

WIRRAL COUNCIL

COUNCIL EXCELLENCE AND OVERVIEW SCRUTINY COMMITTEE

26 MARCH 2012

SUBJECT:	WELFARE REFORM
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR JEFF GREEN
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report updates Members on Welfare Reform. It covers changes to Housing Benefit (Local Housing Allowance) and the Department for Communities and Local Government (DCLG) plans to replace the Council Tax Benefit Scheme (CTB) with a localised rebate scheme which will provide support for Council Tax (Council Tax Rebate, 'CTR'). It also details the introduction of the Single Fraud Investigation Service, replacing separate independent benefit fraud investigation teams that have operated in Local Authorities, HMRC and DWP with one national service. The changes are planned to be operative from April 2013. Members are also updated on the Universal Credit (UC) proposals as well as plans to reform the Social Fund from April 2013 along with an update on the Discretionary Housing Payment (DHP) fund.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Welfare Reform Programme of which the Housing & Council Tax Benefit (HB/CTB) reforms are part, originates from the June 2010 Budget and the subsequent Spending Review. This review identified the need to make net savings of £18bn from the Welfare System. Housing Benefit was identified as an area for reform which must deliver savings of £2bn from the £21bn spend by 2015. The Welfare Reform Act was passed on 8 March 2012.
- 2.2. The National Fraud and Error Strategy reported problems with the current systems of investigation and as a result, proposals to deliver a unified service are expected to deliver around £50m of savings by 2016/17 in areas previously investigated separately by the DWP, local authorities and HMRC. This is targeted against a current spend across all sectors of some £180bn per annum with an approximate fraud and error rate of almost 3% (£5.2bn).

- 2.3. Universal Credit is described as the 'centre piece' of the Welfare Reform programme which will see a single payment for those of working age which will be paid as an 'in or out of work' benefit. It is set to replace six of the mainstream benefits including Housing Benefit. It will be administered nationally and is planned to be rolled out fully by October 2017. Pensioners are likely to have their housing cost added to their current Pension Credit.
- 2.4. Council Tax Rebate or Localised Support for Council Tax is to be introduced as part of the Localism policy. The DCLG intends that the local flexibility afforded with the introduction of this local discount scheme will enable Local Authorities to secure a necessary reduction in expenditure of 10%, from the date of introduction, April 2013, whilst reflecting local circumstances and priorities and supporting the key principle of reducing worklessness and benefit dependency.
- 2.5. In 2011/2012 Council Tax Benefit (CTB) expenditure was £31,203,776 and so, for 2013/2014 a localised rebate scheme will need to secure over £3.1m savings whilst still supporting, on a mandatory basis, Pensioners and other vulnerable groups. The current CTB caseload is 32,984 of which 17,354 are 60 years of age or older.
- 2.6. An overview of the key impacts of each major area of Welfare Reform follows below. In considering the same Members are reminded that, with the exception of the present Housing Benefit/Local Housing Allowance (LHA) change programme, the programme of development in each area is ongoing and that this coupled with a lack of regulations means that the quantifiable impact remains uncertain.
- 2.7. The Department for Work and Pensions (DWP) has produced briefings on each aspect of the changes along with the results of consultation, Impact Assessments and Equality Impact Assessments and these are accessible from the links in the Reference Material section at the end of this report.

CURRENT REFORM - HOUSING BENEFIT INCLUDING LOCAL HOUSING ALLOWANCE

- 2.8. This is the ongoing element of the welfare reform programme and concerns changes to benefits in the lead up to Universal Credit (UC). These changes started to become effective in April 2011 and will conclude once UC is fully implemented. In a report to this Committee on 16 March 2011, I detailed the changes effective from April 2011. The following further changes will influence benefit entitlements over the coming months.
- 2.9 The changes already introduced from 2011 are set out briefly below:-
 - (a) Removal of the £15 top up payment.
Under Local Housing Allowance claimants whose rent exceeded the LHA level set for their accommodation needs were allowed to retain up to £15 of the excess. This change to remove that excess retention was not transitionally protected and became immediately effective.
 - (b) Increase in non dependant resident deductions.
Having previously increased by an annual uprating, deductions were frozen until April 2011 when incremental increases were introduced to recover inflation. At April 2014 deductions will then be stabilised on that basis.

