

Notice of Meeting and Agenda Leadership Board

Date	Time	Venue
Wednesday, 16 September 2015	13:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

Further Information

This is a meeting which is open to members of the public.

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Members of the Press and Public

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Membership

Councillor Lorraine Cameron: Councillor Eddie Devine: Councillor Roy Glen: Councillor Jim Harte: Councillor Jacqueline Henry: Councillor Terry Kelly: Councillor Brian Lawson: Councillor Kenny MacLaren: Councillor Mags MacLaren: Councillor Eileen McCartin: Councillor Iain McMillan: Councillor Tommy Williams:

Councillor Mark Macmillan (Convener): Councillor Michael Holmes (Depute Convener)

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

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|----------|--|----------------|
| 1 | Better Council Change Programme Update | 3 - 12 |
| | Report by Chief Executive | |
| 2 | Welfare Reform Update | 13 - 26 |
| | Report by Director of Finance and Resources | |
| 3 | Devolution of Further Powers - Welfare Reform Committee Call for Evidence | 27 - 40 |
| | Report by Director of Finance and Resources | |
| 4 | Support for Veterans | 41 - 46 |
| | Report by Director of Development and Housing Services | |

To: Leadership Board

On: 16 September 2015

Report by: Chief Executive

Heading: Better Council Change Programme

1 Summary

- 1.1 The purpose of this report is to provide the Leadership Board with an update on progress with the implementation of the Better Council Change Programme (BCCP) and to seek the approval to proceed to the procurement phase of two projects which are critical to the success of the BCCP and the modernisation of the Council.

2 Recommendations

2.1 It is recommended that the Board

- i. Note the progress made with the implementation of the Better Council Change Programme;
- ii. approve the proposal for the Enterprise Resource Planning (ERP) project and agree to move to the procurement phase of the project, and
- iii. approve the proposal for the Customer Access Portal for the delivery of Council digital services and agree to move to the procurement and implementation phase of this project.

3 Better Council Change Programme (BCCP)

3.1 Renfrewshire Council's council plan "A Better Future, A Better Council" describes the Council's ambitions, priorities and the strategy for delivering better outcomes for Renfrewshire (a better future). It also describes the areas of focus for change within the Council itself that will be required to enable the Council to meet these priorities both now and into the future (a better council).

3.2 The Better Council Change programme has been set up to identify, manage and deliver changes across the Council that will improve our efficiency, modernise our ways of working and support long term financial sustainability as well as delivering savings specifically to contribute to addressing the Council's forecast medium term budget deficit of £30 million through to 2017/18.

BCCP - Phase 1

3.3 Phase 1 of the BCCP identified a range of changes across the council which included a review of how the Council organises and delivers corporate support functions; the identification of savings in procurements, rationalising of some property assets, improvements and efficiencies in catering and cleaning services, significant savings from investment in energy saving approaches, and further efficiencies in management structures operating across a number of services.

3.4 Phase 1 of the programme is forecast to deliver £13 million of savings with £8 million of these savings already delivered and the remainder due to deliver over the next year. Key contributors to this saving include:

Corporate Support Model (CSM) - The CSM covers the review of a wide and diverse range of services, including both professional and administrative functions providing corporate support arrangements (for example finance, policy and performance, business support, HR). A number of efficiencies were identified, and the workforce restructured through a programme of VR/VER, delivering over £2.9 million of saving to date. Further redesign and restructure is underway that will realise further financial savings of £1.7m for Phase 2 of the BCCP.

Cultural Trust - This project transferred the management of museums, town halls, libraries, sport pitches and services to Renfrewshire Leisure Trust from 1 July 2015 with bowling greens and community facilities coming under the trust's management from 1 December 2015. The new arrangement will deliver £0.6 million a year of financial savings.

Energy Management - This project identifies and delivers energy and water saving across the Council. In addition to financial savings, this project also reduces the Council's carbon emissions, making the Council more environmentally sustainable. Energy Management has already delivered £0.2 million of saving in FY15/16, and a further £0.3 million of savings have been identified with delivery underway, with plans to identify further opportunities.

