

## **Social Security Advisory Committee review of localisation and social security: Government Response.**

1. The Government agrees with the Committee on the importance of localism and the advantages it can bring, and we thank the Committee for the time spent on their report and the valuable insight this has provided. Department for Work and Pensions (DWP) already undertakes significant work to do so. For example, Universal Support - delivered locally is offering, for the first time, genuinely holistic methods to help Universal Credit (UC) claimants, especially those whose difficulties in accessing IT or managing their money make them vulnerable. Similarly, abolition of the discretionary Social Fund and devolution of funding has given local authorities freedom to help those with violent partners much earlier than before, giving greater protection and independence to help victims of domestic violence.

### **The need for a cross-departmental approach**

*We recommend that DWP lead a policy initiative, working closely with DCLG and HMRC and (by invitation) the devolved administrations, to oversee the design and implementation of localised benefits.*

2. The review correctly identifies that cross-departmental working (whether with other government departments or devolved authorities) is essential, something we agree strongly with. While the government does not currently have any plans to design and implement newly designed or localised benefits, we would consider options to do so if they offered an opportunity to provide service users with better targeted help and support, while offering efficiencies to the taxpayers such as the better targeting of provision. We recognise that the excellent relationships we have already begun to construct with Department of Health (DoH), Department for Communities and Local Government (DCLG) and the Department for Business, Innovation and Skills (BIS) would be of great importance if we ever decided to do this.
3. The Government notes the comments in the review about 'advice deserts' and the potential risk to vulnerable claimants. We continue to put in place safeguards to manage vulnerable claimants. We strive to improve performance and consider innovative ways to support claimants across Government, while remembering that clear accountability for how taxpayers money is spent is very important.

### **Ensuring consistency and minimum standards**

*We recommend that DWP and DCLG:*

- *draw up a coherent set of guidelines for local welfare assistance schemes;*
- *undertake an analysis of whether the new system of local welfare assistance is delivering better outcomes than the previous provision under the social fund;*
- *undertake an analysis of the financial impact of localising Council Tax support on vulnerable people and local authority finances.*

4. As the review notes, local authorities are best placed to ensure help is targeted at those who need it most and joined-up with wider social care, and the full freedom to decide on provision by location allows local authorities to focus on the needs of claimants within their area.
5. DWP's November 2014 review found local authorities are delivering support more effectively than the previous provision under the Social Fund. The new system allows local authorities to take a much more targeted approach and really seek to understand and address the underlying problems behind an application for help. The new arrangements have also removed unnecessary reporting burdens. As the devolution of funding conferred full powers to decide on how to provide support, we did not expect or require local authorities to replicate the previous reporting arrangements. Although this means direct comparisons are not easily achieved, evidence suggests that support is being targeted effectively. We therefore do not propose to carry out any further analysis or put additional monitoring burdens in place.
6. The localisation of assistance removes some of the previous constraints in helping the most vulnerable. For example, under the old Social Fund scheme, victims of domestic violence must have already fled the family home to have qualified for support to set up home from the Discretionary Social Fund. However under the new arrangements, local authorities are free to provide support to set up home at an earlier stage, a crucial amendment that means real help can be delivered earlier to this vulnerable group. As the Government review of November 2014 was thorough and well-founded, we do not propose further analysis or review of local arrangements at this time.
7. The Government is supportive of the principle of analysing the financial impact of localising Council Tax support on vulnerable people and local authority finances. As such, we have taken into consideration that public bodies must act in a way which is consistent with the law, including their Public Sector Equality Duty as laid out in the Equality Act 2010, hence there are no new statutory duties or specific expectations on local authorities as to how they support their local communities. It is therefore the responsibility of local authorities in England to determine appropriate arrangements, to monitor the impact of their arrangements and publish the results to ensure that their arrangements are fair and impartial. If they do not act in a fair and impartial way they can be challenged through the Courts and the Local Government Ombudsman can also redress issues through measures such as asking organisations to apologise, change a process or make payments.
8. In addition, Section 9 of the Local Government Finance Act 2012, requires an independent review of Local Council Tax Support (LCTS) schemes, which will be completed in 2015-16. The review will consider the effectiveness, efficiency, fairness and transparency of such schemes, as well as their impact on the localisation agenda.

