



**Council Cabinet
9 December 2015**

ITEM 14

Report of the Cabinet Member for Strategy and Policy and the Cabinet Member for Urban Renewal

Draft Welfare Strategy for Derby

SUMMARY

- 1.1 The Cabinet meeting on 7 October 2015 agreed the principles of a Welfare Strategy for Derby to be implemented in April 2016. It was also agreed to bring a detailed Welfare Strategy to a future cabinet meeting.
- 1.2 The principles of the Welfare Strategy agreed at Cabinet included:
 - A single Discretionary Policy covering the Discretionary Housing Payment (DHP), Local Assistance Scheme (LAS) and the Council Tax Hardship scheme (CTH) with a single needs assessment
 - An individual programme of support to help people move closer to and ultimately into work where possible
 - Work with partner organisations across the city to design and implement the Strategy
 - Make best use of discretionary funds to reduce the welfare burden on the Council
 - Develop a programme of financial and digital inclusion to help prepare residents for Universal Credit
- 1.3 Derby City Council have also taken part in a successful Government-funded Welfare Reform trial – Universal Support Delivered Locally (USDL). The Centre for Economic and Social Inclusion are conducting an evaluation of our 12 month USDL pilot on behalf of the DWP and early feedback is highlighting the value of:
 - a co-ordinated partnership approach across organisations that can provide budgeting and housing advice, training and employment support and digital skills
 - partners sharing a single case management system
 - co-locating partner organisations at the Council House
- 1.4 With three separate discretionary assessments and awards we have an environment of multiple single interventions that is not always effective at helping move people out of their current crisis.

RECOMMENDATION

- 2.1 To note the Welfare Strategy for Derby in Appendix 2, with a potential implementation date of June 2016.
- 2.2 To seek approval for a revised DHP policy for the period 1 April 2016 to 30 June 2016 at a future Cabinet meeting.
- 2.3 To approve the concept of a single needs assessment process for all customers who would have previously presented for assistance from DHP, CTH or LAS.
- 2.4 To approve consultation with the residents of Derby on a single discretionary welfare policy.

REASONS FOR RECOMMENDATION

- 3.1 A Welfare Strategy with a single discretionary award policy, managed through one team will provide a consistent and informed support package to help residents move towards financial independence and ultimately into work where appropriate.
- 3.2 The current DHP policy expires on 31 March 2016. A revised policy will ensure that no resident in need who meets the criteria for DHP will be denied this discretionary benefit whilst we transition to the new single discretionary policy.
- 3.3 A single discretionary award policy with a single needs assessment will lessen the financial burden on Derby City Council whilst ensuring those in most need get a more comprehensive support package by combining debt management, housing and employment advice as well as financial awards from DHP, LAS and CTH.
- 3.4 This strategic approach will reduce the number of single interventions, reducing the administrative costs and give the resident a clear support plan over a defined period of time.
- 3.5 The USDL trial has proven that a coordinated approach to multiple assistances from a single point of intervention has moved customers closer to work – than if they were engaged through multiple services and assessments.
- 3.6 To ensure that we build in the statutory amount of time for public consultation on the Welfare Strategy and single discretionary policy we will require a further 12 weeks added to the approval process.



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Report of the Chief Executive

SUPPORTING INFORMATION

4.1 The proposed Welfare Strategy is in Appendix 2.

OTHER OPTIONS CONSIDERED

5.1 **Do nothing.**

By keeping the policies separate the Council has no clear path of help for our more vulnerable customers. This may also impact our long term plans for creating financial resilience in the scheme, in light of future budgetary cuts.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Toni Nash, Head of Finance Martyn Marples, Director of Finance & Procurement Nick O'Reilly, Director of Digital Services, John Massey, Head of Benefits and Exchequer Services
For more information contact: Background papers: List of appendices:	Bernard Fenton 01332 643758 bernard.fenton@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Proposed Welfare Strategy for Derby

IMPLICATIONS

Financial and Value for Money

- 1.1 We would expect an indicative grade E will be applied to the new Welfare Reform role in Derby Direct. The cost of 1.5 FTEs for 12 months at SCP 22 will be £38,278 and will be funded from the LAS reserve.
- 1.2 The annual cost of the extending the current case management system is £10,000 per annum and this funding has been forecast within the Customer Management budget.
- 1.3 The cost to complete the statutory consultation for the consolidation of three discretionary welfare payments is estimated at £10,000 to include the potential of writing out to those directly affected. This will be funded from the Corporate consultation provision.