- (c) Amending size criteria rules to allow additional support for a disabled claimant's live-in carer

This positive change for those who qualify was in respect of HB/LHA now being based on a higher rate of rent to take account of the live in carer. The claimant group is hard to identify and proactive work has been undertaken to ensure people are helped to maximise their entitlement.

- (d) Capping of LHA rates to the four bedroom rate (previously a five bedroom cap)
There are only a small number of claimants affected in Wirral.

No of bedrooms	Shared Accommodation Rate (inc single under 35's)	1	2	3	4
Weekly LHA rate (£)	63.50	86.54	103.85	126.92	138.46
Monthly LHA rate (£)	275.00	375.00	450.00	550.00	600.00

- (e) Capping of LHA rates by property size

Wirral has not been affected by this as LHA rates are well within the maximum for capping purposes and so there has been no reduction in benefit for Wirral residents on the basis of this change.

- (f) Change to the methodology of setting LHA rates at the 30th percentile of passing rents rather than the median or 50th percentile

This effectively means that from April 2012, LHA rates will be frozen for the twelve month period leading up to the planned April 2013 change when LHA rates will be based on the Consumer Price Index or the local median rent level dependant upon which is the lower. This will end the monthly uprating of Local Housing Allowance rates and bring the system in line with the uprating of other pensions and benefits.

- (g) Transitional Protection from the 2011 changes

At the introduction of the April 2011 changes a new HB regulation was introduced which delays, for up to 9 months, the application of the changes as well as the revised benefit rules for existing claims. New claims were not protected and therefore were immediately affected by the new rules. The Transitional Protection rules are complex as they respond to the circumstances of the claimant and the claim. All Transitional Protection will have drawn to an end by 31 December 2012.

CHANGES INTRODUCED FROM JANUARY 2012

2.10 The Shared Accommodation Rate level is extended to single claimants under 35 yrs from the previous 25 year old limit.

- (a) This limits the maximum HB/LHA rate to that of a room in a shared house or flat with some limited exceptions. This is viewed by the Government as stopping payments for rooms that are not being used and is a support in tackling the social housing shortage with over 5m people awaiting social housing in England and Wales. In London 70,000 households receive £80m pa for bedrooms in excess of laid down requirements.

- (b) Current exemptions extend into the new age group, other than those for former care leavers which continue to apply up to age 22. Two further exemptions have been introduced but are only for those aged 25 and over. The first is for those who have spent at least three months in a hostel or hostels for the rehabilitation or resettlement of homeless people. This can be for any period of three months and does not have to be consecutive. The second new exemption is for those ex-offenders who are being managed under active multi-agency management, within the Multi Agency Public Protection Arrangements (MAPPA), to be rehabilitated back into the community. The Authority will be notified of these cases. It is likely that these exemptions will apply to less than 3,000 people nationally, not all of whom are living in the rented sector.
- (c) Once Transitional Protection ends claimants are set to experience significant shortfalls on average of £31.00 per week (in the North West of England) and approximately an average of £37.00 per week locally. This change is scheduled to deliver some £215m savings nationally by 2014/2015.
- (d) All claimants in this group have been notified of the impending change to their claim and officers are monitoring claims affected closely and are proactively working to ensure any hardship identified as a result of this drop in benefit entitlement is mitigated through Discretionary Housing Payment (DHP) and / or other appropriate sources of support. This change has significant impact on claimant income through benefits.

Discretionary Housing Payment (DHP)