### **Protecting vulnerable groups**

*We recommend that DWP and DCLG:*

- *Establish clear protocols for co-ordinating support for particularly vulnerable groups;*
- *Offer guidance to local authorities discouraging the use of residency qualifications in funding decisions.*

9. The Government agrees with the importance of providing clear protocols for ensuring co-ordinated support for particularly vulnerable groups. This has been at the forefront of our planning throughout. For example, there are a number of important initiatives, both within DWP and across Government, to support vulnerable groups, such as Universal Support, with the aim of integrating local service provision to better support the needs of vulnerable claimants. Further detail on Universal Support is set out in paragraph 23.
10. In addition, another example of our work in this area is the Troubled Families programme, launched in 2012, that supports families who have multiple, complex and high cost problems. In April 2015 the programme was expanded, being led by local authorities with funding and input from a number of government departments, and is seeking to work with up to 400,000 families who have a broader range of problems including those who are affected by domestic violence, physical and mental health issues; unemployment, risk of financial exclusion, as well as young people at risk of worklessness. The programme is led by local authorities, but importantly, it is delivered alongside local public services, including Jobcentre Plus. Helping adults back to work remains a central aim of the programme, with 307 Jobcentre Plus secondees, known as Troubled Families Employment Advisers (TFEA) funded by DWP and DCLG working in local troubled families teams. The programme promotes the integration and reform of local public services around the needs of families, with the aim of reducing demand on services that are more reactive, and more costly, in the long term.
11. We have also worked with Greater Manchester Combined Authority in designing the Working Well pilot which supports Employment and Support Allowance (ESA) claimants who have been through the Work Programme to find and sustain employment. The focus of this pilot is to bring together local services that can help address the claimant's barriers to employment, including issues such as mental health, and support them along the journey to employment. This pilot is to be expanded to cover other claimant groups, concentrating on those who will benefit from a locally designed and integrated service that will better meet their needs. Building on this pilot we are introducing similar support in both London and Glasgow and have worked with the local authorities giving them the freedom to design a support programme that best meets the needs of their local area.
12. On the issue of guidance offered to local authorities discouraging the use of residency qualifications in funding decisions, the Government agrees that this is an important issue to be considered. Although the decision will ultimately be for the local authority itself to make, DWP played a significant role through the Ministerial Working Group on Preventing and Tackling Homelessness, in the development of the call for evidence on

addressing complex needs and improving services for vulnerable homeless people. This was launched by DCLG in March 2015 and was then sent to numerous relevant charities and interest groups.

**The need for oversight**

*We recommend that the National Audit Office be asked to conduct an audit every three years, starting in 2015-16, to report on the practice and outcomes of those social security policies that have been localised.*

13. We agree that careful monitoring of localised social security policies (in terms of both their outcomes and methods of delivering them) is important. The complete autonomy that the National Audit Office has means it is not a matter for the Government to decide when they should conduct an audit. However the DWP will be strongly recommending to the relevant authorities that they put in place rigorous systems for assessing the efficacy of the programmes they run, and we will take the lead in sharing lessons learned based on our past and current experiences.

**Making funding sustainable**

*We recommend that DWP and DCLG clarify the long-term funding of local welfare assistance, council tax support and Discretionary Housing Payments, ideally offering assurances of funding until 2020.*

14. We agree that the principle of clearly and accurately planned spending agreements helps both government departments and local authorities to have clearly defined accountabilities. The Government will be setting out its spending plans in the autumn, which will then allow us to provide the level of clarification recommended within the context of the overall spending decisions. In the summer budget, the Government set out an enhanced package of Discretionary Housing Payments (DHP). £800 million in DHP funding will be made available to local authorities over the next five years. However, we consider the allocation of DHP to local authorities each year and this will continue.

**Other recommendations (DWP involvement)**

*Local authorities and Jobcentre Plus offices lead the development of informal partnerships with other relevant bodies locally to explore the development of localisation.*

15. The Government wholly agrees that working in partnership (whether that be formally or informally) with other relevant bodies and stakeholders is essential in supporting local delivery. As such we are very pleased with the strength of the partnerships we have made so far, and look forward to building more of these. For example, Universal

Support was developed to acknowledge that some people will need additional help in making and maintaining a claim for UC. It recognises that individual local needs can best be met through an integrated localised support service offering which involves working jointly and collaboratively with our partners. For example, we are currently offering financial and digital support to ensure that claimants who struggle to manage a monthly payment or who may lack the IT skills to make and manage their claim on line are given practical support at the onset of their claim through a network of local services, providing a stronger foundation from which claimants can then find and remain in work.

