

WIRRAL COUNCIL

SCRUTINY PROGRAMME BOARD

19 FEBRUARY 2013

SUBJECT:	WELFARE REFORM UPDATE
WARDS AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF FINANCE
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report updates Scrutiny Board on the progress of the Welfare Reform programme; its impacts on Benefit processing services provided by the LA together with those accessing these services and detail the corresponding technical and operational service level response.
- 1.2 It covers specifically the changes to Housing Benefit (Local Housing Allowance), the Department for Communities and Local Government (DCLG) replacement of the Council Tax Benefit Scheme (CTB) with a localised rebate scheme, the Council Tax Support Scheme (CTSS), the development of a Localised Welfare Assistance Scheme in response to the Government's reform of the Social Fund, replacing the Crisis Loan and Community Care Grant elements with a scheme designed and administered by local authorities and the transition to a Single Fraud Investigation Service, replacing separate independent benefit fraud investigation teams operating in Local Authorities, HMRC and DWP with one national service. These changes are all planned to be operative from April 2013. This report also updates on the current position in regard Universal Credit (UC) proposals and an update on the Discretionary Housing Payment (DHP) fund, the administration of which is heavily impacted upon by these reforms. The report is for noting.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Welfare Reform Programme emerged from the Act passed in March 2012 and comprises of a number of key elements which are designed to deliver £18bn Welfare System savings together with addressing the government's stated core principles of a modern support system:-
- Reduce Complexity
 - A fairer and affordable system
 - Incentivise work and reduce welfare dependency
 - Tackle poverty
 - Promote and increase personal responsibility
 - Supporting those who are most vulnerable
- 2.2 The main elements of the Act are:-
- the introduction of **Universal Credit** to provide a single streamlined monthly payment that the government view will improve work incentives
 - a stronger joined up, approach to reducing **fraud and error** with tougher penalties for the most serious offences

- a new claimant commitment showing what is expected of claimants, through 'conditionality', while giving protection to those with the greatest needs
- reforms to **Disability Living Allowance**, through the introduction of the **Personal Independence Payment**
- Reform of **Housing Benefit** – aligning rent levels and the treatment of Social Sector claims to that of claims in respect of Private Rented sector tenancies
- Cessation of the nationally prescribed Council Tax Benefit scheme and the introduction of a localised **Council Tax Support Scheme**, designed and administered by local authorities
- Reform of the **Social Fund**, abolishing Crisis Loan payments and Community Care Grants and replacing them with locally administered and designed support schemes (**Local Welfare Assistance Scheme**)
- Reform of **Employment and Support Allowance**
- Changes that will develop and support a new system of **child support**

- 2.3 Universal Credit (UC) – Government plans to commence national migration to a single UC remain in place for October 2013. From that time there will be no new Housing Benefit claims for people of working age. However, the DWP have recently confirmed that it is not their intention to include support for housing and support costs for people in Supported or Exempt Accommodation with UC. The detail around alternative proposals is yet to be publicised although it is anticipated that this area of work will remain with LA's as part of a 'residual HB caseload'. Wirral's Benefits service area already has an established and dedicated team who deal with such claims which are invariably more complex and costly to deal with.
- 2.4 Council Tax Rebate or Localised Support Scheme for Council Tax (CTSS). The DCLG confirm that the present schedule remains as planned and that local schemes must be designed, agreed and in place for April 2013. Failure to agree a scheme by 31 January 2013 will result in a national default scheme being imposed.
- 2.5 The legislative provision for this scheme was made very late being delayed through its links to the wider status of the Local Government Finance Act which saw various amendments passed in the final consideration before being passed. The government views that this Act supports growth by directly linking a council's financial revenue to the decisions taken to back local firms and local jobs. Local Government will receive a fifty per cent 'local share' of business rates and then keep any growth generated on that share for a seven year period, providing an incentive to support growth. This contrasts with the current centralised system which in 2011/2012 saw £19 billion in business rates collected by councils then paid to Government and redistributed back out by way of the grant system.
- 2.6 In terms of progress locally with Wirral's scheme, Public Consultation on the proposed scheme concluded and officer's evaluated the responses and submitted a report to Cabinet of a year one scheme detailing its associated issues and implications (Min. 132, 29 November 2012) and the scheme was approved at full Council on 17 December 2012 and the full legislative scheme was approved at Council on 28 January 2013.
- 2.7 At the same time as the localised Council Tax Support Scheme development has progressed consideration had also to be given to the DCLG's very late

announcement of provision of £100m additional funding for one year. Wirral's share was set at £748,815 for supporting 'transitional protection' to partially assist those low income working age claimants likely to be the hardest hit. The acceptance of this funding was contingent on the local scheme limiting the increase faced for each individual to 8.5% and not changing the non dependant deduction rates with the authority having to then find the balance from its own budgets. The transitional protection funding must be applied for and imposed distinct parameters on the scope of the localised scheme. On the basis of the imposed conditionality it would have a significant impact on Wirral's already stretched finances and its ability to make sufficient further savings to meet the shortfall either through its present draft scheme design or from other budgets. It was strongly viewed that the authority would be unable to meet the resultant grant shortfall of approximately of £1,255,000 and the scheme as adopted on December does not attract this one year government funding.

- 2.8 An updated overview of the key impacts of each major area of Welfare Reform follows and 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. The wider and longer term implications, coupled with the immediate impact on services as a result of the authority's budgetary position means that the finite, quantifiable impact remains uncertain. The scale of Welfare Reform is rapidly and massively impacting on the resources in place and that the very real position is of increasing workloads and extended remit which will ultimately ease as UC migration builds momentum. It cannot be overemphasised the impact these changes will have on claimants, the complexity of administration that the authority faces in a timescale that is highly challenging and the wider consequential impacts on other services, organisations and agencies that will have to deal with the reduced circumstances and increased demands of claimants.
- 2.9 The Department for Work and Pensions (DWP) has produced briefings on each aspect of the changes along with the results of consultation, Impact Assessments, Statements of Intent, Risk and Equality Impact Assessments. These are accessible from the links in the Reference Material section at the end of this report.

CURRENT REFORM OF HOUSING BENEFIT AND LOCAL HOUSING ALLOWANCE

- 2.10 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 commenced in April 2011 and the present status of each that is ongoing is outlined below:-
- (a) Increase in non dependant resident deductions.
Having previously increased by an annual up rating 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.
 - (b) Capping of LHA rates to the four bedroom rate, where a claimant's household size requires five bedrooms or more (previously a five bedroom cap). The number of claimants affected in Wirral, at 110, is proportionally low compared to the caseload (circa 42,700). The maximum LHA rate in respect of these claims is currently £136.46 weekly or £600 per calendar month.