BCCP - Phase 2

- 3.5 Phase 2 of the BCCP programme seeks to identify further opportunities that will modernise ways of working across the council; enhance the opportunities for customers to interact with the council using digital channels, and delivering organisational development to support our managers and staff to continue to grow and perform in a changing environment. In line with practice adopted in previous years, as individual projects reached a sufficient stage of development, reports outlining key business cases, service redesign options or other changes will be presented to an appropriate Board for consideration and approval to support the efficient delivery of implementation progress. By way of illustration, an early BCCP Phase 2 business case for investment in the Council's street lighting stock was considered and approved by Council in June to support early progress in the procurement and delivery of the project. Similarly, outlined in more detail in the remainder of this report are key BCCP – Phase 2 projects in relation to ERP and Customer Access.

Governance and management

- 3.6 The Council's Budget Strategy for the period 2015/18 relies on delivery of the financial benefits associated with Better Council Change Programme (BCCP). Robust governance and support arrangements have been implemented to ensure this happens.

- 3.7 The BCCP is led by a dedicated Strategic Programme Manager and the governance is provided by the Better Council Strategic Programme Board, made up of the Council Management Team (CMT) and representation from Legal, and HR/OD. The BCCP is managed using the Council's Project Management Framework which applies tried and tested industry standard methodologies to managing the change programmes, and is based on the Office of Government Commerce recommended approach to project and programme management.
- 3.8 All major projects are overseen by project boards and projects are broken down into a number of key stages, allowing for regular review, management by exception, and structured decision making points. Project boards are supported by the Better Council Project Review Panel which provides assurance that projects are set up for success, with the right resources, the right support, and the right engagement with key stakeholders at the outset and at each stage of the project. These arrangements ensure that the CMT has sufficient oversight and control over the BCCP.

4 Corporate Support Model – Enterprise Resource Planning

The need to replace current ICT systems

- 4.1 The redesign of the Corporate Support Model (CSM) is a key workstream within the BCCP. Intrinsic to the efficiency and effectiveness of the key services included within the CSM is the ICT systems upon which they rely i.e. payroll, finance, HR and procurement systems. While efficiencies have been and continue to be achieved from service redesign and improving working practices and processes, these will be limited while there remains a complex landscape of systems which interact with each other with varying degrees of success; which are administratively cumbersome and fragmented and which require significant effort to ensure the information they produce is robust, accurate and timely.
- 4.2 High level benchmarking with other local authorities suggests the Council's HR and payroll processes have a relative high cost, mainly attributable to significant double-keying of data and embedded manual (ie paper-based) processes.
- 4.3 Financial and procurement processes, reporting and systems environments also have limitations, with a significant number of financial transactions not being reflected in the Council's ledger system until an invoice is approved i.e. there is little visibility of committed expenditure owing to orders being placed in multiple ordering and line-of-business systems.
- 4.4 The existing ICT systems and services that support the current finance and HR processes are complex and relatively expensive and the

location of data centres in the same building creates business continuity risks.

- 4.5 The majority of transactional processing and core information maintenance and provision is undertaken by Business Support, with the finance and HR processes absorbing over 200FTE of effort across the staff group. In this context, and acknowledging the significant efficiencies that have already been delivered through the Corporate Support Model, it has been recognised that opportunities to secure further efficiencies in Business Support and other professional support areas will not be possible to any significant degree without investment to deliver major system and process change along with associated culture change in how the Council works.

ERP Business Case

- 4.6 The position being faced by the Council, is similar to that which has been experienced by many organisations of similar size and complexity to the Council and who have subsequently looked to the implementation of an “Enterprise Resource Planning” ERP system as the key enabler to delivering a more efficient organisation. These systems come with a suite of fully integrated finance, payroll and procurement software applications which automate and streamline the administrative processes associated with these service areas and provide much more timely and accurate management information. Case studies from other councils indicate that the implementation of an ERP system can provide the foundation for significant cost savings. A business case has been developed to examine the potential benefits of an ERP for the Council.
- 4.7 The business case compared the options of implementing an ERP solution against an intermediate position of investment in current systems and redesigning the current architecture to enable improved integration of these systems where possible. Both options (as well as a do-nothing option) were evaluated against agreed design criteria, along with cost, timescale and complexity criteria to produce a relative scoring. The ERP option was the most favourable in terms of generating savings, a positive net cost over the medium term and importantly the ability to enable transformation of corporate processes, resource management and business intelligence. As referred to above, it has been recognised that the next phase of the BCCP will be very difficult to deliver with the existing systems in place.
- 4.8 The ERP business case identified that the current administrative and staffing resource supporting finance, procurement, HR and payroll is substantial and costs £11.5m per annum. The business case forecasts that replacement of these disparate systems with an ERP system could generate efficiencies in excess of £2m per annum over a 3-5 year period. Costs of implementation, informed by soft market testing, would be £3-4m. This includes costs associated with the software and

