

Meeting of the Resources and Transformation Scrutiny Committee

Thursday 18th June, 2015 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 former Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee meeting on 5th March, 2015, as a correct record.
5. Public Forum
6. Terms of Reference for the Resources and Transformation Scrutiny Committee (Pages 1 – 3)
7. Annual Scrutiny Programme 2015/16 (Pages 4 – 46)
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).



Strategic Director (Resources and Transformation)

Dated: 10th June, 2015

Distribution:**Members of the Resources and Transformation Scrutiny Committee:**

Councillor D Blood (Chair)

Councillor B Cotterill (Vice Chair)

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

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- Elected Members can submit apologies by contacting the officer named below. The appointment of any Substitute Member(s) should be notified to Democratic Services at least one hour before the meeting starts.
- The Democratic Services contact officer for this meeting is Karen Griffiths, Telephone 01384 818219 or E-mail karen.griffiths@dudley.gov.uk

Minutes of the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee

Thursday, 5th March, 2015 at 6 p.m.
In Committee Room 2, The Council House, Dudley

Present:

Councillor D Blood (Chair)
Councillor B Cotterill (Vice-Chair)
Councillors C Baugh, D Caunt, J. Cowell, Elcock, A Finch, P Harley, S Henley, M Mottram and D Russell.

Officers:

G Thomas (Assistant Director – Policy and Improvement) – Lead Officer to the Committee, M Wooldridge (Principal Policy and Performance Management Officer), M.Baines (Principal Officer, Project Management) and J.Jablonski (Assistant Principal Officer, Democratic Services)

Also in attendance – for agenda item no.5 – Update on Crime and Community Safety

Councillor J.Foster – an Assistant Police and Crime Commissioner; Chief Superintendent Johnson; Detective Chief Inspector J.Skyrme and S Haywood, Head of Community Safety.

23 **Apology for Absence**

An apology for absence from the meeting was submitted on behalf of Councillor Marrey.

24 **Declaration of Interest**

No Member made a declaration of Interest in respect of any matter to be considered at this meeting..

25 **Appointment of substitute Member**

It was reported that Councillor J Cowell was serving in place of Councillor Marrey for this meeting of the Committee only.

Minutes

Resolved

That the minutes of the meeting held on 18th November, 2014, be approved as a correct record and signed.

Update on Crime and Community Safety

In introducing this item the Chair reported that the Police and Crime Commissioner (PCC), David Jamieson, had unfortunately now been unable to attend the meeting. Councillor Foster was in attendance in her capacity as an Assistant Police and Crime Commissioner and commented on her role, which included being the Lead for the PCC for Dudley and other Black Country boroughs, and to respond to questions asked.

Prior to responding to certain questions, of which she had been given prior notice, she then commented on the PCC's priorities for 2015/16 and how they contributed to making Dudley a safer place. In this connection she referred to the Strategic Policing Care Plan and the role of local Police and Crime Boards; the priorities of Dudley's board reflected those of other boards.

Following consultation events in Dudley the priorities were domestic abuse and vulnerable people, drug misuse and hate crime. Other concerns were also commented upon including home burglary, dog fouling and inconsiderate parking. It would be up to the Safe and Sound Partnership to see how these were addressed. Dudley's priorities were therefore those of the PCC and consultations highlighted a number of other issues including troubled families, business crime and inappropriate use of vehicles.

It was also noted that within the Dudley area Dudley North would continue to be a priority area.

Questions were then asked and responded to relating to –

- the impact of abolishing the office of PCC. This was responded to in relation as to what any replacement would look like and that it was difficult to say whether the replacement would be better or worse than the PCC.
- Business crime in that this included theft of petrol from supermarket petrol stations; theft from displays at large stores and metal theft. Such crime involving shop theft was the largest crime type in Dudley. These crimes were not victimless and were often linked to other types of crime.

- Regarding numbers of police constables, it was noted that when comparing 2011/12 with the end of 2015/16 there would be 2,000 fewer officers. However, given the pledge made to recruit 450 posts which had been achieved, overall in twelve months time it was hoped that the force would be in the same position as it is currently, given the 450 posts recruited.
- In response to questions asked, Councillor Foster undertook to inform the Lead Officer of the budget underspend in 2013/14 and 2014/15 so that this information could be forwarded to members of the committee.
- Given the precept of 1.99% resulting in the freeze grant not being paid, it was queried as to the amount the precept would raise and how much would be lost by putting the precept up compared with receiving the freeze grant. Councillor Foster undertook to provide the Lead Officer with the information required so that it could be forwarded to Members.
- Given the reduction in budget and the impact especially on recruitment this would have on the level of service provided it was noted that the requirement for officers with 30 years service to leave the force had now been lifted.
- The near doubling of reserves to £150m was commented on and the non-use of such reserves queried. In response reference was made to the workings of the grant formula and the significant funding gap requiring the need for reserves.