- (c) Capping of LHA rates by property size - Wirral has not been affected by this as LHA rates remain within the maximum for capping purposes and there has been no reduction in benefit for Wirral residents on the basis of this change.
- (d) The Transitional Protection which delayed the impact of the April 2012 LHA changes has now expired for the majority of the 5,870 claimants originally receiving this additional support. At 31 October 2012 1,038 cases still had this protection supplementing their revised entitlement and all had ceased by 31 December 2012. The average payment being £4.15 weekly, although the range of payments varied from £0.15 to £51.92 weekly. Officers continued to notify claimants in advance of their payment ending and of their revised net reduced entitlement.

HOUSING BENEFIT CHANGES INTRODUCED FROM JANUARY 2012

- 2.11 The Shared Accommodation Rate level which limits the maximum HB/LHA rate to that of a room in a shared house or flat with some limited exceptions was extended to single claimants under 35 years from the previous 25 year old limit. At 31 December 2012 1,166 claimants were affected by this restriction to the level of help they can have with their rent. Of these 712 are over 25 years old. As is consistently the theme with the changes to LHA, the impact of this shortfall/restriction, which averages £37.00 per week locally, is putting significant strain on the Discretionary Housing Payment fund.
- 2.12 In terms of the Council's operational response the strategy applied is consistent with that of the other reform work, proactive contact with those affected as well as their landlords and other stakeholders and representatives. All those identified as being affected were written to during 2011 on three separate occasions. Landlords were advised of the detail and impact of the change and encouraged to contact their respective tenants regarding increased rental liability. Claims for consideration of additional, temporary support, through the Discretionary Housing Payment fund to ease the impact of the transition to a reduced benefit payment were invited from all claimants over 34 years of age.

DISCRETIONARY HOUSING PAYMENT (DHP)

- 2.13 Given the breadth and severity of the programme of change, with nearly 1,000 awards in 2012/13, increase in demand is, as anticipated increasingly evident. The year to date actual spend/committed spend, on a month by month basis, initially doubled that of 2011/12 and now far exceeds it. The table below shows the present position. Whilst the permitted total is £1.2m, this assumes the LA contributes the shortfall from the level of government grant from its own budgets. Wirral has never exceeded the government grant level and has no separate top up budget and if spend exceeds the grant then provision would have to be found. The 2012/13 Government grant is £522,238 along with a small under spend from the previous year.
- 2.14 Benefit Managers closely monitor the DHP spend and trends within, forecasting the likely year end impact, which at the present time would see an over spend. The previous maximum limit in 2011/12 was £707,452. The increased limit of £0.5m is reflective of the Government's acceptance of the immediate impact of the changes and recognition that many will need additional temporary support to adjust. DHP's are closely monitored and each is considered on an individual basis.

- 2.15 Officers scrutinise the allocated spend and the committed spend and have reviewed the guidelines for awards and is now in need of further revision and this is already resulting in fewer, reduced payments against the more stringent eligibility criteria. This has for instance seen a move to a position whereby LHA shortfall, as a sole presenting need, will no longer secure a DHP award.
- 2.16 The Welfare Reform impact on the capacity of the DHP 'pot' presents further difficulties as each authority is obliged to continue to actively promote the availability of the scheme and other sources of assistance where it is appropriate to do so. Benefit officers continue to work alongside colleagues in other service areas and organisations, together with local landlords in the ongoing administration of the fund. Increasingly 'rent alignment' is being encouraged and is an incentive for landlords who can agree to accept a lower rate of rent and in exchange payment of HB/LHA is made 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.
- 2.17 The DWP have recently responded to the DHP 'guidance' consultation exercise which set out to determine whether the revised guidance of March 2012 makes sufficiently clear how DHP's can be used and who will be eligible from April 2013. Their conclusion was that is a continuing need and support for the guidance and its practical examples. Although responses to the consultation were mostly positive, there is a general concern within LA's about prioritising claims in line with the increased funding and a lack of clarity about the policy intention. The amendments to the current guidance reflect the wider changes that are taking place as a result of the Welfare Reform Act. The DWP's view is that the aim of DHP's remains unchanged. The link to the paper is shown at the end of this report.

It remains the case that nationally significant reliance will continue to be placed on DHP as a means to ease the negative impact of the reforms on claimants for the duration of the time through to the full implementation of Universal Credit. This is evident by the substantial investment of the Government in additional funding to date:

- Overall grant to Local Authorities for 2012/13 - £165m in three parts
- £60m 'basic' DHP, £30m social sector size reform, £75m 'benefit cap'
- 2013/14 sees a reduction in 'benefit cap' element to £45m and this reduces planned national DHP fund to £135m

Date	No. of Weeks	Number of awards	Current awards	Committed awards up to 31/03/2013	% spent (committed) of Govt cont	Forecasted Y.E. spend	Annual Total Cont. Inc 11/12 c/f (£58,363)	Cont remaining	Annual permitted DHP for year	Permitted balance still to spend
08/05/2012	5	359	£29,293.43	£31,536.47	6%	£311,103.01	£522,238	£490,701.53	£1,159,688	£1,128,151.53
06/06/2012	9	447	£64,954.28	£68,050.84	13%	£376,341.77	£522,238	£454,187.16	£1,159,688	£1,091,637.16
02/07/2012	13	548	£107,988.70	£111,726.84	21%	£443,264.09	£522,238	£410,511.16	£1,159,688	£1,047,961.16
09/08/2012	19	663	£183,598.72	£187,297.97	36%	£525,875.07	£522,238	£334,940.03	£1,159,688	£972,390.03
06/09/2012	23	850	£241,367.63	£337,645.48	65%	£780,003.80	£522,238	£184,592.52	£1,159,688	£822,042.52
05/10/2012	27	927	£293,016.06	£453,325.04	87%	£884,832.30	£522,238	£68,912.96	£1,159,688	£706,362.96
05/11/2012	31	1,033	£335,068.83	£474,209.60	91%	£793,974.79	£522,238	£48,028.40	£1,159,688	£685,478.40
05/12/2012	35	1,068	£370,626.32	£474,012.20	91%	£709,075.63	£522,238	£48,495.89	£1,159,688	£685,675.80
05/01/2013	39	1,097	£396,818.18	£465,896.36	89%	£605,167.87	£522,238	£56,341.64	£1,159,688	£693,791.64
05/02/2013	43	1,128	£419,483.37	£497,276.49	95%	£593,156.60	£522,238	£24,961.51	£1,159,688	£662,411.51

Figures reflect increased spend as well as the net effect of entitlements ending and DHP awards being adjusted or reduced.

