

## **Universal Credit and Welfare Reform Update**

### **Purpose of report**

For discussion.

### **Summary**

This report updates Members on the latest welfare reform developments including: Universal Credit and LGA research around welfare, employment, and skills.

### **Recommendation**

That the Finance Panel note progress and members consider the recommendation in section 9.

### **Action**

Officers to take forward in line with Members' direction.

**Contact officer:** Sonika Sidhu  
**Position:** Senior Advisor  
**Phone no:** 020 7664 3076  
**Email:** [Sonika.Sidhu@local.gov.uk](mailto:Sonika.Sidhu@local.gov.uk)

## **Universal Credit and Welfare Reform Update**

### **Universal Credit (UC) Update**

#### UC Programme Progress

1. The Department for Work and Pensions (DWP) have begun the expansion of Universal Credit into the North West of England. Following on from the expansion of the Pathfinder locations work has now taken place to develop plans for the continued expansion of the current UC service across the North West of England supporting DWP's planned progressive approach to test, learn and implement. At the same time DWP also plans to make UC available for new claims from couples in some of the 10 jobcentres that already deliver it. DWP are working with these Pathfinder authorities to plan for the expansion to a wider group of claimants.
2. In planning the roll-out schedule, DWP's approach has been to group the North West areas into 2 separate tranches based on geography. The broad schedule outline is proposed as tranche 1: June – July 2014 and tranche 2: from Autumn 2014.
3. Tranche 1 includes Salford City Council, Wirral Borough Council, Preston City Council, St Helens borough Council, Cheshire East Council, Cheshire West & Chester Council, Trafford Borough Council, Bolton Borough Council, Bury Borough Council, South Ribble borough Council, Sefton Borough Council, Knowsley Borough Council. DWP is working directly with these authorities to carry out all preparation work. Implementation planning includes any work needed with neighbouring authorities that are not going live, to ensure that everyone is fully prepared.
4. With regards to local authorities not within the North West of England region, DWP's planning assumption remains as stated, that the UC service will be fully available in each part of Great Britain during 2016. DWP recognises that as service continues to expand and greater volumes are supported there will be an increase in numbers of UC claimants moving out of 'live' areas into areas that are not yet live. DWP does not anticipate large numbers but will communicate detailed arrangements in due course. The LGA has received an enquiry from a council along these lines and for now these queries are being redirected to local JCP offices.

#### Meeting with Lord Freud

5. Lord Freud held a local government roundtable to launch the next phase of the work around the Local Services Support Framework (LSSF) on 25 March. Sir Merrick attended on behalf of the LGA. There were also a number of council Chief Executives present. Lord Freud used the meeting to reiterate his appreciation for the genuine consensus which has been developed with the sector since the start of the pilots. The Face to Face Pilot programme was identified as a success and 5 of the original 8 pilots have now successfully secured over £1 million of European Social Fund funding to carry out further UC work focussing on getting people closer to the job market.

6. Lord Freud also recognised that it was crucial for the DWP to now make progress around the issues of data sharing and colocation of services. He specifically asked civil servants to work on, where possible:
  - 6.1. removing barriers to further integration, such as tactical and legislative solutions to data sharing; and
  - 6.2. the co-location of local authority (LA) and Job Centre Plus (JCP) services to optimise local support building on the best practice already recognised.
7. The Test and Learn Process was recognised as the next phase of LSSF development. The trials will be used to help inform the business case for the next Spending Review, and to help shape thinking around welfare reform across the Government. Lord Freud felt there would be real value in running a follow-up roundtable later in the year.

#### The Test and Learn Process

8. On 6 December 2013, the DWP published the UC Local Support Services Update and Trialling Plan. It described how the DWP and local government would work together to test different arrangements for aspects of the LSSF such as partnership working, financial management and effective delivery of front line services.
9. As part of the Test and Learn plan it is proposed that there will be 4 strands of learning:
  - 9.1. *Robust trialling sites*: a small number of funded volunteer sites to shadow test aspects of the LSSF. Sites to be identified through a bidding process. All bids should be submitted by LA and JCP partnerships.
  - 9.2. *Informal trialling sites*: a larger number of volunteer sites undertaking their own trialling, light touch approach.
  - 9.3. *Live UC service sites*: UC expansion provides a unique opportunity to learn more about LSSF approach in a live environment.
  - 9.4. *Ongoing partnership development*: work across all partnerships to further their preparations for UC.
10. The various learning strands mean that there are a manner of ways in which partnerships between councils and JCPs can engage in preparing for UC. Members are asked to encourage councils to engage in one of the strands of learning in order to progress the development of local UC partnerships across the sector.
11. The immediate focus is on the robust trialling sites. There will be around 6 sites where some funding will be available to trial elements of the LSSF. DWP have written to councils and JCP offices inviting them to submit expressions of interest (EOI) to take part in robust trialling. Two webinars were held in early May to give council officers and JCP officers further information about the process. This will now be followed up with an EOI event on 28 May in London. All EOI for robust trialling have to be submitted to DWP by 13 June. The LGA will then take part in selecting the robust trialling sites.

**Welfare, employment and skills research**

12. Following the first meetings of the People and Places and City Regions Boards, a shared work stream was identified to develop proposals for a devolved approach to welfare, employment and skills. Its aim is to put councils at the centre of commissioning, and allow them to more effectively make the links to regeneration and the benefits of growth.
13. To take this forward the LGA has commissioned the Centre for Economic and Social Inclusion (CESI) to carry out three pieces of research. These build on initial work published in January that made the case for more council influence through reform of the skills and back to work system to ensure all residents benefit from, and are able to contribute towards growth.
14. The first part of the research, which will be launched at the LGA Conference, will focus on emerging growth and the impact of employment and skills deficit on the needs of a local area. The second part will specifically look at the needs of local residents. A third report in early 2015 will draw together the key findings and make place based recommendations, which put councils at the centre of efforts to tackle worklessness, and link employment, skills and growth.
15. Alongside the CESI research the LGA will develop examples of a successful local approach to welfare, employment and skills. This will investigate the basis of greater service integration drawing out the learning from a small cohort of councils. It will model an efficient local approach through drawing out learning from existing approaches; identify key barriers to greater efficiencies and improved outcomes for job seekers and low income households. This work is anticipated to be complete by early 2015.