associated services, and the staff and support costs associated with technical implementation, change management and the training and development of Council staff. This cost also assumes a level of backfilling of posts to provide temporary cover where the existing postholders are seconded to support project implementation, but the actual additional costs to the Council may be less than the figure included if other internal staff resources can be identified to provide this cover.

- 4.9 The intention would be for the implementation to be underpinned by the principle that the Council would align its processes and operating procedures to match the best practice efficient processes embedded within the selected ERP system, i.e. there would minimal be-spoking of the system to match existing processes, which is recognised as being a key risk factor in project cost overruns and undermining the process efficiencies that arise from the introduction of new ways of working.
- 4.10 It is also the intention that the system will be provided on a “Software as a Service” (Saas) model which is offered by all of the major ERP suppliers and which is fully aligned with the Council’s approved ICT strategy of reducing the number of internally hosted and managed applications. A move to an ERP will support (and be supported by) the aims and objectives of Council’s developing OD strategy in terms of increasing self-service, responsibility and accountability for managers.

Approach to ERP implementation.

- 4.11 It is recognised that there are inherent risks in a project of this size. While systems implementation is technically complex, the greatest challenge will be in changing processes, working practices and behaviours within the Council. The Council’s previous decision to consolidate administrative and clerical activities within its Business Support function provides the Council with a better starting point than many other organisations. Having all clerical and administrative staff within Business Support ensured that the ERP business case was able to accurately identify the amount of Council resource currently committed to what is recognised as finance, HR, payroll and procurement processes that are not operating at optimal efficiency. Business Support’s single management structure will also make it easier to deliver the process changes and efficiency savings associated with the ERP project once it reaches implementation.
- 4.12 The current maintenance contracts for the main finance and payroll systems expire at the end March 2017, but an ERP implementation typically takes 12-16 months due to the highly complex scope of configuration work, data migration, testing and training. Procurement will also take up to 4 months. It is important therefore that a decision to move to the procurement phase is taken now, to enable the new ERP system to be operational before the existing system contracts expire. The procurement tendering process will enable the outline business

case financial forecasts to be updated with actual market costs and allow a final business case and preferred partner to be presented for approval by the end of January 2016.

- 4.13 In terms of the implementation itself, significant effort and thought will be required to ensure the specification for the new system will meet the Council's current and future requirements. Throughout the specification development, procurement, award and implementation phases adequate internal resources will be required from each of the key services affected; and it is also likely that external support will also be required to ensure the Council has access to technical expertise and market intelligence. Strong project management will be required, and the project will be taken forward and overseen within the robust BCCP governance arrangements described above.

5 On-line Customer Portal

- 5.1 Another key component of the BCCP is the Customer Access project which aims to maintain and enhance the quality of services provided to customers and deliver future cost savings through the introduction of online delivery channels for those transactional services with the largest volume of contacts.
- 5.2 A business case has been developed by the Customer Access project team which considered 3 options to meet the challenge of improving customer services while reducing costs:
- continue with the current customer service delivery model and seek to reduce unnecessary contact through revised business processes and better 'sign-posting' to information online;
 - make tactical changes to current systems to introduce some digital services to customers and introduce eforms, and
 - implement a full-online customer portal solution to allow self service and automation of processes for customers.
- 5.3 The cost benefit analysis carried out on each option identified that only the implementation of the full customer portal solution has the potential to realise significant savings whilst improving the service to customers.
- 5.4 The procurement and implementation of a customer portal will provide customers with the choice of carrying out regular transactions via the Council's website. This will save time and be more convenient for those customers who choose this option, and reduce costs for the Council. The portal will be implemented in stages over a 3-4 year period and based on the level of customer uptake experienced by other Councils, annual recurring revenue savings are forecast to be in excess of £0.7 million by year 4. Implementation costs are forecast at £450k, which relates predominantly to internal resource required to be directed to support the implementation and development of the associated ICT system.