2.18 Wirral's 2013/14 DHP permitted total and corresponding Government contribution was announced on 4 January 2013. The DWP has taken considerably longer this year to agree and confirm the specific LA allocations as year on year, to date. It is significant that the Government contribution is substantially increased and indicative of a strong wider message that the permitted total spend is twice that of 2012/13. Wirral's position in terms of its own contribution has historically been to date to have no provision. This may need to be reconsidered as the capacity provided for nationally in 2013/14 implies further that LA's will be pressed to respond with local, financial contributions:

➤	Permitted total 2013/14 DHP spend -	£2,293,035m
➤	Gov' Contribution 2013/14 -	£917,214

2.19 Awards of Council Tax Benefit, where the claimant is not occupying rented accommodation, may also be supplemented by DHP through to the planned expiry of the CTB scheme in March 2013. The DCLG have been quite specific that DHP will not be available to supplement any award of Council Tax Support under the new localised schemes from April 2013. Provision for any associated hardship falls at a local level only. I have not made a direct provision for a hardship fund for this in 2013/14. At present, DHP of £10,478 'top up' of CTB has been awarded in 2012/13.

HOUSING BENEFIT CHANGES INTRODUCED FROM APRIL 2013

2.20 Size criteria will be introduced to tenants of Registered Providers from April 2013. The DWP have clearly stated their policy intention around this alignment as being a lack of social housing and increasing levels of overcrowding in the social rented sector. This change will align the way in which the maximum rent is determined for HB/LHA purposes with that of the private sector. Where a claimant is deemed to be occupying accommodation larger than they reasonably require HB levels will be restricted. The restriction to be applied for under occupation will work via a percentage reduction:

- One "spare" bedroom will incur a 14% reduction – average £12 weekly
- There are potentially 3,604 affected in Wirral
- Two or more spare bedrooms – a 25% reduction – average £22 weekly
- There are potentially 1,010 affected in Wirral

2.21 Consistent with the changes introduced through the Reform programme, there will be some limited exceptions and a level of protection or additional support through DHP funding may be available. The national DHP provision is to be supplemented by £30m which the government consider ought to be specifically targeted by authorities in assisting claimants affected by this change who are in adapted accommodation or who are in-between placements of foster children. When this is extrapolated across all LA's this will likely amount to a nominal additional sum.

2.22 It is estimated that some 46% of social sector claimants in North West England will see their benefit reduced as a result of this Reform. Locally, judging from the data officers are currently working with (HB records, together with information from

Registered Providers), of a total social sector 16,310 caseload, some 4,600 are likely to be affected by this cap. Officers have been working closely with providers for some time to identify those who will experience this reduction from April 2013 and contacted all affected initially in November 2012 and then again in early 2013.

- 2.23 Officers have worked closely with social sector landlords in readiness for the change, particularly around identifying those who will be affected. This has involved data sharing initiatives and engagement through the well established forums with the Benefits service. Each affected claimant has been sent an explanatory letter together with a HB review form. It is important that the authority holds the correct property residency details in order to ensure that these claims are correctly reviewed for April 2013. Consequential contact levels are expected to be high and will impact on both our benefits processing teams as claims are reviewed and on corporate customer service resources (Call Centre and One Stop Shops).
- 2.24 Such is the very real concern of the impact of this restriction amongst housing providers that a number of previously untested options are under consideration which if implemented may ease the impact of the change and associated risk of escalating rent arrears. 'Rent a room', property swaps, help with the cost of moving and deposits (through the DHP scheme) are just some of the options being widely debated.
- 2.25 From April 2013 some tenants of working age will start to see their Housing Benefit cut if they receive a high level of state welfare benefits. This particular reform has recently been reviewed and will now be implemented on a phased basis with only four Boroughs affected from April 2013, the rest rolling out over the summer period. Wirral claimants will therefore not be impacted on by the Cap until later in 2013. The 'Benefit Cap' is based on the DWP's underlying welfare reform principle that people reliant on benefits should not receive a total that exceeds average earnings. The 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, from our most recently received data sets, will impact locally as follows:-
- Affected Claimant Total - 197 (Private Rented Sector - 122, Social Sector – 74).
 - This being the most recently received DWP data scan and will fluctuate as people's circumstances change.
 - Recent data sharing legislation changes facilitates the sharing of this data with social sector landlords, which will assist their tenants affected by the cap. However this is not so for the private sector.
 - As with other Reform changes there are a number of limited exceptions to the cap and additionally a 'period of grace' whereby those who have been in longer term employment (12 months or more) are protected from the application of the cap for 39 weeks.
 - The cap will be applied by LA's to Housing Benefit entitlement, using a trigger defined by the DWP, of total combined income including rent payments.

Whilst the DWP have contacted all affected claimants, council officers locally will also be writing to this group and in some cases visiting where the corresponding impact on HB is significant or circumstances would suggest a visit is appropriate.

- 2.26 Options for how best to support this group and those also affected by the Room Cap remain under consideration and we continue to work closely with landlords to establish how this may be mutually achieved. However it is important to note that the options for support are significantly limited. The DHP fund is cash limited and already, all but, over subscribed. As such support in terms of ensuring those who will be affected are aware of and understand the changes and how they will impact on them is crucial, together with communicating an understanding of what options may be considered through discussion with the landlord, particularly for tenants of Registered Providers. The recent ease on data sharing with the social sector will assist in joint working with this group of landlords.
- 2.27 In practical terms any excess above the Benefit Cap will initially be recovered by the LA, who will be informed of who is affected and by how much by the DWP. Any appeals, it is understood thus far, will be to the LA and administered by the LA.
- 2.28 Such is the impact in general terms of the Welfare Reforms the LA is being seen as the most accessible 'contact point'/'public facing body' that would be expected by service users to be able to advise and assist. This is increasingly the case as locally Job Centre services move to non face to face options for claim processing/customer handling. The degree to which the DWP expect LA's, under Universal Credit, to undertake this critical role is not presently quantified, although their original position that only a very small minority of claimants would rely on face to face as opposed to digital support has since been revised, from 18% to a more realistic 55%.
- 2.29 Plans to uprate LHA rates from next April by reference to the Consumer Price Index rather than the Retail Price Index remain in place and are broadly understood to be intended to rationalise LHA levels. This is intended to bring more stability to the rented sector and ensure that expenditure in the private rented sector is contained at a more reasonable level. It being widely the case that rental levels in this sector have continued to increase, presenting cumulative housing difficulties given the general lack of social sector housing and an undersupply of otherwise affordable housing. This change is in readiness for the introduction of the Universal Credit which will include, where appropriate, an amount for housing support. Concerns amongst representative groups and professional organisations remain in terms of the relevance that UC housing support rates will then bear with regional accommodation costs which naturally vary. The practical impact of this being:-
- LHA rates based on Consumer Price Index or the local median rent level whichever is lower.
 - In broad terms the rent then used to determine the LHA award will be set annually at the lower of either the previous LHA rate uprated by the previous September's CPI or the 30th percentile of local market rents also from the previous September.