Following the asking of questions, Detective Chief Inspector Jenny Skyrme then gave a presentation entitled Service Transformation – Public Protection Services in Dudley. A copy of the presentation would be placed on the Council's Committee Information Management System. The comprehensive presentation given detailed the changes introduced to tackle child abuse and domestic abuse within the overall context of the force area and specifically in Dudley. The positive outcomes achieved were noted, together with the partnership working undertaken and the need for further work to be done.

In concluding the presentation DCI Skyrme outlined challenges ahead and in addition to the three issues raised commented on a fourth challenge that of hidden crime involving crimes such as female genital mutilation and honour crimes which were complicated by cultural considerations. There was a need to further gain the trust and confidence of communities in relation to such crimes.

A number of questions were then asked and responded to, including -

- The relationship of mental health issues, drugs and alcohol to domestic violence and the need to try and break the relationship with one or all of these factors. A view was expressed that there was a need to change the current licensing laws.
- Joint working with social workers when it is known that child abuse is occurring.
- That the work undertaken was scrutinized and there was confidence that it was done so transparently as regarded officers of the council and the Police.

- That as regards sex offenders Dudley did not have a high number of such offenders.
- Regarding female genital mutilation, it was noted that this was dealt with at the local police level and that Health were the lead on this. Currently there were no successful prosecutions for this crime.
- It was noted that there were three rape suites serving the west midlands area at Walsall, Castle Vale and Nuneaton which serves Coventry and Solihull.
- It was noted that a new custody facility serving Dudley but based in Sandwell would open in June,2015.
- Arising from comments made about referrals from council officers to the police it was considered that further work did need to be done by all agencies in the making of referrals so that referrals were made early and to the right place, Also that work needed to be done on reviewing those referrals. A joint approach on referrals was required.
- That the sub-group of the Dudley Safeguarding Children Board, chaired by DCI Skyrme did challenge officers in relation to child sexual exploitation with a view to achieving a joined up approach. However there was a need to do more in developing intelligence.
- It was considered that schools had an important role to play in relation to safeguarding children. A view was expressed that sex education at primary school could help with this so that as children grew older they would be more aware of the dangers.

Following closing remarks from Councillor Foster and Chief Superintendent Johnson, the Chair thanked them for attending and to DCI Skyrme for her comprehensive presentation.

Resolved

That the information given at the meeting and in the presentation given, together with the responses set out above, be noted and that the Lead Officer be requested to forward the information requested to Members following receipt from Councillor Foster.

28

Corporate Quarterly Performance Management Report

A report of the Chief Executive was submitted on the third Quarterly Corporate Performance Management Report for 2014/15 relating to performance for the period 3rd October to December,2014.

In considering the content of the report particular reference was made to PI 120 - % of 16 to 18 year olds who are not in education, employment or training (NEET).The Lead Officer undertook to review the target with the officers concerned.

Resolved

That the information contained in the Quarterly Performance Management Report in respect of performance for the period from 3rd October to December, 2014 be noted.

29

Update on Corporate Services Utilisation

A presentation was given by Martin Baines on the current position regarding the review of Corporate Services Utilisation in respect of printing, training, graphics and communication and catering. Details of the approximate spend on outside sources for these services, £4,350,000 were given over a twenty-one month period – April, 2013 to December, 2014 together with the methodology used. A note of caution regarding the figures was also given together with aspects of the spend in each of the areas.

Interim conclusions reached were that there was reassurance about external commissioning; appropriate use made of in house resources and that the restructure proposals provided further opportunities for savings.

Resolved

That a further report on the Review of Corporate Services utilisation be submitted to a future meeting incorporating the following recommendations contained in the presentation –

Further analysis of Graphics and Communications due to significant spend, volume of transactions and use of generic coding; and Re-state standing orders ie the obligation to use in-house services which will be done as part of the restructuring proposals.

30

Comments of the Chair

As this was the last scheduled meeting of the committee in the current municipal year the Chair expressed his thanks to Geoff Thomas, Lead Officer to the Committee, for his contribution to the work of the committee over recent years, as this was his last meeting of the committee in that capacity. The Chair also referred to Councillor Caunt, who was not standing for election in May and expressed his appreciation to him for his work on the committee and best wishes to those Members standing for election in May.

The meeting ended at 8.25 p.m.