- 2.11 Given the breadth and severity of the programme of change, increase in demand is expected. However, for rented sector tenants, this is likely to be incremental as transitional protection ends. The real impact of the plethora of changes is hard to gauge whilst it is deferred through TP.
- 2.12 Given the enormity of present and future changes and the very complex mix of outcomes in terms of affect on entitlement to HB/LHA officers routinely review the policy on Discretionary Housing Payments.
- 2.13 All applications for DHP are closely monitored and each is considered on an individual basis. Availability of the scheme and other sources of assistance are widely promoted to ensure provision is maximised where it is appropriate to do so and benefit officers' work alongside colleagues in other service areas and organisations, together with local landlords.
- 2.14 It is clear that significant reliance is being placed on DHP as a means to ease any negative impact of the reform changes on claimants in the five year period leading upto the full implementation of Universal Credit. This is evident by the substantial investment by the Government in additional funding:
 - Overall grant to Local Authorities increased by £10m in 2011/12
 - Additional £40m in 2012/13 and the next two years
- 2.15 Locally, for 2011/12 the Government contribution for Discretionary Housing Payment is £282,981 with an overall limit of £707,452 which the Authority must not exceed. As at 29 February 2012 I had paid £121,270 and committed up to £127,605 to the end of the financial year. This represents awards against 713 claims. This represents an approximate 40% increase on awards made in the previous year and is reflective of work undertaken to ensure support is available to those who are in need of it. Any unspent Government contribution for 2011/12 is carried over into 2012/13 and thus no funds are lost to the Authority.

- 2.16 For 2012/13 the Government permitted total has been increased to £1,159,688. On a longer term basis the profile of this cash limited, discretionary fund will clearly escalate increasing its importance. DHP is also available to support those in receipt of CTB only who do not occupy rented accommodation.
- 2.17 Rent Alignment is an incentive for landlords who agree to accept a lower rate of rent in exchange for payment of HB/LHA to the landlord directly. There is evidence of this working effectively locally and anecdotally this may well be in part attributable to the current, relatively modest take-up of DHP. Engagement with landlords suggests that in many cases rent alignment is a feasible option in return for the security of direct payments removing the need to collect rent and suggests that landlords are doing this on the basis of risk mitigation.

CHANGES TO BE INTRODUCED FROM 2013

- 2.18 Accommodation size criteria rules concerning under accommodation.
- (a) This will next year be extended to the social rented sector in respect of working age claimants only as it currently only applies to private sector claims. Significant issues are emerging in terms of social sector concerns which are being cited as the availability of sufficient, suitably sized accommodation and the reality of claimants being able to move in time to such accommodation. The restrictions to be applied for under occupation will work on a percentage reduction basis:
- One spare bedroom attracting a 14% reduction – average £12 weekly
 - Two or more spare bedrooms – attracting a 25% reduction – average £22 weekly
- (b) The DWP advises that the national DHP provision has been supplemented by £30m which they consider ought to be specifically targeted by local authorities at assisting claimants affected by this change who are in adapted accommodation or who are in-between placements of foster children.
- (c) The DWP projects that nationally some 670,000 people will experience cuts as a result of this change. It is estimated that some 46% of social sector claimants in North West England will see their benefit reduced. Social sector landlords are expressing concerns regarding the longer term issues of rent arrears, the impact on tenants and the social sector build capacity which directly influences the ability to increase housing supply. The social housing sector submits that two bedroom properties should never be regarded as under occupied but this was not accepted by the DWP.
- 2.19 Introduction of the Total Household Benefit Cap currently to be set at £26,000 pa (£500 per week) for families and couples and £18,200 pa (£350 pw) for single claimants.
- (a) Currently there is no upper limit to the total amount of benefit a household can receive in State support. The intention of this reform is to ensure that workless households no longer receive more in benefit than the average wage for working households. This is, for families, around £35,000 pa before tax. DWP estimates that this will affect 67,000 households nationally and provide savings of £290m in 2013/14 and £330m in 2014/15.

- (b) Any excess above the cap will initially be recovered by local authorities through HB albeit that DWP and HMRC benefits will contribute to the calculation for reaching the cap. Wirral will make the deduction of the excess from HB payments until the case transfers over to Universal Credit (UC). Around 54% of households will be affected in Greater London, but national statistics suggest the figure drops to 6% in the North West of England. Locally initial DWP assessment puts the potential impact in Wirral as around 200 claims.
- (c) Claimants affected will in practice have larger families (3 or 4 children) who are out of work and who due to family size occupy larger and more expensive, rented accommodation. The cap is based on the combined income from the main 'out of work' benefits. Certain claimant groups are set to be exempt from the cap including those who are in receipt of Working Tax Credit and where a claimant, partner or child is in receipt of Disability Living Allowance. War widow(er)s are also to be excluded. Social housing providers are recommending that in order to avoid serious impacts on build capacity the total benefit cap ought to be indexed for inflation.