- In response to this forthcoming change, officers continue efforts to encourage private sector landlords to consider accepting lower levels of rent in return for direct payments of HB. This and other messages are being effectively communicated to the rented sector landlords through a variety of media, the dedicated focus groups and forum, the landlord payment schedules, the web and 'Landlord Link-up' periodical.

2.30 The areas of Welfare Reform and the changes to Housing Benefit payments in regard under occupation have recently been considered by a Scrutiny Review. Officers from both Benefits and Customer Services have detailed the issues affecting them and the organisation and other sections we work with. The report of the Scrutiny Review will detail what further action may be considered.

SINGLE FRAUD INVESTIGATION SERVICE AND ONGOING ANTI-FRAUD WORK

2.31 The planned move to a national Single Fraud Investigation Service at least for 'year one' is unlikely to drastically impact on Wirral's Benefit Fraud service as staff remain in the employment of the LA rather than another body although they will increasingly work to 'SFIS' legislation and guidance. The move to a merged unit is intended to now be incremental. It is expected that there will be no supporting legislation in place and/or potentially a national IT solution, in lieu of the closure of the current pilots in May 2013 which will then require full evaluation. In the meantime the team are able, as a result of legislation, already successfully investigating Tax Credit fraud alongside that of DWP benefits and HB/CTB. Provision has also been made for the investigation and sanctioning of localised Council Tax Support Scheme fraud.

2.32 The Reform programme will continue to see the teams dedicated investigation work increasingly take on a wider remit, as is already the case, developing the generic work with which they are becoming more and more involved. It is then timely to outline this work that underpins the need to increasingly reduce loss through fraud and error, not only as a result of wider Government directives but to safeguard our limited funds in the administration of newly localised support schemes. It is also important to draw attention to the breadth and scope of work undertaken by this team which substantially and critically forms an intrinsic part of the Corporate Counter Fraud programme:-

- From April 2013 the team will investigate and sanction all Welfare Benefit, Tax Credit, Business Rate and Localised Council Tax Support fraud matters.
- Also from April 2013 false claims made against the Social Fund replacement scheme, Local Welfare Assistance, will be addressed by the team. The level of risk within the present national scheme and abuse is stated to be high by the DWP, confirming annual loss in 2011/2012 in the region of £656,000.
- It is also likely that, from April 2013 the team will be involved in any emerging abuse of Personal Budgets as professional organisations and Audit Commission alike consider this area as significant in terms of risk of fraud.

- Council Tax offences including avoiding liability and discount fraud have recently been taken on and already 17 cases are underway, all linked to HB, where Single Person Discount has also been claimed. These prosecutions are being taken forward. Nationally Council Tax discount fraud is estimated at £21m and our co-ordinated approach will help maximise local identification.
- Currently the team also identify national Welfare Benefits fraud, preventing ongoing over payment.
- Tenancy Fraud – the team is currently piloting work with social sector landlords in areas such as ‘tenancy subletting’ and it is planned to extend the scope to include right to succession, unoccupied properties and right to buy. The team have been approached on the basis of the level of concern held within the sector that believes that a high percentage of false requests are made and which they cannot prove. Crucially this work will and has already released properties for appropriate occupation and is consistent with Government directive to support local providers to free up much needed accommodation and minimise benefit paid fraudulently.
- Local Welfare Assistance - from April 2013 will be administered as a local scheme by the LA. Current annual loss through the corresponding national scheme suggests a high level of risk through bogus claims. The team will work alongside officers administering Wirral’s allocated fund to detect, investigate and sanction accordingly.
- The benefit fraud team’s dedicated Fraud hotline (telephone and web based) together with the SMS text facility are routinely and increasingly used.

Average contact levels directly reporting suspicion of fraud:-

- During 2011/2012 - 66
- 2012/2013 year to date - 53
- Referrals through other sources; staff/EDT - 1,615

LOCAL WELFARE ASSISTANCE

- 2.33 Proposals for Wirral’s Local Welfare Assistance Support Scheme (LWA) have been reported separately (Council Excellence 27 November 2012, minute 43) and approval of a year one scheme was made by Cabinet on 24 January 2013 (minute 168) for implementation on 1 April 2013. A dedicated project team of officers are working extensively to balance the logistical reality of bringing in a totally new bespoke scheme within excessively tight timescales with little national directive alongside the necessary remit to design a scheme which will best and most appropriately support those facing exceptional hardship whilst doing so through a cash limited fund.
- 2.34 For 2013/14 Wirral’s scheme will be supported by an allocated £1,345,925 Government Grant which is £229,575 less than the corresponding DWP spend in 2012/13. This is not reflective of the associated Community Care Grant/Crisis Loan DWP spend that from April 2013 it will effectively replace as the DWP grant/loans are legislatively abolished, as a direct result of Social Fund Reform.

- 2.35 Whilst there is no specified requirement to undertake public consultation on proposals for a localised Welfare Assistance scheme, officers have actively engaged with and involved a number of interested groups. This has included both internal and external stakeholders bringing together proposals for what will by necessity be a relatively simple, 'year one' scheme. This has involved dedicated workshops and an on line survey to a wider group. Survey results have been analysed and options for the most appropriate form this support will take are to be put to Cabinet alongside commentary from the Council Excellence Scrutiny Committee. The aim is to limit cash payments in favour of suitable alternatives where at all possible and appropriate. For example through the provision of services, vouchers, assistance through Food Banks although the timescale and the ability of such organisations to respond to such a significant change and likely volume limits what can be achieved in year one.