CHAIR

Resources and Transformation Scrutiny Committee – 18th June, 2015

Report of the Strategic Director (Resources and Transformation)

Terms of Reference for the Resources and Transformation Scrutiny Committee

Purpose of Report

1. To note the terms of reference for the Resources and Transformation Scrutiny Committee.

Background

2. At the meeting of the Overview and Scrutiny Management Board on 11th December, 2014, a report was considered on the implications of the corporate restructuring on the Council's future overview and scrutiny arrangements.

Approval, in principle, was given to establish a Scrutiny Committee structure aligned to the new Strategic Directorate structure for the 2015/16 municipal year.

The establishment of the following Committees was recommended and approved by the annual meeting of the Council, to take effect from May 2015:

Overview and Scrutiny Management Board
People Services Scrutiny Committee
Resources and Transformation Scrutiny Committee
Place Scrutiny Committee
Health Scrutiny Committee.

3. The Council's scrutiny arrangements are set out in Part 2, Article 6 of the Constitution (Overview and Scrutiny). The associated Scrutiny Procedure Rules are contained within Part 4 of the Constitution which also contains the terms of reference for the Resources and Transformation Scrutiny Committee. These terms of reference are attached as an Appendix to the report submitted.

Finance

4. The costs of operating the revised scrutiny structure will be contained within existing budgetary allocations.

Law

5. Scrutiny Committees are established in accordance with the provisions of the Local Government Act 1972 and the requirements of the Council's Constitution, which was adopted under the Local Government Act 2000, subsequent legislation and associated Regulations and Guidance.

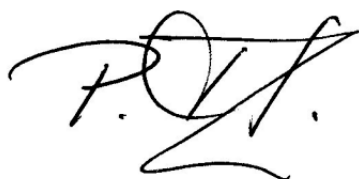
The Council's scrutiny arrangements are set out in Part 2, Article 6 of the Constitution (Overview and Scrutiny) and the associated Scrutiny Procedure Rules are contained within Part 4.

Equality Impact

6. Provision exists within the recommended scrutiny arrangements for overview and scrutiny to be undertaken of the Council's policies on equality and diversity.

Recommendations

7. That the terms of reference for the Scrutiny Committee, as set out in the attached Appendix, be noted.



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Philip Tart
Strategic Director (Resources and Transformation)

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List of Background Papers

The Council's Constitution

Terms of Reference for the Resources and Transformation Scrutiny Committee

Membership

11 Councillors

Terms of Reference

In accordance with any relevant statutory requirements and the Annual Scrutiny Programme approved by the Overview and Scrutiny Management Board:-

- (a) To undertake in-depth scrutiny investigations, inquiries and reviews in accordance with the Annual Scrutiny Programme;
- (b) To contribute to policy development by carrying out the scrutiny of matters falling within the functions of the Directorate of Resources and Transformation and the portfolio of the Cabinet Members for Corporate and Customer Services and Finance and Legal Services.

To submit reports and recommendations to the Cabinet and/or the Council on the outcomes of scrutiny investigations, inquiries and reviews.

To make recommendations to the Overview and Scrutiny Management Board on any proposed amendments to the Annual Scrutiny Programme.

Resources and Transformation Scrutiny Committee – 18th June, 2015

Report of the Lead Officer and the Strategic Director (Resources and Transformation)

Annual Scrutiny Programme 2015/16

Purpose of Report

1. To note the items included in the Annual Scrutiny Programme for detailed consideration by this Scrutiny Committee during 2015/16.

Background

2. Meetings of this Scrutiny Committee have been scheduled, on the dates below, primarily to carry out the reviews that are allocated to them and to undertake detailed scrutiny of the Council's revenue budget proposals in November -

- Monday 14th September, 2015 – 6.00pm
- Tuesday 17th November, 2015 – 6.00pm
- Monday 18th January, 2016 – 6.00pm
- Monday 7th March, 2016 – 6.00pm

3. The Overview and Scrutiny Management Board formally endorsed the Annual Scrutiny Plan at its meeting on 10th June, 2015. The items for detailed consideration by this Scrutiny Committee during 2015/16 are:

- The latest Welfare Reforms and their impact upon Dudley
- How we provide improved and more cost effective customer access to Council services through use of Channel Shift

A brief summary of each topic will be provided by the relevant Chief Officer at the meeting.

4. Appendix 1 provides more detailed information on the topics set out in the Annual Scrutiny Programme for 2015/16, as referred to in paragraph 3 above.

Finance

5. The costs of operating the scrutiny arrangements will be contained within existing budgetary allocations.

Law

6. Scrutiny Committees are established in accordance with the provisions of the Local Government Act 1972 and the requirements of the Council's Constitution, which was adopted under the Local Government Act 2000, subsequent legislation and associated Regulations and Guidance.
7. The Police and Justice Act 2006 gives the Council powers to scrutinise the work of the Crime and Disorder Reduction Partnership and the Local Government and Public Involvement in Health Act 2007 enables local authorities to scrutinise other partners. Much of this legislation has now been consolidated in the Localism Act 2011.