Legal

- 2.1 Consultation on moving to one discretionary award will be conducted.

Personnel

- 3.1 None

IT

- 4.1 None

Equalities Impact

- 5.1 The Chancellors budget statement on 8 July 2015 contained a number of welfare reform policies to reduce welfare spending by £12.9bn over the next five years. The potential impact on residents of Derby will be modelled when the details are available.

Health and Safety

- 6.1 None

Environmental Sustainability

- 7.1 None

Property and Asset Management

8.1 None

Risk Management

9.1 Incentivising people to work by reducing welfare benefits, increasing pay and tax thresholds will create challenges for Derby including regeneration to create work opportunities, the development of employment skills, housing and availability of child care provision. Partnership working is a key principle of the proposed Welfare Strategy and this approach will help to ensure residents have access to the most appropriate service.

Corporate objectives and priorities for change

10.1 The Welfare Strategy helps to deliver the Council's pledges described in the Derby 2030 plan.

Draft Welfare Strategy (for consultation)

1 Introduction

1.1 Background

This Welfare Strategy sets out Derby City Council's (DCC) strategic objectives in response to the changes contained in the Government's Welfare Reform programme. In developing this strategy, the Council has acknowledged the impact its approach must have not only on individuals, but also on the wider communities in which we work to ensure the appropriate level of support. As a result, and particularly in the uncertain current financial climate, we are seeking to adopt a responsible approach which balances the role of the Council with the needs of residents, as well as preparing impacted residents with moving towards work and independence.

Over the past five years we have witnessed a change to the local and national government funding landscape. As part of the austerity measures, Derby City Council has witnessed a 40% reduction in its total funding from Government, including a 27% reduction in the Discretionary Housing Payment (DHP) grant, and the city has seen a rationalisation in the number of Jobcentre Plus (JCP) offices and JCP advisors.

In the Government's Emergency Budget July 2015 changes to thresholds for Benefits' Caps and reductions in welfare expenditure were announced in tandem with a faster rollout for the new Universal Credit system and a commitment to helping citizens back into work.

1.2 What has Derby City Council done to adapt?

Our Welfare Strategy builds upon the work that has already started to prepare our residents for the upcoming changes to the Benefits system.

- In 2012 the Department of Work and Pensions (DWP) devolved management and funding of the Local Welfare Provision to Local Authorities. Derby City Council created a financially sustainable cashless scheme – Local Assistance Scheme (LAS) - that has seen over 4,095 residents helped since its launch.
- In April 2013 DCC launched the innovative "Derby's Working" Scheme targeting long term jobseekers to find them a paid (living wage) work placement amongst local employers.
- In April 2013 implemented LAS and DHP applications as online-only service to help residents prepare for Universal Credit.
- The Council is one of only eleven authorities in the United Kingdom to run a Universal Credit pilot scheme that prepares residents for work. The Universal Support Delivered Locally (USDL) scheme brings together the Council,

Jobcentres, advice agencies, social landlords and Credit Unions to deliver a cohesive digital, financial and educational work plan to a selective cohort of residents.

1.3 What can we improve?

Although Derby City Council's current approach to the Welfare Reform changes, and the way we are helping city residents in need, is being cited by the DWP and other authorities as an example of innovation and best practice, this is just the beginning of a journey.