2.20 LHA rates to be updated by reference to the Consumer Price Index rather than the Retail Price Index.

- (a) This means LHA rates will move further away from local market rental levels, it is anticipated that this is in readiness for the housing support element of Universal Credit which professional organisations and local authorities representative groups project will bear little relevance to regional variations in accommodation costs.

2.21 Localised Support for Council Tax (Council Tax Rebate)

- (a) Council Tax Benefit is to be abolished and replaced by local support or discount schemes. Given the imminence of this change and the implications for local authorities it is covered separately below.

2.22 Introduction of a Single Fraud Investigation Service

- (a) This will bring together LA, DWP and HMRC fraud investigation staff operating one national scheme. The DWP has announced that this will now be achieved via interim measures from April 2013 and will not now be via a full immediate roll-out. This change is covered in more detail separately below.

2.23 Abolition of the Social Fund operated by the DWP and its replacement by locally administered schemes with associate funding transferred from the DWP.

- (a) The Welfare Reform Act abolishes the discretionary Social Fund. In its place at a local authority level will be provision to replace Community Care Grants and Crisis Loans for general living expenses. Community Care Grants and Crisis Loans will end at April 2013. Local authorities will be expected to use the transferred funds to maximum effect, developing new services and using the funds to support the most vulnerable. Benefit Officers have responded to the DWP invitation to attend Spring 2012 workshops and will work with colleagues from other departments in the development and delivery of the new scheme.

CHANGES FROM OCTOBER 2013

2.24 Introduction of Universal Credit

- (a) This is the major strand of the welfare reforms. It is a single household benefit which will replace six of the mainstream income related benefits including Housing Benefit. The Government estimates that 2.8m low to middle income households will be better off on Universal Credit and the average gain at transfer will be £29pw. UC has the potential to lift around 900,000 individuals out of poverty including more than 350,000 children and 550,000 working age adults. The Government also intends to invest an additional £300m into childcare support. By October 2017 approximately 12-13m tax credit and benefit claims (including HB) will transform into 8m UC payments.
- (b) The Government has pledged that no one currently claiming benefit will be worse off under UC at the point of transfer to the new benefit. Professional bodies and other local authorities representatives understand this to be the case as the majority of existing claimants will see their benefit levels reduce as a result of current reforms prior to the transfer over to UC. This is covered in more detail below.

CHANGES FROM APRIL 2015

Housing element for pensioners to be added into Pension Credit payments

- 2.25 UC is a working age payment and DWP projects that it will transfer payment for housing costs (Housing Benefit) into Pension Credit. Thus until 2015 this group will not see any changes to their benefit entitlement under either localised CTR schemes or their ongoing HB claims.

COUNCIL TAX REBATE

- 2.26 In my report to Cabinet on 22 September 2011 (minute 118) I detailed the proposals for a localised support scheme and sought approval for a proposed response to the consultation paper. DCLG published a response to the outcome of consultation on 19 December 2011. Target timescales and scheme composition remain unaltered. This presents increasing challenge to local authorities in developing local schemes, as regulations are projected to be laid only in July 2012.
- 2.27 This will leave local authorities in the position that for year one, through a lack of development time choice in terms of scheme design will be severely restricted. The core system IT suppliers have highlighted concerns to the DCLG regarding timescales and the impact this now has on their ability to scope a comprehensive range of system options. It is important to note the likelihood of IT reliance in terms of the design and options of such local schemes and that, in the majority of cases, core system suppliers have yet to finalise their respective products or even be in a position to provide local authorities with basic profiling tools.
- 2.28 The following time frame captures the very tight timescales:

December 2011	– Scheme consultation closed
January – July 2012	– Primary and secondary legislation developed
April – November 2012	– Local authorities design and consult on local schemes
September – March 2013	– Local authorities implement local schemes
March 2013	– CTR schemes go live for Council Tax main billing.