Equality Impact

8. Provision exists within the recommended scrutiny arrangements for overview and scrutiny to be undertaken of the Council's policies on equality and diversity.

Recommendation

9. That the items contained in the Annual Scrutiny Programme for 2015/16, as referred to in paragraph 3 and Appendix 1, be noted.



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Matt Bowsher
Lead Officer



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List of Background Papers

Report to Overview and Scrutiny Management Board – 10th June, 2015 – Annual Scrutiny Programme 2015/16

| Resources and Transformation Scrutiny Committee | |
|--|--|
| Portfolio | Cabinet Member for Corporate & Customer Services |
| Area for Scrutiny | How we provide improved and more cost effective customer access to Council services through use of Channel Shift. |
| Link to Council Plan | Channel Shift cuts across all themes of the Council Plan, including: helping communities to help themselves, promoting independence, where people want to live, better connected, education & skills, transforming services and transforming community engagement. |
| Context | <p>Channel Shift typically refers to encouraging and enabling a council's citizens, businesses and visitors (i.e. its customers) to move from more traditional means of making contact, that can generally only be handled during normal office hours (i.e. face-to-face, telephone and email), to digitally-enabled contact methods, that typically have 24/7 availability, when they wish to obtain information or to transact.</p> <p>The potential for automation created by digitally-enabled channels provides opportunities for cheaper and more effective service delivery, and so releases valuable resources to allow additional assistance to be provided to those in our communities that need it. Channel Shift also encompasses how councils consult with and listen to their various communities, through online questionnaires, social media, etc.</p> <p>The potential savings from Channel Shift are highly desirable in times of austerity. Successfully delivering these savings depends upon many things; from how we support and enable our customers to 'shift', how we ensure that the channels that our customers have access to and use are the right ones for their needs, how we ensure that our information and services are consistent and simple to access across all applicable channels, to how we enable each and every customer contact to result in the outcome that is needed, at the lowest possible cost to the Council and the customer.</p> <p>While younger generations now generally expect to be able to conduct their business (be that with Amazon or Dudley Council) over the internet via their smartphones and tablets, some of our customers are less able or willing to do this. Successful Channel Shift must recognise and accommodate this range of needs and abilities, with services targeted to appropriate channels (be they online self-service, or traditional face-to-face that is also digitally-enabled behind the scenes), with support in place for those who need it.</p> <p>Hence successful Channel Shift is about people, and is enabled by digital technology that is fit for purpose – it's about having digitally-enabled self-service channels that are so good people choose to use them, while still supporting those who either choose not to or simply cannot use them.</p> |
| Rationale | There are strategies and proposals under development that have a direct relationship with channel shift, including our: Corporate Customer Access Strategy, Corporate ICT Strategy, Community Engagement Strategy, and the Libraries, Archives and Adult Learning IT offer. |

| | |
|---|--|
| | <p>To enable successful channel shift with the outcomes of improvements to our services and their resulting savings, we must have in place digital technology that is fit for purpose and which ensures that: our customers can successfully self-serve should they so choose; the delivery of services accessed via more traditional channels is equally digitally-enabled behind the scenes; our delivery processes (regardless of access channel) are consistent, transparent and as far as appropriate, automated; and that we are able to keep step with our customers' growing and changing expectations for digital service access.</p> <p>We must also ensure that we understand the drivers of customer behaviour, and make good use of customer intelligence gained from the use of data which will give us clear insight into our customers' current and forecast future needs, as well as indicating how well (or otherwise) our related strategies are working.</p> |
| <p>What are we asking from the Scrutiny Committee?</p> | <p>To consider whether our strategies and implementation plans will be successful in realising a shift to digitally-enabled access to services and will meet the needs of all of our communities, in a sustainable way.</p> <p>That our strategies recognise the need for diversity in our approach to service delivery to support traditional channels where needed and appropriate.</p> <p>That our approach releases cashable and non cashable savings while ensuring there is an ongoing investment in making service delivery more effective and efficient through the digital route.</p> |