- The current processes encourage multiple applications to different services, schemes and organisations – this does not address the underlying lifestyle, health or financial reason of why an individual is seeking support from the Council
- There are disparate benefit sources and policies within Derby City Council – this creates confusion for the individual and no clear pathway for self-help
- Employment advice and benefit maximisation are treated separately – this is often supplying a short-term solution to the individual's issues that does not consider long-term coordinated program of help
- Budgeting for support/benefits planned on an annual basis – this does not create a financially resilient approach for the Council

To ensure that we create a resilient and effective solution for individuals and the city we need to:

- produce a more co-ordinated approach to advice, education and support
- provide a packaged approach to those most in need
- engender understanding that working and local/national government financial support are not mutually exclusive
- create financial resilience by investigating other sources of funding and commitment to spend over a longer period for this strategy

In anticipation of further savings required of the Council and potential changes to the Government's Welfare Reform Bill this Strategy will also focus on:

- Partnership Working
- Investigating other avenues of funding and support
- Joint schemes between Derby City Council and the DWP

2 Welfare Strategy

The vision for the Welfare Strategy is to continue to support those Derby residents most affected by the Welfare Reform changes whilst seeking to help those who can, into work. In effect, this may reduce the cost of welfare to the Council in a more sustainable way.

The key aim of our Welfare Reform strategy is to provide a co-ordinated, financially sustainable welfare scheme that, where appropriate, supports the residents of Derby on their journey towards work and prepares them for the rollout of Universal Credit.

This Strategy meets the ambition of the pledges in the Council Plan 2015-18

In line with both our statutory duties and commitments we have made with our partners for 'Derby 2030', our pledges for Derby City Council over the next three years are:

- a safe and pleasant environment for you to live and work
- a strong community where residents feel empowered and businesses are supported to grow
- an ambitious and forward looking city with good prospects for everyone
- a resilient Council, focusing on how we as a Council can deliver our services going forward

3 Our Approach

- 3.1 The Welfare Strategy for Derby will focus on understanding an individual's current circumstances and the challenges they face. By using a single online needs assessment a programme of support for each individual will combine an appropriate mix of short term financial assistance and services from specialist partner organisations.
- 3.2 This provides a single point of engagement with the resident and ensures that a comprehensive assessment can initially be completed. All support will start from this assessment and the residents' progress will be measured against this baseline.
- 3.3 Consolidating the financial assessment of the separate discretionary awards – Discretionary Housing Payment (DHP), Local Assistance Scheme (LAS) and Council Tax Hardship (CTH) policies – will help to ensure the applicant receives the most appropriate financial support and reduce the duplication of help and burden upon limited Council funds.
- 3.4 The single discretionary award will form part of a programme of appropriate support providing limited term financial assistance for residents as they move through the programme towards work. The number and amount of award(s) will be determined by the Council's Welfare Reform Strategy policy and reflect the needs of the individual.
- 3.5 Individuals may present with a combination of circumstances, from multiple complex issues to easier single interventions. Appendix 1 describes the full range of these issues, categorising those in circumstances that create the highest needs as Multiple Exclusions. Other important but less complex issues are categorised as 'Moving on Support', with the final support interventions looking at preparing the individual for work – 'Towards Work'.

- 3.6 The online assessment (E-CINS) will be an integral part of a case management system available to, and shared by partner organisations and will identify the degree of need by assessing the individual's current circumstances.
- 3.7 Derby City Council developed the E-CINS system with Empowering Communities specifically for the USDL trial. This proven case management and assessment system shares relevant information with our trusted partners across a single database with an integrated needs assessment. DCC intend to extend the use of this product beyond contract termination in January 2016.
- 3.8 The online assessment will determine a programme of support for each individual combining interventions from the table:

Need	Interventions
In crisis	Multiple food parcels Multiple gas and electricity top ups Home Starter packs
Financial assessment	Help with rent payment – DHP Assisting with Council tax payment – CTH
Insufficient income	Review income entitlement
Priority and non priority debts	Full debt casework Budgeting advice Money advice
Housing issues	Housing advice Representation at court – Derby Advice
Banking options	Affordable and ethical lending Budgeting accounts and access to ethical banking White goods loan
Digital skills	Digital skills development and confidence building programmes
Employment support	Job clubs Volunteering opportunities Apprenticeships Work placements- Derby's Working

