

In response to the government's draft Local Support Services Framework, we would like to propose the following approach.

### **The Model**

Local Support Services should be commissioned from a diverse provider base, including DWP and council employees but also drawing on private and voluntary sector expertise and resources but with Councils playing a central and default role, not least because they will be contacting many of the client group with Council Tax Support. Services should be commissioned locally on a geography that makes sense for customers taking into account the location of existing service outlets and the scope for rationalising the public sector estate in both the short and medium term.

Local commissioning should be accountable to the community as well as properly accountable for public money. We therefore strongly endorse the government's proposal for commissioning through local partnerships, with accountability for both funding and outcomes achieved by making the council the accountable body for funding allocated by DWP centrally. In some areas, partnerships may be most effective if they involve more than one council, a single council would be the accountable body for funding although all would account to residents for outcomes.

The partnership should agree a commissioning plan, which should detail the outcomes sought, the funding allocated to each outcome, and the allocation of delivery responsibility. That commissioning plan would be the basis of a funding agreement with DWP. It should be supported by agreements with individual local delivery bodies.

There may be areas - although this point we do not think this will be widespread - where the council does not wish to be responsible for commissioning UC support or they are unable to meet minimum standards that residents and the Department is entitled to expect. In those areas, DWP would commission directly, possibly by convening a partnership itself through the local District Manager.

### **Outcomes and services**

The LSS model should, as the government has suggested, be tasked with achieving outcomes that support and align with those of the overall Universal Credit programme. The key outcomes must be:

- reducing benefit dependency;
- improving labour market outcomes;
- progressively ensuring that as many claimants as possible are able to manage their claims independently of publicly-funded support.

It follows from this that there should be no national prescription of what specific services should be provided or by whom. Local partnerships will find an illustrative menu of services which the LSS budget is intended to fund extremely valuable in helping them consider and shape the local offer, but a prescriptive approach will not only contradict the emphasis on outcomes, but will add needless cost where cheaper and better alternatives may be available, stifle innovation, squeeze out valuable services that have not made it onto the central list, and create an incentive to fund activity at the expense of focussing on claimants' real needs.

There is, though, a question about the exercise of some statutory functions which might be part of the core funding for local support (see below). Many councils are clear that they want to keep the current role they have in verifying evidence in support of a claim. There is also a consensus that councils – and possibly also Registered Social Landlords - should also be delegated to adjudicate exemptions to normal benefit payment rules when required (the only reason for not delegating this function would be if DWP considered that it was likely to reject on a significant scale exemption recommendations from councils and housing associations). Local authorities should also be funded to provide urgent support for resolving an issue with a claim including making emergency payments and alternative payment arrangements.

Some councils still have concerns about the treatment of those vulnerable contacts described in Appendix C and how the flow-of-funds will work. In turn, voluntary agencies who often step-in to support this group [e.g. YMCA] have concerns in how they can sustain their own finances if their client cashflows are stretched. In this and other examples we would wish to work with you to ensure that unintended consequences do not detract from the policy's wider objectives.

### **Outcome-based funding**

We strongly support DWP's desire for a proportion of the funding to be outcome based. However, if payment is by results per claimant supported there could be a perverse incentive for local partnerships to maintain the level of support to claimants rather than reduce it. Any measures should be geared towards reducing waste and duplication in the UC system, especially as it relates to Council Tax Support. We would therefore like to explore funding models based on a formula mixing up to three components:

- core funding
- per-client (attachment) fees
- outcome payments.

More work is needed to understand the best mix, but the trick will be to both incentivise preventive action that will help clients achieve independence, and make it financially possible where the costs may fall up front.

### **Roll Out Timetable**

Councils need as much clear information about the UC roll out timetable as possible, as soon as possible. To plan – bearing in mind that there are workforce implications and implications for the funding of third parties such as VCS organisations - councils need to know at a local level what their implementation timetable looks like. Currently they do not know which clients will be migrating or when. This makes it very difficult to plan service provision and manage risk. Further clarity is also required around how traditional housing benefit administration grants will change over the same period. Clear timescales for implementation will be vital if the transition to UC is to be managed successfully.