| Resources and Transformation Scrutiny Committee | |
|--|--|
| Portfolio | Cabinet Member for Corporate & Customer Services |
| Area for Scrutiny | The latest Welfare Reforms & their impact upon Dudley |
| Link to Council Plan | Regeneration, skills and employment Caring for the elderly and vulnerable |
| Context | <p>The Government's programme of welfare reform is ongoing and in his final Budget of this Parliament the Chancellor, assuming the Conservatives are in Government after the general election, made it clear that welfare will continue to play a major role in delivering future public sector savings. The Chancellor announced that he intended to achieve public sector savings of £30b of which £12b will be found from the welfare budget.</p> <p>A further £13b will be found from a range of Government departmental expenditure, including DCLG. A proportion of those cuts will therefore be allocated to local government, meaning that pressure on local authority expenditure is set to continue.</p> <p>At this time it is not clear where the £12b savings from welfare will be found from but some proposals have already been announced by the Government. However, these proposals, taken together, do not come close to delivering £12b, which could indicate that finding this amount will be difficult.</p> <p>As the Government continues to protect pensioner benefits, the £12bn savings will be made from the remaining £74b costs of welfare for working age claimants.</p> <p>At a cost of just over £18bn a year, the largest non pensioner benefit cost is housing benefit (administered by local councils) which means that housing benefit will inevitably continue to see changes aimed at reducing its overall costs.</p> |
| Rationale | The Government's stated objective is that welfare reforms are intended to 'make work pay' and end a benefit culture. The Council will want to protect its citizens whilst at the same time maximising training and employment opportunities within the Borough. |
| What are we asking from the Scrutiny Committee? | <p>To consider the impact upon Borough residents of recently implemented welfare reforms, including:</p> <ul style="list-style-type: none"> - the abolition of housing benefit and its replacement with Universal Credit (a small element of UC commenced in Dudley in March 2015) - the Council's role in delivering Universal Credit - changes to our Local Welfare Assistance Scheme, which provides crisis and community care awards - a review of our localised Council Tax Reduction Scheme, which provides assistance to low income households in paying their council tax |

Welfare Reform Overview
**“The latest welfare reforms and their
impact upon Dudley”**
**Resources and Transformation Scrutiny
Committee**
Catherine Ludwig
Finance Manager

Welfare Reform Overview

Changes to the welfare benefit system have been implemented during the last parliament and more are planned. Key areas include:

- Universal Credit
- Underoccupancy & Discretionary Housing Payments
- Local Housing Allowance
- Benefit Cap
- Local Welfare Assistance
- Council Tax Reduction Scheme
- Personal Independence Payments

Rationale for welfare reforms

- High and increasing cost in difficult economic circumstances
- Complex systems
- Perverse incentives – work doesn't always pay
- Reducing dependency
- Streamlining and reducing bureaucracy

Universal Credit (UC)

- Flagship working-age benefit reform bringing 6 major benefits together
 - Jobseekers Allowance (JSA)
 - Employment Support Allowance (ESA)
 - Income Support (IS)
 - child tax credits
 - working tax credits
 - housing benefit
- Currently these are operated by DWP (Department for Work and Pensions), HMRC (Her Majesty's Revenues and Customs) and local authorities – Universal Credit will be operated entirely by DWP

Main features of Universal Credit

- Standard allowance plus up to 5 additional elements
 - Child / disabled child element
 - Childcare element
 - Carer element
 - Limited capacity for work element
 - Housing element
- Intended to encourage work – claimants lose benefit at a lower rate when working than under the previous system and can maintain a claim at zero for a period without having to close and restart.