- 3.9 Applicants will join the scheme at different points on the journey to being in work. Our assessment criteria will establish their starting point and identify the support that is needed to move them into work and create a sustainable lifestyle.
- 3.10 This approach will identify a group of people who are a considerable distance away from the potential of work. For these individuals it is important to address their immediate issues/barriers and the likelihood for this group is that they will have multiple assessments and multiple programmes of support; as they progress towards work over a longer period of time.
- 3.11 A new Welfare Liaison Officer role will help our most vulnerable individuals address their immediate needs. The post holder will be experienced in working

with vulnerable people within the welfare system, and will have an understanding of the wider social issues faced by these people to help direct the resident to the most appropriate financial and service intervention. The new role will continue working with these individuals until they progress into the 'Moving on Support' interventions.

- 3.12 The case management system will automatically refer individuals to the most appropriate service partner based on the outcome of the online assessment. Partner organisations will then record the outcomes of each referral to ensure that a complete single picture of the individuals' journey is maintained.
- 3.13 For the majority of individuals participating in the Council's welfare programme the Welfare Liaison Officer(s) will use the case management system to monitor their progress by exception.

4 Preparing residents for Universal Credit

- 4.1 The Welfare Strategy will ensure residents are prepared for the implementation of Universal Credit and other proposed welfare changes, which could include:
- Financial inclusion based on scalable solutions; utilising a banking platform that provides residents with a comprehensive and easy to manage budgeting and savings account, whilst developing their financial/budgetary management skills, utilising the money services available through the Council and our third sector partners.
 - Digital inclusion to help develop the skills and confidence of residents to access digital based services such as Universal Credit, whilst providing free-to-use access to technology for those without access.

5 Partnership working

- 5.1 Derby City Council will work with partner organisations across the city to design and deliver the Welfare Strategy for Derby. The Council acknowledges that it does not possess all the key skills, contacts or funding required to successfully help some individuals, and that partner organisations in the Third Sector or Private Sector may be better placed to provide support. The Council has already established a partnership network created to prepare residents for Universal Credit through the USDL pilot (referred to in 1.2). Our Strategy has been designed to expand this and create resilience for the residents of Derby.

6 Best use of available funding

- 6.1 The Welfare Strategy will seek to make the best use of discretionary and other available funds to reduce the welfare burden on the Council by addressing individuals' needs before the cost of addressing longer term issues escalates. By consolidating three discretionary budgets into a single co-ordinated

programme we can offer financial support when required at any point in the claimant's journey to being in work.

6.2 As part of the Strategy we will look for alternative and innovative ways to seek funding for the Welfare Strategy. As a Local Authority we are able to access and influence a number of funding opportunities both independently and in partnership with other organisations. Equally, we are unable to access certain opportunities because we are a Local Authority.

6.2.1 There are alternative legal entities that can access a wide range of funding for example, charities, community interest companies and social enterprises. These entities have more freedom to deliver services in a way that suits their local communities, staff and individual service users. Building programmes of support through accessing a wide range of funding allows for more autonomy, less bureaucracy and more user led services.

6.2.2 Where possible the Council will explore *spinning out* into these entities or forming a partnership with these organisations to ensure a sustainable source of funding to continue supporting residents.

