

## **Welfare Reform Update**

### **Purpose of report**

For discussion.

### **Summary**

This report updates Members on the latest developments on welfare reform.

### **Recommendations**

That Resources Board note progress and highlight any issues for consider within the current and future Board work programme.

### **Action**

LGA Officers to proceed as directed.

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## **Welfare Reform Update**

### **Universal Credit roll-out**

1. The national rollout of Universal Credit (UC) for single claimants began on 16 February 2015. By the end of March 2015, 48 new councils will be delivering UC.
2. All councils within tranches one and two of the UC rollout programme now have a specific date for when they will be going live. All remaining councils, which fall within tranches three and four, also now have a clear indication of their go-live timeframe. The Department for Work and Pensions (DWP) is negotiating individual Delivery Partnership Agreements with all councils at a local level. We are providing support to councils in their negotiations when necessary.

### **The future role of councils in Revenues and Benefits**

3. The council role in Revenues and Benefits continues to change as Universal Credit is rolled out and responsibility for Housing Benefit for working age claimants is gradually transferred from councils to DWP.
4. Board members will recall that we secured assurances from Lord Freud, Minister for Welfare Reform, that there will be no reduction to the £315 million Housing Benefit Administration subsidy for 2015/16 other than the agreed 10 per cent efficiency saving and £12 million reduction to reflect the transfer of responsibility for welfare benefit fraud. The situation beyond 2016 remains unclear and we will continue to press for greater long term certainty in our work with the DWP UC programme and our Spending Review asks to Her Majesty's Treasury (HMT).
5. Lead responsibility for welfare benefit fraud has transferred to DWP (Single Fraud Investigation Service) however councils will continue to have a role in minimising Housing Benefit fraud and error for as long as they have a role in its administration. DWP has established the Fraud & Error Reduction Incentive Scheme (FERIS) which provides additional funding to participating councils to further reduce fraud and error in 2015/16. All English Local Authorities have opted in to the scheme. There is also a potential risk to councils if the debt for historical Housing Benefit overpayments remains with them once responsibility for HB has transferred to DWP.
6. The latest position on UC and TUPE has been outlined in a recent letter from the Director General of the UC programme (attached at **Appendix A**). We anticipate some further discussions with DWP around TUPE over the next few months. We will keep Resources Board fully up to date about any progress.

### **Realising Talent – making the case for devolution for welfare, employment and skills**

7. The LGA has recently published the second in its series of reports on the shortcomings of the current centralised approach to welfare, employment and skills. This work has been led by the City Regions and People & Places Boards. The second report focuses on the challenges a national employment, skills and welfare presents for the unemployed,

disadvantaged and low-skilled, with an emphasis on the experiences of individual claimants and jobseekers. The report can be found on the LGA website here <http://www.local.gov.uk/documents/10180/6869714/Realising+Talent+for+Everyone/7a44acf7-d757-4ebf-9a04-6c5ace7a2537>. Hard copies will be available at the meeting should Members wish.

8. Resources Board Lead Members were recently asked to comment on the draft welfare reform and UC recommendations in the third and final report in the series, which will be published at the end of March.
9. This final report will be presented as the LGA's response to the challenges and opportunities identified in the two preceding reports. The specific draft recommendations in relation to Universal Credit are:
  - 9.1. For local and central government to work together to design a local service that provides personalised support to those UC claimants that need it, and which is fully integrated with local programmes of support for disadvantaged people.
  - 9.2. To significantly increase the extent of co-location of existing Jobcentre Plus services with other local services, leading to improved service harmonisation and major efficiencies in the use of premises.
  - 9.3. That DWP and local areas should jointly explore the effectiveness of services that will support the progression of people in low paid employment, with the aim of moving families out of poverty.
  - 9.4. That DWP and local areas jointly explore the effectiveness of services that will support the progression of people in low paid employment, with the aim of moving families out of poverty.
10. With Board members' approval we will build on these recommendations in partnership with local areas as a key part of our work programme during 2015/16.