Illustration of how Universal Credit tops up earnings

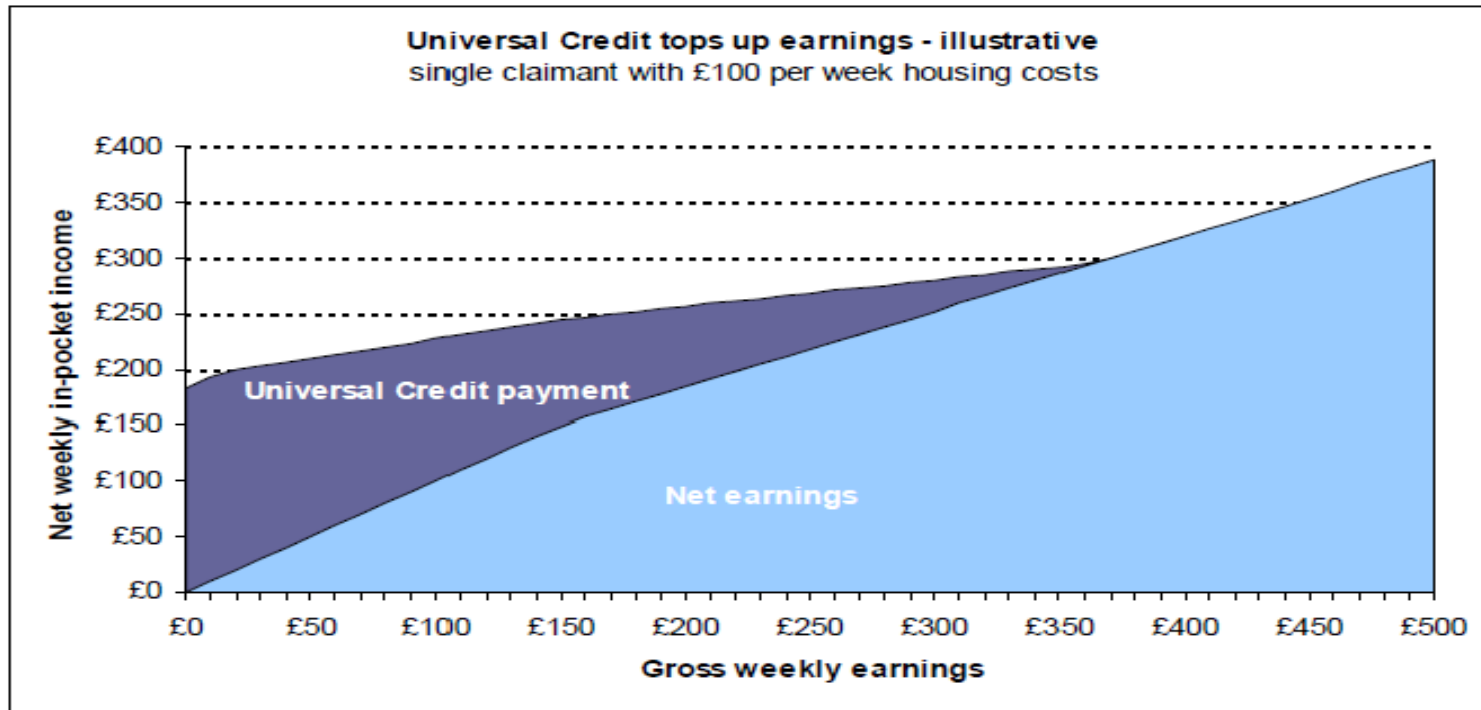


Figure 1: How Universal Credit tops up a household's earnings¹

Main features of Universal Credit

- Payment monthly in arrears into bank accounts.
- Assessment for household not individual claimants.
- Digital systems – generally online, possibly phone contact, very little face to face contact.
- Payments updated using HMRC PAYE (Pay As You Earn) information “in real time”.
- Housing element of benefit paid to claimant, who must then pay landlord, unlike current direct transfer system – except pensioners, vulnerable tenants and tenants with over 8 weeks arrears.

Universal Credit – timetable for roll-out

- Piloted in jobcentres initially for new, single claimants with no additional needs
- Rolled out across NW England for new single claimants
- Started to extend to new claims for couples and families in NW England
- National rollout for new claims for single people (simple claims)
 - Tranche 1 Feb – May 2015
 - Tranche 2 May – July 2015
 - Tranche 3 Sept – Nov 2015
 - Tranche 4 Dec 2014 – April 2015
- Dudley is in Tranche 1 and started to receive UC claims 23 March (Dudley) and 13 April (Halesowen and Stourbridge)

Universal Credit – national experience

- At 7 May, 99,000 claimants had made a claim for UC
- Roughly 2/3rds are unemployed and 1/3rd are in work
- Just over 50% are under 25
- Roughly 2/3rds are male and 1/3rd female
- Around 250 jobcentres out of 700 nationally are now taking at least some UC claims
- 96 jobcentres are taking claims from couples and 32 from families
- The current plan is for no new housing benefit claims to be issued from the end of 2017.
- Migration of existing claims will start at some point in 2016 (but no end date given).

Universal Credit – Dudley’s experience with the rollout

- 45 claims in the Borough (19 from council tenants) as at 1 June
- Claims more complex than expected – not the new claims from single people with no dependents that we anticipated
- Claimants who missed appointments with Jobcentre appear to have been moved to UC rather than being sanctioned
- All new UC claimants who are council tenants already had significant rent arrears
- DWP communications are slow and inconsistent – information from Jobcentre, local DWP office and DWP UC processing centre: not joined up
- Digital solution not in place: DWP sending letters to us by post (in spite of our having a secure email address)
- Intensive support given to DWP claimants by us

Underoccupancy

- Underoccupancy penalty / removal of spare room subsidy / “bedroom tax” – from April 2013 so now have 2 years experience of this
- Reduction in benefit if tenant has “spare” bedroom
- 14% if one spare bedroom; 25% if two
- In Dudley, average for council tenants £11 reduction for one bedroom; £20 reduction for two bedrooms; slightly higher in housing association properties and higher again in private rented sector.

