households affected by the benefit cap

A single claimant aged over 25 could receive the standard personal allowance (Jobseekers Allowance / Universal Credit) of £318 per month plus £400 per month housing element and be well below the £1,116 cap. However, if they were also entitled to the £316 per month for limited capability for work and work-related activity, this would take their UC up to £1,034, leaving them potentially vulnerable to rent increases.

For a family, particularly those with 3 or more children and possibly disabled members of the household, we are likely to see more people affected by the benefit cap. For example, a family with neither parent working and 4 children would receive £499 per month basic allowance plus £973 per month for the children. This is £1,472 per month, leaving only £194 per month for the rental element, so they would be affected by the benefit cap by around £200 or more per month. This does not allow for any additional UC elements, for instance if one or more members of the household are disabled, or have caring responsibilities.

A single parent who is not working, with 3 children, one of whom is severely disabled, in a property with rent of £110 per week (£460 per month), would, without the benefit cap, receive £499 basic allowance, £460 housing element, £740 for the three children and £368 disabled child allowance. In total this is £2,067, or £401 per month over the benefit cap. Again, the maximum UC this family would receive will be £1,666 per month.

While claimants remain on legacy benefits (Jobseeker's, Housing Benefit etc), the impact of the benefit cap will be limited as it is only deducted from housing benefit. So if a family's benefits are £300 per week over the benefit cap level, but their rent is £90 per week, currently only £89.50 will be deducted from their housing benefit. This would mean that they would retain a notional entitlement of 50p per week housing benefit, to maintain them on the system, but they would have to find the money to pay their rent from their other benefit payments. When UC is introduced, this family would see their total benefit capped at the maximum level, and they would see a reduction of the full £300 per week.

Resources & Transformation Scrutiny Committee – 7th March 2016

Report of the Strategic Director Resources and Transformation

Local Welfare Assistance (LWA) Scheme

Purpose

1. This report has been prepared in response to the request for an update made at the 19th January 2016 Scrutiny Committee. An alternative option is necessary to accommodate changes to funding for the LWA scheme from 2016/17 onwards.

Budget Proposals

2. Proposals for a LWA budget reduction were detailed in the Medium Term Financial Strategy report presented to Cabinet on 28th October 2015 and further referred to in the Transforming the Future report presented to Cabinet on 3rd December 2015. It was proposed to reduce the budget for the LWA scheme in 2016/17 to £100K, with a further reduction to zero planned from 2017/18 onwards. This proposal is to be considered at the full Council Meeting on 29th February 2016.

Background

3. The current scheme assists residents in Dudley who are without sufficient resources to meet an *urgent need* that poses an *immediate and substantial* risk to their health and safety or that of their dependants. The scheme can provide two forms of awards:

Crisis Awards - providing short term access to essential items, e.g. food, heating, lighting, clothing, essential baby items, and/or white goods and furniture.

Community Care Awards - helping people remain in the community or move back into the community by providing a range of standard household items e.g. beds, bedding, furniture, carpets, white goods, removal costs (in certain circumstances).

4. There is no statutory requirement for local authorities to provide a LWA scheme. The Transforming the Future report mentioned above highlights that given the Council's budget position, discretionary services should be reviewed, looking at the potential to make them self-financing and to identify and review ways of providing the service in a different way. With this in mind an option providing assistance in a different way via a repayable loan scheme is being worked through.

Alternative Option progress

5. Wolverhampton City Council transferred their LWA service to the local Citizens Advice Bureau and Credit Union in 2014. Assistance in Wolverhampton is now provided to those who qualify in the form of a repayable loan. Loans range from £100 for emergencies up to £400 for the provision of household items. The loans are offered with a low fixed interest rate and are repayable within 104 weeks. Where appropriate, repayments are arranged direct from ongoing benefit payments.
6. A meeting has taken place with the manager of Dudley's Credit Union (Castle & Crystal). The manager is now discussing working practices and problem resolutions with Wolverhampton's Credit Union manager/staff.
7. Discussions have also taken place with management within Public Health who manage the Credit Union and have a broader connected role regarding adult wellness and poverty reduction, issues closely related to LWA.
8. A meeting has also taken place with the Chief Executive of Dudley CAB on 25th February 2016, the outcome of which was that she will now discuss this further with the Chief Executive of Wolverhampton CAB and then report back without delay.
9. Additionally discussions are taking place with managers within Adult Services who are in the process of undertaking a corporate review of Council service level agreements with the CAB and associated funding and service priorities. This review will assist in managing proposed efficiencies in various areas relating to CAB funding as well assisting both DMBC and the CAB in determining future approach and priorities.
10. All of the above discussions will continue and hopefully resolutions found to any problems and issues. Unfortunately this will not be completed to enable a replacement for the LWA scheme to be in place for 1st April 2016. Arrangements have been made for the LWA scheme to continue for a temporary period.

Finance

11. The discretionary aspects of the national Social Fund scheme, previously administered by the Department for Work and Pensions, were transferred to local authorities in 2013 accompanied by non-ring-fenced award funding for 2013/14 and 2014/15.
12. In December 2014 the Government announced that in 2015/16 and beyond there would be no specific local welfare assistance funding. In early 2015 additional funding was awarded to councils for social care, including LWA, and £200k of this funding was allocated to fund our LWA scheme.

Law

13. There is no statutory duty to provide LWA. It should be noted that the Central Government Work and Pensions Committee has launched an inquiry into the "local welfare safety net", including locally run LWA schemes "in order to establish the extent to which local discretion and variations in

provision represent “localism in action”.

Equality Impact

14. An equality impact assessment was completed when the LWA scheme was introduced. Equality implications will be considered as we review the provision of the scheme for 2016/17 onwards.

Human Resources

15. At the outset of the scheme in 2013, the LWA team consisted of 5 staff with management of the service being undertaken by a Dudley Council Plus manager on a “part time basis” for approximately 20% of the working week. The service now operates with 3 2 staff which, amongst other things, reflects a reduction in customer demand for the service.

Recommendations

16. Members of the Committee are asked to note the contents of this report and the proposal to review provision of the scheme from 2016/17 onwards.



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Background papers: Reports to Resources & Transformation Scrutiny Committee on 17th November 2015 and 19th January 2016.