7 Links with the Derby Plan 2030

7.1 The Welfare Strategy for Derby supports the delivery of the Derby Plan in the following ways:

Short Term Financial Assistance – a safe and pleasant environment to live and work in

- Money or credit that was currently awarded through the Discretionary Housing Payment and Council Tax Hardship schemes.
- Gas and Electric top-up credit currently awarded by the Local Assistance Scheme

Practical/Educational Help – an ambitious and forward looking city with good prospects for everyone

- Budgeting and Financial education
- Training to use the internet/understanding the new Digital marketplace
- Improving the opportunities to connect to the internet in Derby (linked with the Council's [Digital Strategy 2015](#))

Help to get into work - an ambitious and forward looking city with good prospects for everyone

- Council-supported apprenticeship schemes
- Help with CVs and interview techniques (in partnership with the DWP)

Making work the best option - an ambitious and forward looking city with good prospects for everyone

- Advice on maximising the working wage/working benefits
- Further training support (Adult Learning Service)
- Developing new skills (Adult Learning Service)

Partnership working – a resilient Council, focusing on how we as a Council can deliver our services going forward

- Referrals to specialist partner organisations across the City
- Shared case management system to support collaborative working
- Potential for more formal legal relationships to attract additional funding

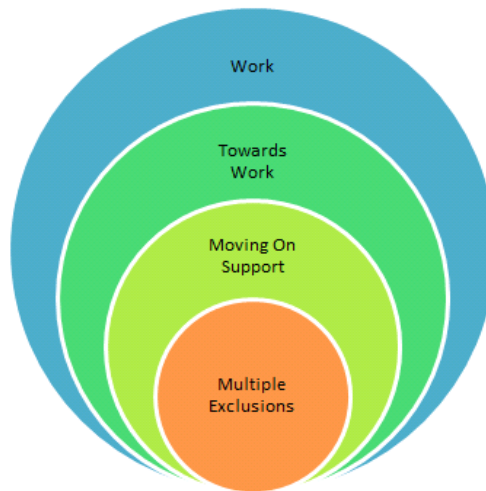
8 Action Plan

8.1 The action plan to implement the Welfare Strategy is outlined in the table below:

Action	From	To	Who
Launch USDL pilot for Derby	Jul 2014	Sep 2014	Customer Management (CM)
Implementation of shared case management system	Aug 2014	Oct 2014	CM
Completion of USDL pilot	Sep 2014	Nov 2015	CM
Agreement to develop Welfare Strategy for Derby	Aug 2015	Oct 2015	Cabinet
Approval of Welfare Strategy for Derby (for consultation)	Nov 2015	Dec 2015	Cabinet
Consultation on Single Discretionary Award policy	Dec 2015	Mar 2016	CM
Approve an interim DHP policy	Jan 2016	Mar 2016	Cabinet
Single Discretionary Award policy approval	Mar 2016	Apr 2016	Cabinet
Change online assessment in shared case management system	Apr 2016	Apr 2016	CM
Recruit new Welfare Liaison Officer role	Apr 2016	May 2016	CM
Launch Welfare Strategy for Derby		May 2016	

Appendix 1

Scale of Need



	Circumstances/Indicators
Towards work	Mock Interviews, Access to Derby's Working, Confidence building, Interview Technique support, Access to funding for sector based qualifications, Organise travel for interview, Access to LEP funded Employment Projects, Secure Appropriate Clothing for interview, Access to Sector Based Work Academy, CV Building
Moving On Support	Access to Job Club, Access to training, Help to stop smoking, Access to digital skills, Defending possession proceedings, Access to ethical banking, Access to ethical lending, Housing Advice, Personal Budgeting Support (PBS), Support for Benefit Appeal, Money Advice, Support with Mandatory Reconsideration, Multiple non-priority debts, Access to Benefits Advice, Multiple priority debts
Multiple Exclusions	English for Speakers of Other Languages (ESOL), Care Leaver, Homelessness, In temporary accommodation, Leaving hospital, Fleeing domestic violence, Learning difficulties, In receipt of benefit, Sanctioned, No income, Prison Leaver, Housing Benefit overpayment, Alcohol dependency, Benefit cap, Drug dependency, Under occupancy, In treatment for Mental Health condition, Housing Benefit shortfall, Mental Health issues (Diagnosed/Undiagnosed), Rent Arrears, Physical disabilities, Suspended possession Order, Need aid or adaptations, Notice Seeking Possession, 20% liability for Council Tax, Possession Order, Council Tax bailiff action, Suspended eviction Order, Council Tax arrears, Eviction