- 2.29 Through the introduction of a localised scheme the DCLG intends to:
- Give local authorities a financial stake in the provision of support for Council Tax and a greater stake in the economic future of their local area, by supporting the Government growth agenda.
 - Opportunity to reform and simplify the system of support for working age claimants.
 - Reinforce local control over Council Tax - consistent with a drive for greater local financial accountability.
 - Give local authorities a significant degree of control over how the 10% reduction in expenditure is achieved.
 - Contribute to the Government programme of deficit reduction.
- 2.30 The DCLG confirm that the parameters set to guide local authorities remain intentionally broad and that local authorities cannot expect detailed direction and must design schemes which comply with the very clearly, albeit limited, prescriptive elements of such a discount scheme whilst following a set of national core principles. These principles are:
- (a) Protect Pensioners – This is yet to be defined for the purposes of CTR by the DCLG but is expected to require that no pensioners will be worse off or see any change in their entitlement to support with Council Tax under any local CTR scheme.
 - (b) Protect Vulnerable Groups – These are yet to be defined for the purposes of CTR by the DCLG but as with pensioners they are likely to be expected to be no worse off under CTR than they were under the previous scheme.
 - (c) Support Work Incentives - Local CTR schemes will be required to recognise and support those in work, to retain work and/or increase the hours worked to support those out of work to move into work. Support into work and to retain work should take priority over support offered to non – pensionable charge payers who are not working (with certain defined exceptions).
- 2.31. Given the exclusions and projections above this will leave working age low income claimants facing the impact of the 10% overall expenditure reduction. This will result in the re-emergence of payments for Council Tax of around 20% for working age claimants.

SINGLE FRAUD INVESTIGATION SERVICE

- 2.32. Following the local authority response to consultation Ministers have charged the recently established DWP project team to design and deliver a national Single Fraud Investigation Service (SFIS) by April 2013. This service will:
- Reduce duplication
 - Increase the number of investigations undertaken
 - Improve overall efficiency
 - Ensure cases are dealt with in a consistent and fair manner
 - Reduce costs to provide better value for money
 - No longer use local authority legal services and rely on a national prosecuting body
 - Remove the powers of the local authority to prosecute benefit fraud

- 2.33. Any permission to conduct surveillance will be under SFIS (DWP as opposed to LA) powers. In practice the Wirral Benefit Fraud Investigation unit has avoided the option of undertaking surveillance in recent years, having collaborated with DWP colleagues.
- 2.34 As yet there is no model to report on how this will operate and the SFIS project team will be conducting regional workshops in order to design the model over the coming months. They are aiming to take the best practice from established local authorities, DWP and Tax Credit investigation teams and use this to design the best possible service.
- 2.35 The Wirral Benefits Fraud Investigation unit is actively involved with the north west regional workshop series.
- 2.36 There are several key issues to be addressed, which include:
- Legislation to allow LA staff to investigate HMRC and DWP only fraud
 - Funding of this new service given it comprises local authority staff based within local authorities but delivering a national service
 - Location of the SFIS
 - The development and finalising of a new, overarching Prosecution Policy
 - Service Level Agreements to be designed and then agreed with local authorities and HMRC, ensuring they meet the policy and business requirements of the DWP.
- 2.37 Following the response to national consultation, wherein a number of strategic options were considered, SFIS will be implemented incrementally. In Phase 1, April 2013 local authority investigation officers will remain within the local authority and be managed by the local authority but they will be expected to work within the terms of the SFIS. Local authority teams will be required to work under the umbrella of the DWP and be referred to as SFIS.
- 2.38 As with all elements of the reform programme timescales are now an issue for SFIS. The design of the new service and associated requirements for preparing for April 2013 are not expected to be ready until Autumn 2012. Data reliance and readiness along with resilience are issues of key concern given the scale of the change and timescales involved.
- 2.39 Uncertainty, concern and disruption to local authority investigation officers are now an increasing possibility, particularly concerning speculation of the wider SFIS resource requirements. Local authorities will have the potential to further enhance corporate fraud provision by making best use of the long established and professionally developed skills of staff who work in such a key area of specialism and with associated professional qualifications.