PERSONAL INDEPENDENT PAYMENTS

- 2.36 National Disability Living Allowance (DLA) is to come to an end for everyone of working age, even if they have an indefinite period award. Working age is defined as everyone aged 16 to 64 on the day Personal Independence Payment (PIP) is introduced. Whilst the original (full) roll out was scheduled for April 2013, recently announced changes to the implementation programme means that new claims for PIP's will be restricted to the North West of England only from April and rolled out nationally from June 2013. The initiation of the wider DLA reassessment will then start in October 2013 when the DWP will review the claims of those reporting a change in their health and well being. The review of all residual DLA claims where the claimant has not experienced a change in their health or well being will now only commence in April 2015. As such the transition to PIP will now take place over a number of years.
- 2.37 Personal Independence Payments are based on an assessment of individual need. The new assessment will focus on an individual's ability to carry out a range of key activities necessary to everyday life. Information will be gathered from the individual, as well as from healthcare and other professionals who work with and support the individual. Most people will also be asked to a face to face consultation with a trained independent assessor as part of the claim process. There are two components to PIP's, the daily living and the mobility component. Whilst PIP is a DWP benefit and not administered by LA's, officers are engaging with both internal and external partners whose customers may be affected in order to raise awareness around the change and review process.

CHANGES FROM OCTOBER 2013: UNIVERSAL CREDIT

- 2.38 Following my report of 26 March 2012 (minute 98) much of what has and continues to be debated nationally on Universal Credit (UC) is largely speculative, albeit in some cases the informed view of relevant professionals. Officers recently attended the first of a programme of regional UC implementation workshops which have given a little more context, the immediate position and next steps planned which are outlined below. Whilst communicated plans are relatively in their infancy, the sessions have highlighted key logistical delivery issues and suggest that the start of new case migration from October 2013 may not impact on LA HB caseloads quite as first presumed.

2.39 The start of direct LA/DWP engagement will also assist in understanding the LA role in delivery of UC as the DWP's position on this develops particularly in respect of "front of house" and digital support services. The broad timetable set out below is followed by a number of key points taken from the workshops. It is my intention to build on UC briefings to members as we progress into 2013/14 and detail the initial Business Change Impact Assessment Wirral is required to submit:-

The DCLG and DWP implementation plan for UC shows they currently plan migration over a four year period from October 2013 to late 2017 in three distinct phases:

- **April 2013** - Pathfinders begin (Greater Manchester/Cheshire)
- **October 2013** - National Introduction of UC begins – groups of new unemployed will claim then gradual phasing out of claims for existing mainstream benefits commences. Critically the DWP have advised that these claims will be also be of the simplest type, i.e. single claimants with no dependants and as such the move to introduce UC will, during 2013/2014, have little impact operationally on LA HB services. It is expected that incrementally during 2014/2015 the migration will more obviously impact on HB caseloads.
- **Mid 2014 to 2017** – Expansion of UC claimant base taking in new claims from people moving into work and moving more current claimants to UC in a as yet to be agreed phased approach.
- **2017** - Roll out complete, at which point DWP anticipate they will have converted 12 million claims to 8 million household claims.

2.40 It is now known that help for housing costs for residents of supported or 'exempt' accommodation will not be part of a UC award and these claims will remain with LA's to administer. It is likely this already complex area of work will expand in terms of caseload as providers increasingly identify support elements within their managerial roles. Wirral has a dedicated team who deal with the administration of these claims working closely with colleagues in other services area such as DASS and Regeneration together with close engagement with the accommodation providers.

2.41 It is already and increasingly apparent operationally that there is renewed interest from landlords in this sector and that many are considering their business options within a lettings area that will:-

- Remain under the administration of LA's
- Is widely known to attract higher returns in high rental payments
- Wirral currently administers some 420 supported accommodation claims in respect of tenancies of 30 providers

2.42 In terms of the migration locally, based on the latest criteria for determining a UC claim, as opposed to claiming mainstream benefits from October 2013, approximately as few as 15 claims per month may become UC claims and no longer 'join' the LA HB caseload. This projection is based on the current average

new HB claim activity of the claimant type described for the purposes of the revised year one move to UC.

- 2.43 UC remains 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 2.8m low to middle income households will be better off on Universal Credit and the average gain at transfer will be £29pw.
- 2.44 A single payment, on a calendar monthly basis will be made to each household. This is distinctly different from arrangements for payments of current mainstream benefits and brings issues and complexities of its own. The DWP have advised that capability will be retained to split payments and/or pay more frequently in certain cases.
- 2.45 Furthermore, the DWP 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 have already seen their benefit levels reduce as a result of current HB reforms prior to the transfer over to UC. Notwithstanding this, UC rates and tapers are yet to be decided.
- 2.46 Operationally significant in terms of potential impact on LA's is the proposed methodology by which migrating claimants will move to UC i.e. it will not be 'automatic', those selected to migrate will have to actively apply for UC, if they fail to do so their mainstream benefits will end without UC going into payment. In early December the DWP advised officers at a Regional workshop that dissemination of the details around migration together with the framework for Local Service Support, i.e. the LA role in the move to and delivery of UC, would be made available to LA's Chief Executive Officers by 28 January 2013. This information has not been received and the DWP LA Liaison UC Programme Manager advises that it is not yet complete, as such the DWP are at present unable to confirm when LA's can expect to receive migration plans and support framework detail.
- 2.47 From August 2012 LA led pilots were initiated in twelve areas to explore how local expertise can support residents under UC, including help to develop 'on-line' and financial management skills together with establishing good practice and help to define the role of LA's under UC. The pilots were:-
- Bath and North East Somerset Council
 - Birmingham City Council
 - Caerphilly County Borough Council
 - Dumfries and Galloway Council
 - London Borough of Lewisham
 - Melton and Rushcliffe Borough Councils (as a partnership)
 - Newport City Council
 - North Dorset District Council
 - North Lanarkshire Council
 - Oxford City Council
 - West Dunbartonshire Council
 - West Lindsey District Council

- 2.48 Direct Payment Demonstration Projects, currently in operation, are with social housing sector providers, testing the impact of direct payments of UC to the claimants and the readiness generally of social sector tenants for UC. These projects are also helping to identify tenants at risk who may not be suitable for direct payments at least at the start of the scheme. In some cases claimants could be made an exception to the Universal Credit monthly payment rule or direct payment rule for a period of time, whilst they learn to manage their finances better.
- 2.49 The Pathfinder areas for UC will begin in April 2013 in parts of Oldham, Tameside, Warrington and Wigan. These will test Universal Credit impacts with local authorities, employers and claimants before it is introduced nationally in October 2013. Birkenhead DWP has been designated a UC 'processing centre' from October 2013.
- 2.50 Real Time Information pilots were launched April 2012. Real Time Information is intrinsic to the success of UC as it must enable DWP to pick up PAYE details via HMRC, meaning real time earnings are used in calculating entitlement to UC. The pilot is reported by DWP to be running successfully and with increasing confidence.

