1. Purpose of Report

1.1 To update Members on Discretionary Housing Payments expenditure, Universal Credit preparation, and progress with our shared service’s Welfare Reform Strategy Action Plan. The report also requests a temporary increase in the Welfare Officer provision.

2. Executive Summary

2.1 Demand against DHP grants remains high, especially for City of Lincoln. A further update will be provided verbally on 24th November.

2.2 The first phase rollout of Universal Credit in Lincoln and North Kesteven commences 30th November 2015 – sections 4 and 5 of this report set out the work officers have undertaken to prepare for this rollout, as well as the Delivery Partnership agreement to be confirmed with Department for Work and Pensions for our shared service to deliver Universal Support Delivered Locally – which includes provision for Personal Budgeting Support (PBS) and therefore this report also requests a temporary 1.0FTE increase in Welfare Officer establishment.

2.3 The usual update on progress with the high level action plan is provided at Appendix 1, as part of our shared service’s Welfare Reform Strategy, approved by respective Executive functions of City of Lincoln and North Kesteven in April this year.

3. Discretionary Housing Payments – Update

3.1 The table below updates on Discretionary Housing Payment (DHP) spend to the end of Quarter 2.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Central Government DHP Grant 2015/16</th>
<th>DHP spend to end October 2015</th>
<th>% Grant spent</th>
<th>Unallocated DHP Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Lincoln</td>
<td>£139,678 + additional £50,000</td>
<td>£97,788 spent £45,074 committed Total:</td>
<td>100.00% 6.37% of additional</td>
<td>£0 £46,816 of additional</td>
</tr>
<tr>
<td></td>
<td>committed from General Fund</td>
<td>£142,862</td>
<td>monies from General Fund</td>
<td>monies from General Fund</td>
</tr>
<tr>
<td>--------------------------</td>
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</tr>
<tr>
<td><strong>North Kesteven</strong></td>
<td>£99,977</td>
<td>£39,683</td>
<td>59.52%</td>
<td>£40,469</td>
</tr>
<tr>
<td></td>
<td>39,683 spent £19,825</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.3 Demand against the DHP budget remains high, particularly for City of Lincoln. However, it is anticipated that demand will increase for further for both local authorities’ DHP funding during Quarter 4 – based on historical trends.

3.4 A verbal update will be provided on 24th November, also an update of successful/unsuccessful DHP applications, in comparison to the same period in 2014/15.

4. Universal Credit

4.1 Members will be aware that the initial rollout of Universal Credit in City of Lincoln and North Kesteven commences from 30th November 2015.

4.2 An enormous amount of work has been undertaken by our shared service, in conjunction with key partners, to promote key initiative to help citizens in our districts to deal with the Universal Credit process, including:

- Communication of changes to internal and external stakeholders, setting out key requirements under the Universal Credit regime;
- Development of Universal Support Delivered Locally (USDL) Framework, including being a partner in the West Lincolnshire trial;
- Increasing self-serve digital provision;
- Promoting the availability of financial, debt, money and benefits advice;
- Working with key partners/organisations to provide a co-ordinated and holistic approach to Universal Credit support;
- Co-locations with Jobcentre Plus.

4.3 Although Universal Credit will undoubtedly create some significant challenges to citizens, local authorities and other organisations – the preparation undertaken will give our shared service the best possible opportunity to respond to these challenges in a positive and proactive manner.

4.4 Members are reminded that the first phase of Universal Credit rollout in Lincoln and North Kesteven is only for the client group of single persons who would have otherwise made a new claim for Jobseekers Allowance – and therefore it is
anticipated the numbers of Universal Credit claims in this first phase will be relatively small – certainly in the first month of operation – however numbers are likely to increase in January as seasonal work ends and customers register with Jobcentre Plus and make a new claim.