UNIVERSAL CREDIT

- 2.40 The DCLG and DWP implementation plan for UC is key and they currently plan migration over a four year period from October 2013 to late 2017 in three distinct phases as follows:
- Phase 1 – October 2013 – April 2014
New benefit claimants will claim UC in place of JSA, ESA, HB and Tax Credits (circa 500,000 claims). Local authorities will lose receipt and administration of new passported HB claims from this date. At the same time approximately 500,000 existing claimants will move to UC as their circumstances change.
 - Phase 2 – From April 2014
Claimants who would 'benefit' most from the transition to UC will be moved across to it by the DWP. These claimants will most likely be working a small number of hours. A move to UC will support them to increase the number of hours worked. Approximately 3.5m existing claimants will transfer to UC during phase 2.
 - Phase 3 – From April 2015 – late 2017
The remaining approx 3m households will be moved to UC. Local authorities will be advised of scheduled changes and their place in the process.
- 2.41 Local authorities will continue to deliver benefit services, based on a reducing caseload until the final claims move over to UC. This brings with it significant implications. The residual caseload is expected to still include standard cases of both working age and pensionable age claimants as late as 2016. In essence the transition period will include a very diverse and mixed spectrum of benefit schemes and claims. Concern is being expressed at a national level regarding the confusion this is likely to present to the many claimants affected.
- 2.42 A key issue for Local Authorities Benefit Services during this time of both managed and natural migration to UC is the reality and feasibility of effectively operating the benefits service. Retention of sufficient, skilled resources to deliver residual services will be a key risk and the viability of continuing to deliver the service will need considerable planning.
- 2.43 These issues will be set against a backdrop of ongoing administration of the remaining elements of the service that do not fall to be absorbed by UC. Little is known about the wider intentions for these claimant groups although it is expected that accommodation costs support for those in Supported Accommodation are not likely to be part of the single household UC payment.
- 2.44 The role of local authorities in the delivery of UC is an area of significant speculation. It is becoming increasingly apparent to practitioners that there is now acceptance by the DWP of a key role for local authorities, which whilst yet to be defined is expected to centre around the fact that the DWP will not have the capacity to offer face to face customer support and that the DWP plan is focused on a digitalised service. It is expected that the short, medium and longer term roles of local authorities under UC will differ.

2.45 A major concern is the likelihood of the new IT system being available on time and working. It will have to link with HMRC and DWP systems in live time as well as link to employers systems to make the pay/salary information accurate. The previous history of such vast national IT developments is not good but DWP continues to state that the IT development will be ready on time and working. Practical administration issues exist such as the impact on landlords both private and social of direct payment to tenants and that UC claimants will likely be weekly paid by employers whilst UC will be a monthly direct bank transfer. It is clear much still has to be ironed out on UC prior to a successful and timely implementation.

3.0 RELEVANT RISKS

3.1 Timely delivery of the national welfare reform programme is at some significant risk in terms of legislative, IT and procedural readiness given the limited timescales remaining and lack of final direction and facilitating legislation.

3.2 Furthermore, the whole programme of reform presents many risks to local authorities in the delivery of existing, residual services, and through income loss to customers. The implications are wide ranging and significant and include :-

(a) Council Tax

Collection issues as many charge payers will receive less support and so will be expected to pay more Council Tax, perhaps where they have not previously paid.

(b) General Fund

The effect on budgets as the grant for CTR is reduced and the capacity of the local authority to be able to fund any increased take-up in support.

(c) Grant distribution

The impact of the grant element in respect of precepting authorities being paid directly further reducing the real value of the grant to the local authority.

(d) Grant value

In year one, the real financial impact of the requirement to protect pensioners and other groups in practice being a 20% cut in funds available to support all other claimant groups. The grant is not ringfenced.

(e) Delays on the part of the DCLG in finalising legislation will have potentially irretrievable impact upon the ability of local authorities to develop local schemes and of software providers to respond in a timely manner.

4.0 OTHER OPTIONS CONSIDERED

4.1 The changes detailed within this report are statutory changes and as such, with the exception of local preferences for the type and nature of a local scheme for Council Tax Rebate, no options exist to their implementation.

5.0 CONSULTATION

- 5.1. Local authorities are expected to consult with stakeholders such as advocacy groups and landlord organisations as plans for reform and new scheme delivery are developed. At a national level each headline area of reform is covered in separate consultation papers which are available through the links shown in the Reference Material section at the end of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 This sector is expected to face a considerable increase in support requirements as claimant benefit levels reduce.