Discretionary Housing Payments (DHP)

- Government grant to fund shortfall in housing benefit owing to underoccupancy, benefit cap, and other housing issues
- Intended as short-term solution not a permanent top-up
- Relates to both social and private rented sectors
- Current year's allocation reduced: £570k (£655k in 2014/15)
- £593k spent or committed in 2015/16 (committed includes awards for the full year)
- Queries around future funding particularly as Universal Credit rolls out

Underoccupancy – impact for Dudley

- Reduction in benefit – tenants (social or private sector) may be unable to find the difference in rent
- Few smaller properties available – our only 1 bed properties are flats and we have a shortage of 2 bed houses
- Tenants may leave a 3 bed council house that they are underoccupying for a 2 bed private rented house where the rent is higher but they will receive full housing benefit – increasing costs.
- More tenancy moves lead to more turnover, more voids
- Disabled adaptations – may have made a property “too big”
- Couples unable to share a room because of disability – e.g. equipment.
- Teenagers sharing a single bedroom.
- Baby and teenager may have to share a single bedroom.
- Foster parents, especially for short-term fostering.
- Council housing rent arrears for underoccupancy - £362k at the end of 2014/15. Around 2,600 council tenants affected - £1.8m reduction in benefit, now paid by tenants / DHP / increasing arrears.
- 2 bed flats less popular as these were usually let to single people and childless couples.

Local Housing Allowance

- Changes in Local Housing Allowance rates for private sector tenants were introduced in April 2011 with a one year transitional period.
- These changes
 - reduced the maximum housing benefit payable in the private rented sector to the lowest 1/3rd of rental levels;
 - restricted benefit payments based on the number of bedrooms required;
 - reduced benefits payable to tenants aged under 35.

Benefit Cap

- Introduced in summer 2013, this restricts the maximum benefit to (currently) £350 per week (£18,200) single person and £500 per week (£26,000) couple or single parent with children – this is likely to reduce to £23,000.
- Just over 100 households were affected by the benefit cap in Dudley (around 50 council tenants).
- This is a bigger problem in London and the SE and other high-rent areas.
- It affects particularly large families and households including people with disabilities.
- Currently, only housing benefit is capped, so restrictions on benefit are limited. However, when UC is introduced, the restriction will be on the entire UC payment.

Local Welfare Assistance

- Crisis loans and community care grants transferred from DWP to local authorities from April 2013
- In Dudley we have a cashless scheme – vouchers for food and fuel, household goods provided direct
- Like most local authorities, we have underspent in the first two years.
- Late announcement on government funding: we now have £200k pa from 2015/16 onwards.

Local Welfare Assistance

- Claims are made via phone or online – the vast majority are by phone
- Call volumes have reduced in year 2, but actual claims and award numbers have remained static.
- In value terms, 75% are for white goods and furniture, although in volume terms most awards are for food and fuel.
- Our Local Welfare Assistance scheme is continually reviewed to ensure that help is going to those most in need.

Council Tax Reduction Scheme (CTRS)

- CTRS is a local scheme to assist low-income households with their council tax bills.
- Local CTR schemes replaced the national council tax benefit scheme from April 2013.
- Councils in England can devise their own scheme for working age residents (not pensioners).
- The scheme funding was also transferred to councils in April 2013 at around 90% of the expected scheme costs.
- Funding is no longer separately identifiable in the Revenue Support Grant.

Council Tax Reduction Scheme (CTRS)

- In 2013/14 Dudley protected low-income households – no change to previous entitlement
- In 2014/15 we built in an 8.5% reduction in CTR for working-age households
- A wide range of protected groups were exempt from the cuts.
- In 2015/16 the 8.5% cut has increased to 20% but the protected groups remained the same.
- The CTR scheme for 2016/17 is currently being reviewed.
- Consultation will take place during the summer.
- More income v lower collection rate / higher collection costs.

Personal Independence Payments (PIP)

- Replacing Disabled Living Allowance (DLA) from April 2013
- New claims and existing claims where circumstances have changed have been moved to PIP
- But long delays and high proportion of appeals successful.
- Government reviewing processes but claims still taking a long time from application to payment.
- All current claimants due to start to transfer from October 2015.

Issues

- Timescales for all welfare reforms have been uncertain and have changed frequently throughout
- Engagement issues – claimants tend not to think about the impact on them until their benefit changes, in spite of communications to encourage them to think about this in advance
- ICT systems – DWP's systems are not fit for purpose.
- Budgeting support and debt advice is essential – help and support all takes time particularly with individual contacts.
- For the Council, particularly in its role as a landlord, there is a risk of increases in arrears, bad debts, transaction costs and administration costs.