CHANGES FROM APRIL 2015 - HOUSING COSTS INTO PENSION CREDIT

- 2.51 UC is a working age only benefit payment, so until the change to transfer payments for housing costs (Housing Benefit) in respect of those of pensionable age into Pension Credit, the current 'pensioner HB caseload' will continue to be administered by LA's. The earliest date the incorporation into Pension Credit new claims will begin is currently set as October 2014, 12 months after the go-live date of UC. The continued administration of housing related support for those of pensionable age remains a factor for the service area for the immediate/mid-term future.
- 2.52 Within all the national Welfare Reform programme level runs the theme of IT readiness and reliance on newly developed national systems. A major concern remains the likelihood of the new IT systems being available on time and working. The UC system 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.
- 2.53 Practical administration issues exist such as the impact on landlords, both private and social, in respect of direct payment to tenants and that UC claimants will be more likely weekly paid by employers whilst UC will be a monthly direct bank transfer. It is appropriate to acknowledge that since my last report, there is acceptance by the DWP that provision must be made for direct payment to landlords in cases where the tenant's home would otherwise be at risk through non payment. The criteria for this and extent to which the DWP intend it to be applied is yet to be detailed.

WIRRAL'S CUSTOMER SERVICES SUPPORT IN WELFARE REFORM CHANGE

- 2.54 Council have recognised the impact of these changes and at its meeting on 17 December 2012 (minute 82) requested the Chief Executive detail the plans as to how the Council together with organisations such as Registered Social Landlords and the Citizens Advice Bureau can provide assistance. This section of the report shows the work that has already been undertaken in this regard and the work that is planned. Given the scope of change further developments will be undertaken and delivered both in the remaining time before the initial changes go live and will continue as more changes come into being and the full impacts begin to be fully understood.
- 2.55 Hand in hand with the administration of the schemes is the responsibility to assist and advise claimants through the impacts of the welfare reform, firstly via our corporate customer services contact points of Call Centre, One Stop Shops and Web. Financial information and advice will be absolutely crucial in the initial support of the changes as the majority of households will under UC receive one payment and will need to have the ability to budget.
- 2.56 A range of financial support assistance is available from customer service staff:-
- Negotiate repayment periods within the same financial year with customers who fall behind with their Council Tax instalments. This helps reduce monthly outgoings, keeps the Council Tax account up to date avoiding additional costs through non payment. Similarly assistance is given with arrangements to repay overpaid housing benefit which can reduce the impact on disposable income.
 - Offer the Council's Fair Debt Policy where appropriate to ensure Council debts are cleared and the cycle of debt broken for the customer
 - Help and encourage eligible parents to apply for free school meals for their children which reduces pressure on the family's income
 - Staff at One Stop Shops are also trained to offer the following support:
 - A comprehensive benefit check based on the individual's circumstances
 - Promote and explain basic bank accounts as to how the different features offered by the providers can have an impact on their individual finances.
 - Explain to customers how they can change to more competitive fuel tariffs which will help to reduce their bills.
- 2.57 With changes to the Legal Services Commission funding of specialist advice in welfare and housing law Wirral CAB will no longer be able to support the provision of such specialist advice to their previous extent and consequently it is anticipated that our customer service staff both face to face and via the telephone will see increasing numbers of customers asking for help and support in these areas.
- 2.58 Since September 2012 the ongoing provision of specialist Welfare Rights Advice via a small team of dedicated Welfare Rights Advisors transferred to the Finance Department from Adult Social Services. This links appropriately to the focus welfare reform changes will have on this work. It is crucial given the extent and impact of the Reform programme that this service is sufficiently resourced. This will balance the need to offer an initial triage assessment through to the vital case and advocacy work which the team will increasingly be expected to absorb. This

will see customer facing staff including web support, service development trainers and welfare rights staff working closely together as a Welfare Reform response unit. This work now within one service area will look to mitigate some of the financially negative impacts of the welfare reforms being faced by so many of our residents.

- 2.59 Initiatives that will be used to support our work on each of these Welfare Reform changes include basic information on each type of benefits and identifying who is most likely to be affected. This will be supported by highlighting the availability of welfare rights advice and the more practical advice and assistance to help people meet both their basic living needs and their responsibilities. This will be available at both the authority and other organisations and agreed as to how best to offer this support to affected individuals. This will be enhanced by public and organisation focused meetings offering access to expertise on the changes and their impacts.

WORKING WITH OTHER ORGANISATIONS

- 2.60 It is crucial that to provide unified information and advice to the public on the changes within welfare reform that the authority works with the other organisations facing the increase in contacts on these changes. This will minimise duplication, maximising both the scarce resources and availability to those affected. Examples of this type of work, focused on One Stop Shops, are where we can look to extend to specifically assist with cross referral of customers are:-

- Moneyline's use of Seacombe One Stop Shop which enables customers to receive low value loans to meet essential needs
- Recent discussions with Wirral Foodbank now sees One Stop Shops able to issue Foodbank vouchers to customers who are in crisis.
- One Stop Shops have strong links with a number of partners (Age Concern, Pension Service) and host surgeries across a number of sites which helps ensure customers are assisted in completing application forms which are not dealt with by our own staff e.g. Attendance Allowance, Disability Living Allowance.
- Connexions work from a number of sites and offer high quality careers education, information, advice and guidance for young people aged 13 to 19 (and up to 25 in certain circumstances). Connexions Advisers work to increase the number of young people who are in employment, education or training and improve choices and skills ensuring they achieve employability and a successful transition to adult and working life. One Stop Shops and Libraries offer the perfect venue to help support these aims with direct links to other relevant services.
- Wirral's Credit Union are currently unable to take up the offer of providing surgeries from within the One Stop Shops, however, we will continue to offer their availability given the likely increase in requirements as the welfare reform changes take hold.
- Customer Services will continue to meet with CAB representatives to identify additional areas where we can assist each other in meeting Wirral resident's needs. Discussions are already underway as to how we can minimise

duplication and offer a more efficient combined service which can be achieved by hosting more CAB surgeries at Library OSS sites, as is already the case at Moreton. As these are agreed they will be reported to Members.