16. In addition, sharing and building on existing knowledge of best practice and effective solutions is an important way of doing this. In particular, the Public Services Transformation Network (PSTN) have been working with local authorities and Jobcentre Plus to develop partnerships, both formally and informally, to test a range of approaches to get better outcomes for claimants and reduce costs to public services. These pilots are being evaluated and the learning shared via the PSTN and local authority websites and fed into policy developments. Local troubled families teams also work very closely in local authorities with Jobcentre Plus coaches as well as the TFEA who have been seconded into their teams. There are 307 working across England, with one of their most significant impacts being that they have improved local authority knowledge of employment, jobcentre knowledge of local authority family intervention strategies and DWP's reputation and relationships as a whole.
17. DWP has led strongly on other similar projects too, in addition to the above. The Resources Plus 'Erith Hub' was a multi-agency operation with DWP staff co-located in Bexley Council offices supported by Flexible Support Fund (FSF). The Margate Task Force: a community focused multi-agency operation based in LA offices tackling a wide range of social issues with the view to helping people back to work. This model has been replicated in Chatham, Folkestone, Dover and Sheerness, where in the latter the co-location was in the Jobcentre.
18. The Community Budget saw Jobcentre Plus contribute FSF to a pool of matched funding from partners, led by the local authority, which is used to commission provision/support for disadvantaged groups. Camden, Islington, the tri-borough group of Hammersmith, Kensington and Westminster and another tri-borough (Lambeth, Lewisham and Southwark) are examples where this approach has been used.
19. In the North-East England region four areas piloted a Mental Health Trailblazer (with individually tailored programmes and cohort groups), working with local health authorities in integrating psychological therapy with employment support for ESA claimants. Approximately 1,500 ESA claimants will benefit from this programme.
20. There has also been effective and mutually beneficial co-operation in the development of Growth Deal initiatives. In the six local authority growth boroughs and the West

London Alliance sub regions there has been a sharing of economic strategies and joint-commissioning of FSF, with joint identification of common priorities and pooled funding helping to address the specific needs identified.

**Other recommendations (DWP involvement)**

*DWP commission an independent evaluation of the Flexible Support Fund and commit to greater transparency about its operations in the future.*

21. The Government agrees that evaluating valuable schemes such as the FSF is very important. As such, DWP has recently conducted an internal review of its effectiveness. The recommendations from this review were considered, and have led to several significant changes over the last six months.
22. DWP has also already committed to greater transparency, with the piloting of a new Dynamic Purchasing System (DPS) from which social and other service provision (Labour Market provision) can be procured as and when the need arises. Operating a DPS offers a number of commercial and operational advantages for both the buyer and for the potential suppliers compared to traditional contracting methods and will give greater opportunities to smaller, more localised partners. The DPS is now published on Contracts Finder<sup>1</sup> which enables all parties interested in providing services to the Government to access and view contract opportunities before considering whether to submit service offers for delivering support to the DWP's customers via the FSF.

**Other recommendations (DWP involvement)**

*DWP urgently clarify future plans for Universal Support – delivered locally (USdI), and clarify its future funding so that it can be put on a sustainable footing.*

23. As UC is expanded and rolled-out through every Jobcentre in the country, so there will be a concurrent expansion and roll-out of Universal Support. This is because the Government recognises that in the transition to UC, a minority of claimants, particularly those with complex needs, may need support to enable them to make and manage their claim and payments. Our future plans are that partnership working will allow Universal Support to help move claimants towards independence and closer to being able to secure and remain in employment. The committee's review notes the DWP published the Local Support Services Framework in February 2013 and the Update and Trialling Plan in December 2013. Both of these were developed in partnership with local authorities and their representative associations.
24. The Government is confident that by DWP working in partnership with local service providers, all claimants will have ready access to the support they need. Both of the documents mentioned above set out the principles for providing support locally for

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<sup>1</sup> <https://www.gov.uk/contracts-finder>

claimants with additional or complex needs. We intend to test processes with vulnerable groups before we start bringing them into UC on a large scale. In line with the Test and Learn strategy, we will be informed on the development of future support services by learning from live service, including the UC digital service currently being tested in the London Boroughs of Sutton and Croydon. In the latter we are working closely with the council to test the Universal Support approach delivered in house by specially trained local authority staff, in collaboration with partners including DWP, and personal budgeting support is a key element to the support they need in the transition to UC.