Further planned reduction in benefits costs

- Plan for a further £12bn to be removed from the working-age benefit bill
- Reduction in benefit cap so max benefit £23,000 for a couple / family / single parent with at least one child
- Limits on uprating working age benefits by inflation
- Restrictions for JSA (Jobseekers Allowance) for 18 – 21 year olds: time limited for 6 months max.

Other possible reductions considered include...

- Child benefit reductions – number of children / means-testing
- Remove contributory element of JSA and ESA
- Disability allowances no longer tax-free

Menu of issues for Scrutiny Committee to consider in more detail

- Impact of specific benefits:
 - Council Tax Reduction Scheme
 - Local Welfare Assistance Scheme
 - Personal Independence Payments
 - Universal Credit
 - Underoccupancy in social rented sector
 - Discretionary Housing Payments
 - Changes to Local Housing Allowance
 - Benefit Cap
- Wider themes:
 - Engagement and communication with residents and claimants
 - Partnership work including with other agencies to support claimants

Thank you – any questions?

Channel Shift

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Agenda

1. Terms of reference.
2. Definitions.
3. Context.
4. Why digital?
5. Success stories
6. Costs.
7. Achieving Channel Shift.
8. Where are we?
9. Actions.
10. Council Plan 2015/16.
11. Request to Scrutiny Committee.

Terms of reference

“How we provide improved and more cost effective customer access to council services through use of Channel Shift.”

Definitions

Channel:

A method of contact (or delivery), e.g. face-to-face, phone, email, website.

Channel Shift:

Getting customers to change from a more expensive method of contact (channel) to a cheaper more efficient one.

Context

- Channel shift – encouraging customers to move from traditional (9 to 5) contact methods to digital (24/7) contact methods.
- Digital – provides cheaper and more effective service delivery.
- Delivering savings depends on numerous things: support; consistency, simplicity, results, satisfaction and culture change.
- We must recognise and accommodate customer's needs and abilities.

Why digital?

- Part of the Government's ambition to move from centralised government to local delivery.
- A growing number of customers expect to be able to access what they want 24/7 via phones, tablets & PCs. *The "Amazon" experience.*
- Access changes quickly – phone calls to emails to on-line forms to on-line accounts.
- Self-service has given way to assisted service.
- Success stories prove this can work in local govt.
- Front office **and** back office savings.
- And so on.

Success stories

- Reporting a pot hole – elsewhere.
- Signing up for direct debit or reporting a change of address for council tax here at Dudley now.

Transaction Costs

Many different estimates but these are typical:

- Face-to-face: £7.40 - £8.62.
- Phone: £2.82 - £2.90.
- Email - £??
- Website: £0.05 - £0.32.

Achieving Channel Shift

- The key to achieving channel shift is simply to provide a user experience that outperforms other channels; when faced with choice, the customer chooses the digital option.
- If we get it wrong, the customer will go back to the more expensive channels - phone/face-to-face contacts.

Where are we?

- Some other councils are ahead of us.
- Piecemeal approach so far, with some good examples.
- Deciding on what we want the customer experience to look like.
- In need of a responsive, transactional website.
- New ICT Strategy 2015-2019 being developed.

Actions

- Commence work in line with the ICT Strategy.
- Identify software provider & procure services / product(s).
- Work on culture change.
- Ensure we have enough channels and the right ones.
- Ensure the channels work as efficiently as possible.
- Encourage customers to use the most efficient channel for the task.

Council Plan 2015/16

OBJECTIVE: Increase access to Council services by increasing digital service options to citizens.

KEY ACTIONS/INITIATIVES:

- New corporate ICT strategy 2015 -19 based on council priorities, transformation and the digital agenda.
- Implement a modern and responsive website that increases the number of transactions and is designed around serving people via any channel.
- Implement a Customer Portal incorporating customer relationship functionality.
- Expand and enhance Council digital services and the Council website to support customer focused delivery and encourage the use of online services.
- Ensure other means of accessing council services are available for those who find it unreasonably difficult to use digital means.

Council Plan (cont.)

- Introduce GOV.UK Verify to improve online identity verification so that customers can use Council services safely.
- Implement Public wifi in Council venues across the borough.
- Alongside individual elector registration (IER) online, elections staff to complete online registration for customers who visit or contact by telephone, acknowledging that fewer older or disabled people have internet access.
- Promote and support people to go online and access digital services via library services

Request to Scrutiny Committee

To challenge and act as a sounding board as our strategy and approach develop to ensure we're travelling in the right direction and:

- That our strategies and plans will be successful in realising a shift to digitally enabled access to services, meeting the needs of all communities.
- That our strategies support traditional channels where appropriate.
- That our approach achieves the required savings whilst ensuring ongoing investment in service delivery.