CONTACT LEVELS

- 2.61 The Corporate Call Centre, based at Cheshire Lines, is responsible for handling telephone enquiries in relation to Housing/Council Tax Benefit and Council Tax with their aim to resolve the customer's enquiry wherever possible at point of contact rather than as a message taking service. The annual dispatch in April of Council Tax demands and Housing Benefit notifications historically generates a significant increase in call volumes. This will be impacted upon further this year by the changes to residents Housing Benefit entitlement as a result of Welfare Reform.
- 2.62 It is anticipated that the following additional contacts will be received as a result of the changes, in the first few months of the financial year:

Table Two – Additional Contact Volumes 2013/14

Contact Reason	Number
Accommodation Size Criteria	4,600
Benefit Cap	200
Council Tax Support Scheme eligibility assessment and consequential payment issues	23,500
Local Welfare Assistance (Social Fund)	1,000
Total Additional Contacts	28,900

- 2.63 Based on previous statistics, it is anticipated call volumes presented to the Call Centre in March/April 2013 would normally be, approximately, 35,000. This peak in call volumes is as a result of the annual dispatch of Council Tax demands and Housing Benefit notifications. The additional call volumes highlighted in the table above, will result in approximately 64,000 calls being received in April/May 2013 as a result of the changes effective from 1 April 2013.
- 2.64 The performance level of handling calls historically suffers during the main billing period, as the majority of customers ring within a small window of time as the bill is delivered. The time scale to return to more normal service levels depends on several factors (bill/notification matching, local decisions, legislative change). Call volumes remain high for a number of weeks and then reduce after the initial delivery period. A longer period of high volumes is anticipated due to the scale of changes affecting our customer base.
- 2.65 To mitigate this impact the call back facility is in the process of being re-installed within the telephony system following a recent upgrade. This provides the facility for the customer to leave their contact details and receive a call back from an advisor when they become available. This type of facility supports unexpected increases in call volumes, however, given the sheer volume of calls presented results in advisors not being as readily available to respond with a call-back.

- 2.66 Other ways the available Call Centre technology can assist us in routing calls to maximise performance and to minimise the call abandonment rate are being identified. Given the level of understanding and training required we are reviewing how all our staff are best utilised to support responding to this significant increase in customer contact. The impact of the changes taking place in April 2013 will undoubtedly increase workload across several service areas and temporary recruitment of additional staff may be required to ensure that we can provide an adequate response to those customers who struggle to meet their new financial liabilities.
- 2.67 In order to effectively manage the predicted increases in customer contact work the maximisation of what is termed non mediated access i.e. use of the website is vital to leave only those not digitally enabled to contact the service directly. This is detailed further in this report. However it is likely that while this access channel will increase in usage in time for this service its imminent use will be lower than in other service areas.
- 2.68 The wealth of experience held in local authorities makes particularly the customer service staff well placed to offer information and advice to customers on the new benefits. This has been acknowledged by central government in its view of the support LA's will give to UC introduction and take up. At this stage we are unsure exactly how in depth that role will be. Irrespective of that the public will initially contact the council and expect the contact point to have knowledge and an ability to offer information, initial advice and signposting. At this stage numbers are indeterminable but already given the economic climate all contact points are heavily utilised and are busier than any previous years. The bringing together of libraries and one stop shops means that all face to face staff will be generically trained to offer some degree of information on welfare reforms.

DIGITAL INCLUSION ISSUES - COUNCIL WEBSITE

- 2.69 Digital by Default is a key theme throughout Welfare Reform and the Government are clear that their future services will rely heavily upon www.gov.uk. The success of this website is now being used as a model for channel shift to self access. Our website www.wirral.gov.uk has a crucial part to play in supporting those affected by welfare reform and there are a number of web related projects currently underway that will build our ability to deliver digital products to our customers and service users, taking into account many people's differing circumstances.
- 2.70 Since the current website was launched in 2010, we have published over 50 online forms plus developed our e-Citizen service that allows customers to securely access details of their council tax records, housing benefits and business rates and this will be further promoted to assist our handling of welfare reforms changes .
- 2.71 The Council website is continuously developed to drive channel shift and these developments are periodically tested with user groups (including adults with learning disabilities) to ensure that our "digital by default" aspirations do not exclude any of our customers. As well as this we actively encourage customers to feedback opinion on our site and this is used to fine tune our content and services.
- 2.72 There are a number of projects currently underway to encourage channel shift as well as support customers making the transition, to digital use and these include:

- Website rebuild is underway developing the user interface around the most commonly requested top tasks. This will be a clear and simple design that promotes self service and concise, well written content. The goal is a site that is incredibly easy to use, will work on a range of devices and self service terminals and facilitates a genuine digital end to end service. New web content to support welfare reform will be included such as the impacts of welfare reform, credit union information and loan shark information.
- Staff Training on Digital Inclusion will be undertaken to ensure they can assist customers who are digitally excluded and unless supported, may suffer as a result of digital by default initiatives. This project is also reviewing what courses and computer hardware is provided, for example, in Libraries to handle the expected increase in contact levels due to Welfare Reform.
- Online Forms are being reviewed to identify potential barriers preventing users completing the forms and then implement form improvements which will also be based upon feedback and ongoing testing.
- Libraries will be a key access point given their public PC network. To support this there are currently 17 volunteers across the sites to assist and support customers in ICT skills and more are being actively sought.

3.0 RELEVANT RISKS

- 3.1 Timely delivery of the national welfare reform programme, in the wider view of practitioners and professionals, continues to be at some significant risk in terms of legislative, IT and procedural readiness, given the limited timescales remaining and the lack of final direction and in certain areas, facilitating legislation.
- 3.2 The whole programme of welfare reform presents many risks to local authorities in the delivery of existing, residual services, and through income loss to customers all of which will impact in a variety of ways on the local economy and service provided. The implications are wide ranging and significant and include in regard to the areas covered in this report:-
- (a) Localised Council Tax Support Scheme
Collection issues will rise as many charge payers receive less support and be expected to pay more Council Tax, and in many cases where they have not previously paid. Without the resilience of a hardship fund this will place greater risk of not meeting the needs of exceptional cases and this will be kept under review.
 - (b) General Fund
The effect on budgets as the grant for Council Tax Support is reduced and the capacity of the local authority to be able to directly fund any increase take-up.
 - (c) Grant Distribution
The impact of the grant element of Council Tax Support for precepting authorities being paid directly to them further reduces 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 over 20% cut in funds available to support

all other claimant groups. The grant is not ring fenced and can be used for other purposes if the authority sees fit to do so.

(e) Discretionary Housing Payment

The capacity of this cash limited fund is a key risk. There is no local top up budget to extend provision to the permitted maximum and support those most in need and allow officers to ensure that the allocation practices and policies is as fair and able to support those most genuinely in need. This may present difficulties as the reforms progress given that it is likely there will be a wider expectation that the fund will be the source of support.

(f) Local Welfare Assistance

As the grant will be cash limited, the risk of having insufficient funds is key and its prudent administration presents significant challenge to those developing the scheme and to officers generally in its ongoing management.