5. Universal Credit/ Universal Support Delivered Locally – Delivery Partnership Agreement

5.1 As at the time of writing this report, a Delivery Partnership (DP) agreement in partnership with West Lindsey District Council which is to provide funding arrangements from Department for Work and Pensions for the period 30th November 2015 to 31st March 2016, is at the final stages of consideration. It is anticipated this will have been signed before Joint Committee meets on 24th November – and the financial grant figure will then be able to be confirmed. It is anticipated the DP for the financial year 2016/17 will be available shortly, which will set out agreed local authority responsibilities and funding for the new financial year.

5.2 Part of the funding under the DP for the period until the end of March 2016, will be for our shared service to provide Personal Budgeting Support (PBS), through our own Welfare Team. As a partnership, this will provide funding for an additional Welfare Officer position until the end of March 2016 (which could be extended, depending on DWP funding for 2016/17) to extend provision of our Welfare Team service into West Lindsey – providing a joined-up approach to PBS for Universal Credit.

5.3 There is currently a permanently structural establishment in our shared service of 7.50 Full-Time Equivalent (FTE) Welfare Officers, and it is proposed that this be extended by 1.0 further FTE up to the period 31st March 2016, with the potential to extend depending on DP funding arrangements for 2016/17. This additional position would provide vital personal budgeting support for citizens of City of Lincoln, North Kesteven and West Lindsey. For the 4-month period 30th November 2015 to 31st March 2016, the cost of an additional post would be approximately £9,400 – to include salary, IT equipment and mileage costs. The proposal is that this post would be fully funded through the DP grant from DWP, and the shared service budget adjusted accordingly.


6.1 Progress with our shared service’s ‘high level’ Welfare Reform Strategy Action Plan is to be monitored by Joint Committee, on a quarterly basis. An update on progress is provided at Appendix 1 to this report. The action plan is fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

7. Strategic Priorities

7.1 Protecting the poorest people in Lincoln and North Kesteven: The Benefits Service has a key role in reducing poverty and disadvantage; by ensuring residents receive the benefits they are entitled to and providing money/debt advice.
8. Organisational Impacts

8.1 Finance: Decrease in 2015/16 DHP central government grants of £54,630 and £7,388 for City of Lincoln and North Kesteven, respectively. Any expenditure above these grants is borne by the individual local authority. Any central government grant not spent must be returned by the local authority to DWP.

For the 4-month period 30th November 2015 to 31st March 2016, the cost of an additional Welfare Officer post would be approximately £9,400 – to include salary, IT equipment and mileage costs. The proposal is that this post would be fully funded through the Delivery Partnership (DP) grant from DWP, and the shared service budget adjusted accordingly. The final DP grant figure may be available to present to Joint Committee on 24th November.

Future welfare reform related financial implications are currently unclear. Although DWP and DCLG administration subsidy for Housing Benefit and Localised Council Tax Support are known for 2015/16, there is currently no information regarding 2016/17 and beyond.

It is expected that funding will be available for local authorities for Universal Support Delivered Locally work for 2016/17 and potentially beyond, but as at the time of writing this report no detail is available.

No decision has been made on whether or not TUPE will apply to local authority staff working on Housing Benefit. Dependant on this decision, there could be potential costs for local authorities to consider.

8.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.

8.3 Equality, Diversity & Human Rights: There are no direct Equality, Diversity or Human Rights implications arising from this report.

9. Risk Implications

9.1 Anticipated ongoing reductions in central government DHP grants may have an impact on individual households in terms of affording their housing costs.

9.2 Welfare reform changes will have impacts on households in the districts – regarding which the shared service will endeavour to proactively respond.

10. Recommendations

10.1 Members note the current position in relation to Discretionary Housing Payment expenditure.

10.2 Members approve increasing Welfare Officer provision by 1.0 Full-Time Equivalent to 31st March 2016, with the potential to extend beyond this date depending on DWP funding for Universal Support Delivered Locally provision.

10.3 Members are recommended to note progress with the Welfare Reform Strategy
Action Plan.

Is this a key decision? Yes/No

Do the exempt information categories apply? Yes/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? Yes/No

How many appendices does the report contain? Appendix 1 - Welfare Reform Strategy Action Plan update

List of Background Papers: None

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