

NAME OF COMMITTEE	Overview & Scrutiny Committee
DATE	29 October 2013
REPORT TITLE	Impact of Welfare Reform on West Devon
Report of	Head of ICT & Customer Services
WARDS AFFECTED	All

Summary of report:

The Overview & Scrutiny Committee has expressed a view that they should monitor the impact on the Council of the welfare reforms and it was agreed that the Head of ICT and Customer Services be asked to present an update report to its meeting in October 2013.

Financial implications:

There are no financial implications directly related to this report.

RECOMMENDATIONS:

The Panel notes this report.

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1. BACKGROUND**The Welfare Reform Act 2012**

1.1 The Welfare Reform Act introduced a wide range of reforms which the Government stated will make the benefits and tax credits system fairer and simpler. It received Royal Assent on 8 March 2012. The Act has three key aims:

1. Creating sustainable incentives to encourage more people into work.
2. Protecting the most vulnerable in our society.
3. Delivering fairness to the tax payer and those claiming benefit.

1.2 The Act and accompanying welfare measures intend to create total welfare savings of £20 billion per year by 2014-15

1.3 Main Elements of the Act

Measure	The Government's intention for the measure
Introduction of Universal Credit – a single benefit payment	To improve work incentives
A new approach on fraud	To reduce fraud and error with tougher penalties for the more serious offences
A new claimant commitment	To clearly display what is expected of claimants and give protection to those with the greatest needs
Reform Disability Living Allowance, through the introduction of the Personal Independence Payment	To better meet the needs of disabled people
Introduce a new approach to Housing Benefit	To bring stability to the market and improve incentives to work
Refine the Social Fund System	To give greater power to local authorities so that necessary decisions can be made swiftly
Reform Employment and Support Allowance	To make benefits fairer and go to those with greatest need
Localisation of Council Tax Benefit	To make local authorities responsible for developing local schemes
A new system of Child Support	To put the interest of the child first

2. Impact to date on West Devon Borough Council

2.1 There are many implications of welfare reform on West Devon, some of which have resulted in completely changing a service, for example Council Tax Benefit being abolished and replaced with a local scheme. Other implications are indirect and are the result of a cumulative affect of change. **Appendix 1** captures only those changes where West Devon has changed a process or approach to date.

2.2 There are some longer term considerations for West Devon relating to future housing requirement as a result of welfare reform changes. The Strategic Housing Market Needs Assessment will be issued towards the end of 2013 highlighting trends and providing direction to both affordable housing and planning policy.

2.3 To compensate for the increased demand on discretionary assistance residents can apply for, West Devon has seen its Discretionary Housing Payment (DHP) pot increase by £79,000 to £149,000, and we are currently reviewing our DHP policy to ensure that these additional funds are made available to those in most need.

Universal Credit

2.4 Universal Credit is aimed at replacing most benefits and tax credits, including Housing Benefit. Universal Credit will be rolled out on a phased basis until fully operational in 2017. The start of the roll out for West Devon was due to take place from October 2013 but this has been deferred and a revised date has yet to be advised.

- 2.5 Universal Credit will be administered by the Department for Work and Pensions (DWP). Consequently as Housing Benefit is phased out and Universal Credit is phased in, there will be less need for processing staff in Local Authorities. However as part of the Welfare Reform Agenda and in particular the introduction and roll out of Universal Credit, Local Authority staff will be needed as part of the governments Universal Credit Local Support Services Framework.
- 2.6 This framework is designed for Local Authorities and DWP to work in partnership to help customers:
- Who may need help
 - What services they may need and
 - How through locally developed partnerships these services will be provided.
- 2.7 This help will include for example:
- Access to digital services
 - Advice on completing a claim
 - Debt advice
 - Budget management
- 2.8 Therefore, although there may well be a need to reduce staffing in the Housing Benefit processing service there will be a need for staff in the Universal Credit Local Support Services Framework.

Impacts on staff

- 2.9 There is no doubt that the welfare reform changes have increased customer contact and this has impacted the Customer Services, Housing Advice and Benefit teams. Though this increased demand was expected and planned for, it still came at a time when other changes were taking place such as the implementation of new software into the Customer Services and Benefits teams. Performance has been affected by the culmination of these changes mainly due to the backlogs that have formed, which take considerable time to clear.
- 2.10 As mentioned above Universal Credit was due to roll out from October 2013, therefore vacancies have not been filled in anticipation of the Benefits service reducing over time as work is transferred to the DWP. As this has now been deferred, vacancies will be filled and the reliance on agency staff reduced.
- 2.11 It is widely accepted that demands on frontline services will increase as the welfare changes take effect. The T18 Transformation Programme affords the opportunity to look at the way we process work and deal with customer demand in a completely different way to increased capacity on the frontline and make the back office processing considerably more efficient.

3. LEGAL IMPLICATIONS

- 3.1 There are no legal implications to this report.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications to this report.

5. RISK MANAGEMENT

5.1 As this report is for information only, no risk management has been included.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	The Welfare Reform Act dictates the statutory duties required by West Devon
Considerations of equality and human rights:	Individual Equality Impact Assessments have been undertaken where required as part of welfare changes
Biodiversity considerations:	There are no biodiversity considerations
Sustainability considerations:	There are no sustainability considerations
Crime and disorder implications:	There are no crime and disorder implications
Background papers:	Welfare Reform Act 2012
Appendices attached:	Appendix 1 – Impacts of Welfare Reform on West Devon