(g) Welfare Support and Advice

Ensuring this can adequately respond to the need for support and advice in that it is sufficiently resourced and developed to do so.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The changes detailed within this report are statutory and as such, with the exception of local type and nature of localised schemes for Council Tax Support and Local Welfare Assistance no options exist.

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 options are developed. Wirral has been proactive in this and will continue to do this throughout the development, transition and ongoing delivery stages of a new statutory welfare system, within which LA's retain a distinct and increasing key role. 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 section at the end of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 This sector is noticeably experiencing increases in support requirements as benefit levels reduce and/or people become more aware of the changes ahead. This is not dissimilar to that of our own staff both at the front and back of house service areas and it is clear these impacts will accelerate for all.

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

- 7.1 Financial – These are significant throughout the programme. For CTSS the grant reduction and cost of any increasing caseload, together with supporting non pensioner groups will present ongoing challenges to the Authority, as will the need to collect an increased amount of relatively small Council Tax charges. Funding for contingencies must also be factored into considerations. In terms of the increasing pressure on the DHP fund it is likely that the LA will need to consider if it

will have to commit a budget over the government grant level up to the permitted total maximum.

7.2 IT - There are significant Information Technology implications for each element of the reform programme. These are mainly focused on development of new national systems by the DWP as well as local requirements for the new CTSS and LWA schemes, the ongoing management of the DHP fund and implementing the changes that precede the final move of residual HB caseload to UC.

7.3 Staffing – Staffing resource implications are significant:-

7.3.1 It is clear that ensuring appropriate and sufficient response to the magnitude of change, the increasing caseload and retaining the quality of service is resource heavy. It is important the associated pressures that the service area is increasingly under are not underestimated. The strain on the service area is evermore evident as limited resources are stretched to ensure compliance with legislation, implement change and develop localised schemes, together with the overall response to the ongoing impact of the wider economic climate. Sufficient and skilled resources are present at Wirral and need to be fully utilised during this unprecedented time of challenge. The links to the standard of the service in terms of quality and accuracy of processing and the £169.6m awarded is recognised as requiring the authority to maximise income and minimise loss. The only way to mitigate successfully the risk of income loss is to ensure the service remains adequately resourced with the right skill set of staff and is prudently managed. Staffing costs are in the main fully funded through the DWP's annual administration grant which for 2012/13 was £3,061,390. This includes additional subsidy of £275,724 given in recognition of the continued economic downturn.

7.3.2 As the move to UC ultimately progresses and the caseload transfers, the management of a diminishing, residual service will necessitate a critical review of staffing establishments as over a period of time it will be managed down to reflect the changes. The Benefits Service, Revenues Service, Call Centre and Library One Stop Shops will all be significantly affected. At this stage it is not possible to quantify the final service structure and establishment but in terms of numbers the full time equivalent requirement will be considerably reduced. Discussions with staff representatives are underway and will continue as all recognise the significant staff impact these changes have and that they must be delivered minimising impact on staff and service users alike. The very limited number of cases that will transfer to UC during 2013/2104, will defer the more significant impact of the migration programme on LA's, certainly, until 2014/2015 and as such have a corresponding impact on LA Benefit and Customer Service resource requirements.

7.3.3 Welfare Support and Advice - The capacity to support and advise Wirral residents throughout the implementation of the reform programme is paramount. Extensive work is already underway to maximise this support. However it is increasingly apparent that current resources, significantly in the Welfare Rights Unit, that recently transferred to the Finance department, is insufficiently resourced especially given the diminishing resources and expertise in many third sector agencies. It is vital that this team is able to support the division as it plans further response to the reform impact. In 2012/2013 the DWP distributed additional grant to all LA's specifically to allow additional scope to further support those affected by reform, for Wirral, this Transitional Fund amounts to £107,000. Officers will

separately propose how this money can fund additional, short term resources to supplement the Welfare Rights Unit and allow the service sufficient time to further develop the skills of its advisors. There will be at least an interim requirement, as a direct result of increased customer contact, of back of house benefit processing officers to support the front of house customer service teams. This will weaken the core processing provision and it is likely that additional, short term contract, processing resources are secured, releasing those with significant knowledge and expertise to ensure sufficient front line capacity.

- 7.4. Assets – in line with changing staffing requirements this will consequentially impact on asset requirements such as staff accommodation and public contact facilities. It is too soon to be able to comment in detail on ultimate accommodation needs and these will be reported to Members as they are identified.

8.0 LEGAL IMPLICATIONS

- 8.1 The development of a localised scheme for support for Council Tax will have legal implications as will the development of a Localised Welfare Assistance Scheme. Support through Legal Services will be critical in the final drafting of each scheme.

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'. This will present wide ranging issues for many claimants.
- 9.2 At a local level officers involved in progressing projects to implement the introduction of Council Tax Support Scheme and the Local Welfare Assistance Support Scheme have undertaken initial EIA's and are working with colleagues within the Corporate Equality and Diversity teams as final and fuller assessments are undertaken.
- 9.3 For each area of reform a national Equality Impact Assessment has already 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](#)

- 9.4. Equality Impact Assessments has been undertaken in respect of the Benefits service, Localised Support Scheme for Council Tax and Local Welfare Assistance and are shown on the Council website already via the following links:

[Housing Benefits - equality impact assessment updated July 2012](#)

[Localised Council Tax Reduction Scheme](#)

[Localised scheme of welfare assistance](#)

10.0 CARBON REDUCTION IMPLICATIONS

- 10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

- 12.1 That Scrutiny Board note the contents of the report.

13.0 REASON FOR RECOMMENDATION

- 13.1 To detail to Scrutiny Board the significant changes being implemented, the scale of change and its consequential impact on claimants, as well as the impact of the compressed timetable proposed by the Government. To also note the changes being made and proposed to be made to further enable the service area to adequately respond to the wider impacts of the changes brought about by these reforms including the need for additional interim resources.

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APPENDICES

None

REFERENCE MATERIAL

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

[Housing Benefit Reform – Supported Housing](#)

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

[Universal Credit: welfare that works \[www.dwp.gov.uk/ucla\]\(http://www.dwp.gov.uk/ucla\)](#)

[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](#)

[Universal Credit](#)

[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](#)

Discretionary Housing Payment Guidance Consultation Response

<http://www.dwp.gov.uk/consultations/2012/discretionary-housing-payments.shtml>

SUBJECT HISTORY

Council Meeting	Date
COUNCIL EXCELLENCE	30 January 2013
COUNCIL	17 December 2012
CABINET	19 July 2012
COUNCIL EXCELLENCE OVERVIEW & SCRUTINY	26 March 2012