7.0. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 Financial – These are significant throughout the programme. For CTR the grant reduction and cost of any increasing caseload together with supporting non pensioner groups will present ongoing challenges to the Authority.
- 7.2 In respect of DHP, should the Government grant be exceeded at any point between 2012 and final roll-out of UC then the amount spent in excess of this up to the permitted total will have to be funded locally and appropriate provision made. However the recent announcement of additional funding to be made available to local authorities for 2012/2013 to ease the transition of the HB changes may well mitigate this at least in the immediate term. Wirral is to receive £107,233 (out of £15m nationally) to help meet the needs of claimants affected by the current reform.
- 7.3 The cost of responding to the whole programme of change will be wide ranging and not necessarily fully funded by Government grant allocation.
- 7.4 IT - There are IT implications for each element of the reform programme mainly focused on development of new national systems by the DWP as well as local requirements for the new CTR scheme.
- 7.5 Staffing - Staffing implications are significant. A sufficient and skilled resource must be maintained to deliver the diminishing services, and staffing establishments will have to be managed to reflect the changes. The Benefits Service, Call Centre, Libraries/One Stop Shops will all be significantly affected.
- 7.6 Assets – in line with changing staffing requirements this will impact on asset requirements such as accommodation.

8.0. LEGAL IMPLICATIONS

- 8.1 The development of a localised scheme for support for Council Tax will have legal implications

9.0 EQUALITIES IMPLICATIONS

- 9.1. All equality strands are affected by at least some of these changes. A key issue for those supporting people who rely on welfare for support will be the overriding fact that UC is by design, a scheme that is 'digital by default'. In reality this will present wide ranging issues for many claimants.

- 9.2. For each area of reform a national Equality Impact Assessment has been undertaken and may be viewed on the links shown below:

[Universal Credit – equality impact assessment](#)

[Local Government Finance Bill: Localising Support for Council Tax - Equality Impact Assessment](#)

[Household benefit cap – equality impact assessment](#)

[Social sector housing under-occupation – equality impact assessment](#)

[Housing Benefit: CPI uprating of Local Housing Allowance – equality impact assessment](#)

[Single Fraud Investigation Service – equality impact assessment](#)

- 9.3. An Equality Impact Assessment has been undertaken in respect of the Benefits service, this is available for viewing at:

[Housing Benefits December 2010](#)

- 9.4. Revised and further EIA's will be required as the service prepares for the schedule of change, significantly the localised support scheme for Council Tax, once defined, will also need a separate EIA.

10. CARBON REDUCTION IMPLICATIONS

- 10.1 There are none arising directly from this report.

11. PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

- 12.1 That Members note the report.

12.1.REASON FOR RECOMMENDATION

- 21.1 To update Members on the significant changes being enacted and the scale of change and its consequential impact on claimants, as well as the impact of the compressed timetable being proposed by the Government.

REPORT AUTHOR: MALCOLM FLANAGAN
HEAD OF REVENUES, BENEFITS & CUSTOMER SERVICES
0151 666 3260
malcolmflanagan@wirral.gov.uk

APPENDICES

None

REFERENCE MATERIAL

[Localising support for council tax in England: Consultation](#)

[Housing Benefit Reform – Supported Housing \(480KB\)](#)

[Consultation responses to 21st Century Welfare \(1.98MB\)](#) 

[Universal Credit: welfare that works](#)

www.dwp.gov.uk/ucla

[Localising support for council tax in England: Government's response to the outcome of consultation](#)

<http://www.laiog.org/documents/download/83/>

[Social Fund localisation \(85KB\)](#)

[Universal Credit \(277KB\)](#)

[Household benefit cap](#)

[Single Fraud Investigation Service](#)

[Local Government Finance Bill: Localising support for council tax - Impact assessment](#)

[Housing Benefit: CPI uprating of Local Housing Allowance](#)

[Social sector housing under-occupation](#)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
CABINET	13 OCTOBER 2011
CABINET	22 SEPTEMBER 2011
COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE	16 MARCH 2011