25. In addition, and working with the Local Authority Associations, we selected 11 DWP/local authority Partnerships to trial Universal Support principles across Great Britain for 12 months from last September, testing support provision for different Working Age claimant categories, across a range of councils with different geographic and demographic factors. These formal trials are already demonstrating the benefits of more collaborative working and we are also working with the Association of Greater Manchester Authorities to learn from their trial. DWP recently opted to extend six of these trials by a further three months to ensure that we have robust outcomes and evaluation to inform the future delivery of Universal Support. This will support local partnerships to meet the needs of a broader range of UC claimants and ensure that those with complex needs are identified early and offered appropriate support.

***Other recommendations (DWP involvement)***

*DWP lead a programme of work to ensure that data are shared effectively and in line with ICO protocols and best practice.*

26. The Department agrees that data-sharing with partners is essential in providing a level of service that is both holistic and immediate. The delays that claimants experience when being asked several times for the same piece of information, or who have to effectively start afresh every time they have an intervention, has a demotivating impact on claimants and reduces the chances of us working effectively with them, particularly vulnerable claimants.

27. To that end the Department will share with other parties where it is lawful to do so, whether by common law, statute or consent and within the requirements of the Data Protection Act 1998. The Department proactively looks at the best way to achieve this securely and with the individual's privacy and rights fully embedded. The review notes the Margate Taskforce, the findings from which have already provided useful insights into partnership working. Accurate, timely and appropriate information is central to good delivery when working in partnership with stakeholders.

28. DWP holds significant and potentially sensitive personal details on virtually every UK citizen, we are acutely aware of our responsibilities in this area, but this should not be a

barrier to sharing data – it just requires different handling, and as such will take a lead role in considering the important issues set out below. Feedback we have received from local authorities and representatives from the housing and voluntary sector organisations has told us that information sharing is absolutely key to supporting claimants, especially the most vulnerable.

29. DWP is now much more able to share appropriate and proportionate UC claimant details with local authorities and specific local partner organisations after new data-sharing regulations came into force in February 2015. This is intended to better support UC claimants in need of assistance in making and managing their claims, potentially due to vulnerability or complex needs. We are also currently developing process proposals to ensure the proportionate and secure sharing of data in line with the Data Protection Act 1998, to ensure that Universal Support providers have all the information they need to help claimants without compromising claimant privacy. We are also ensuring lessons learned are built into the digital design for housing, including ensuring we have access to relevant landlord and property data.
30. DWP's welfare reform agenda has also been helped by the setting up of the Local Authority Data Sharing ("LADS") Programme to develop a single, strategic framework for data sharing with local authorities. In addition, DWP's data is required by local authorities to assist in assessing claims for DHP and LCTS.

**Other recommendations (non-DWP)**

*Local authorities find a balance of providers between large-scale companies and more specialised third sector providers.*

31. The Government is supportive of an approach that mixes provision from a combination of both large-scale companies and smaller, specialist organisations. As such, this is exactly the approach we have taken on the Work Programme, with provision supplied by a range of organisations from the public, private and voluntary sectors. It is worth noting however that the principles of localisation would mean that ultimately the decision on the make-up of the provision offered would be a decision for the local authority to take.

**The key principles of localisation**

*We recommend that these five principles (needs, sustainability, minimum standards, clarity, accuracy & simplicity and ownership) are followed by the UK Government, the devolved administrations and all local authorities in the appraisal, development and application of the localisation of social security.*

32. The Government notes with interest the principles set out in the committee's review (as mentioned above), and agrees on their importance in the localisation of social security.



A key principle of welfare reform is to support claimants in returning to work. We support effective back-to-work opportunities and will continue to consider the most appropriate way of administering benefit payments, through national and local delivery. The review also sets out considerations around resourcing. We agree that resourcing and prioritisation (when assessed in their appropriate financial context) are two important factors for delivery. However, the Government will decide exact funding levels in due course in the light of broader spending decisions, and will need to be wrapped into wider spending review negotiations by all departments.