



# Summary Minutes

<b>Title of meeting:</b>	DWP Local Authority Associations Steering Group
<b>Date:</b>	07 May 2014
<b>Location:</b>	Caxton House Room 6.03
<b>Attendees:</b>	<p><b>DWP:</b> Andrew Parfitt (Chair), Mont Goldman (Secretariat), Bill Hern, Huw Meredith, Mel Frankham, Manny Ibiayo, Jenita Chelva, Chris Goodspeed (HMT), Saranna Fordyce, Darren Baker</p> <p><b>Observer:</b> Monya Ladipo</p> <p><b>DCLG:</b> Margaret Uhure, Leona Patterson</p> <p><b>LAAs:</b> Rose Doran, Dan McCartney, Ben Dixon, David Graaff, Pat Durkin, Matthew Evans, Colin Wallbank, Paul Ellary</p> <p>Dial – in: Peter Meehan, Chris Gibbs, Clare Elliott</p>
<b>Apologies:</b>	Valerie Pearce, Lesley Pigott, Steve Carey, Howard Mason, Andrew Stevens, John Swinnerton,

## 1. Welcome and Introductions:

DWP opened the meeting and introductions were made round the table and for those dialing in.

### Matters Arising

DWP responded to COSLA's query regarding the proposed devolution of the power to set the cap on DHPs in Scotland. DWP explained that the offer had been made, following high level ministerial discussions, by the Minister for Scotland and will be subject to agreement by the UK and Scottish Parliaments and the UK and Scottish Governments.

COSLA pointed out that this was a welcome change but noted that information on the legislative timetable was needed to avoid any ultra-vires payments. It was agreed that once more details are known, the Steering Group would return to this topic.

### Minutes

The minutes of the previous meeting were agreed.

### Action Points

The action point from the March meeting was cleared.

## 3. Updates:

### Practitioners Operations Group (POG)

The key issue dominating POG has been the Real Time Information (RTI) Bulk Matching Exercise. POG had concerns over the timetable and the need for an estimate of anticipated volumes of referrals for each LA... POG had noted issues around automation raised by the software suppliers, which could lead to a greater amount of manual intervention.

The Steering Group agreed that RTI is an ongoing issue and will be discussed further at the next Steering Group meeting.

## **Universal Credit (UC)/Transition Working Group (TWG)**

### **UC**

DWP highlighted:

Expansion into the North West:

- The firm plans for expansion into the North West of England with a staged roll out.
- The list of LAs for the first tranche, June to July 2014.
- The key focus is the expansion of the live service using the processes developed in the pathfinders.
- UC will also be made available for new claims from couples in a number of Jobcentres that already deliver the full Universal Credit, expanding to all current live sites over time.

### **TWG**

TWG had met on 02 April:

Transition and Migration

- There was an update on the planning for transition and migration for the end state service.

End State Service

- An outline of the ongoing development work on the end state service, in respect of testing and emerging design.

Local Support Services Framework (LSSF)

- A round table meeting with the Minister and representatives from local government took place recently, and webinars were held week commencing 28 April. A briefing day for LAs will take place on 28 May.

An action point was taken for DWP to look into references during the webinars to 'mature relationships' between LAs and their Jobcentres, where partnerships may wish to apply to be trial sites.

## Live Service

- a LA running the live service gave a presentation on the live service, covering funding issues, impacts on claimants and the wider impact across the council.

The Steering Group pointed out the importance of the timetable and plans for migration as details are needed for LA planning purposes, particularly around contracting arrangements. DWP explained that work is ongoing.

## Housing Summit

DWP explained that the summit had been attended by DCLG, the Devolved Administrations and representatives from LAs running the live service.

DWP summarised the meeting as a stock-take on the housing element in UC, what is going well, what areas need to be addressed and how can it be assessed against the original policy intention.

The Steering Group referred to the migration plans and questioned whether the timescales are realistic. DWP explained that the working group is looking at these challenges.

The Steering Group discussed changes of circumstances whereby a claimant in receipt of UC with housing costs moves from an area running live service to one not yet live, and in particular the implications for Local Council Tax Reduction (LCTR).

An action point was taken for DWP to look into whether UC could produce any information for the Steering Group around planning and progress against milestones.

## DCLG

- Funding for LCTR for 2014/15 will be issued to LAs in May.
- For 2015/16, a paper will be submitted to the LCT forum in June. There is no intention to change the system from the preceding year.

## Single Fraud Investigation Service (SFIS)

- The consultation comments on the Draft Statutory Instrument to transfer staff to DWP have been published on the website.
- Letters have been issued to all LA Chief Executives giving details of the roll out schedule.
- A process has been established for LAs who need to request a change to their 'live' date.
- The roadshows are in the process of being completed.

The Steering Group asked about funding and how this will be allocated. DWP explained that the working group is looking at this, including new burdens. When the proposals have been agreed further communications will follow.

## 4. The Welfare Cap

HMT explained that the cap on welfare spending had been introduced in the 2014 Budget to bring the spending on the social security benefits in Annually Managed Expenditure (AME) under control. The cap will not apply to JSA and HB for those claiming JSA.

The levels for the cap have been set at the level forecast by the Office for Budget Responsibility (OBR), within the scope of the welfare cap.

DWP pointed out that the cap will be relative to the OBR forecast and is a formalisation of the shift in policy towards greater management of AME spending.

DWP explained that any departmental breach of the cap will be subject to scrutiny by Parliament whereby actions will need to be explained.

The Steering Group discussed the potential impacts of rent increases in the social sector, and whether OBR forecasts took into account migration across benefits, for example from JSA into work based benefits. HMT confirmed that this had been taken into account.

## **5. HB Administration Subsidy: Methodology for 2015/16**

DWP set out the principles and options for allocation of the 2015/16 administration subsidy marking the start of the annual discussion.

The focus had been on the simplification of the existing methodology.

DWP explained the thinking underpinning the three options:

- **Option A** - Allocation by caseload data, labour cost, accommodation cost and tenure type weights (most similar to current method)
- **Option B** - Allocation by caseload data, labour cost and accommodation cost weights
- **Option C** - Allocation by caseload data alone (most different to current method).

The proposed methodology did not consider the potential changes to funding levels resulting from the introduction of SFIS, and there are dependencies around the introduction of UC.

DWP explained that the total amount of funding for UC for 2015/16 has yet to be worked out as plans for UC are under development. More detail is needed to fully consider the implications.

DWP proposed that a subsidy working group, including members of the Steering Group should be set up to consider the options. The working group could also consider any alternative options. Once the working group has finalised its preference, the conclusions reached will be put before the Steering Group, with a view to put the submission to Ministers in the early autumn. Close working with DCLG and the Devolved Administrations (DAs) will continue, with the option open for DCLG and the DAs to attend. DCLG said that they would attend to maintain a watching brief. They added that

they will report on LCTR separately to the Steering Group.

DWP explained that SFIS has engaged with the LAAs and a separate working group looking at funding and new burdens has been set up. This working group will report any outcomes to the subsidy working group.

The LAAs were content for the subsidy working group to be set up with their participation.

In summary, DWP pointed out the need for each separate strand to maintain close contact and inform each other of ongoing developments, and that the immediate focus on allocation will be kept under review by the Steering Group.

## **6. AOB**

- 1) DWP informed the meeting that the subsidy circular on qualification of HB subsidy claims in local authorities had been issued. It was agreed that this should be placed on the agenda for the next Steering Group meeting.

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