- 5.5 The customer portal project will initially target areas of high customer contact where demand for digital options is strong and where the maximum benefit for Customers and the Council will be achieved, such as Council Tax. The target implementation for stage 1 of the portal is January 2016 as this is in advance of the annual billing process and provides the opportunity to achieve maximum contact with households across Renfrewshire as part of launching the new service channels available to the public. Approval by the board at this stage would support commencement of the procurement and subsequent implementation phases to be carried out in time to meet the annual billing timescale.
- 5.6 It should be noted that the Customer Portal will make use of the national “MyAccount” service managed by the Improvement Service and provided free of charge to all Scottish Public Sector bodies. This provides a secure mechanism to authenticate individual customers and which is an essential requirement for delivering secure on-line services. It is intended that subsequent phases of the Customer Portal project will implement digital transactions for Housing Repairs; Environmental Reports; Business Support contacts and payments for Council services.

Implications of the Report

1. **Financial** - The Better Council Strategic Change programme is key the mechanism through which the Council will deliver the budget savings required over the period 2015/16 to 2017/18. It is imperative therefore that the programme is implemented effectively and the financial and service benefits fully realised. Delivery of both the ERP and Customer Portal projects will be delivered through existing approved service and change fund resources.
2. **HR & Organisational Development** – The implementation of the Better Council Change Programme has significant implications for the Council's staff in terms of organisational structures, roles and responsibilities and ways of working.
3. **Community Planning** – The changes within the Better Council Strategic Change Programme relate primarily to the internal operations of the Council and its services and therefore the implications for Community Planning are limited and indirect.
4. **Legal** – There are several large procurements arising from the projects within the Better Council Strategic Change Programme and these will require to be supported by the Legal Team.
5. **Property/Assets** – There are several projects within the Better Council Strategic Change Programme which have implications for property assets involve property reconfigurations and these will require to be supported by the Council's professional support functions as appropriate.
6. **Information Technology** - There are several large projects within the Better Council Strategic Change Programme that involve replacement of existing systems and additional new systems, the successful implementation of which will require significant support to be provided by the Council's ICT and Change Team.
7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. Equality and Human Rights impact assessments will continue to be carried throughout the programme at the appropriate development stage of each individual project. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the

Council's website

8. **Health & Safety** – The Health and Safety implications of each project within the Better Council Strategic Change Programme and where risks are identified, appropriate steps will be included within the implementation plan to mitigate these.
9. **Procurement** – There is a requirement for a wide range of procurements, both large and small, to support the implementation of the Better Council Strategic Change Programme and these will require to be supported by the Corporate Procurement Team.
10. **Risk** - there are significant financial and service risks arising from the projects within the Better Council Strategic Change Programme and these will require to be managed through the Council's robust programme management and governance arrangements.
11. **Privacy Impact** - There are projects within the Better Council Strategic Change Programme that involve replacement of existing systems or implementation of new systems. Privacy Impact Assessments will require to be carried out on these projects.

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To: Leadership Board

On: 16 September 2015

Report by: Chief Executive

Heading: UK Government Budget 2015 – Welfare Reform

1. Summary

- 1.1 The UK Government announced a number of changes to welfare and personal taxation at the July 2015 budget. The underlying policy intent is to reduce overall welfare spending and encourage people into work. This report summarises the key reforms and provides an initial assessment of the impact on households in Renfrewshire.
- 1.2 The measures will result in a range of changes to welfare benefits being introduced from April 2016 and 2017 that will have an impact through until 2020 and beyond, across the spectrum of welfare benefits available to people of working age. The level of change in benefit provision is likely to be significant in the context of some individual circumstances and this in itself will present challenges and service pressures for the Council. It is recognised that there exists a real risk that the continued reform of welfare provision for working age families will exacerbate poverty for the most vulnerable individuals and families, whether in work or not, creating additional service pressures arising from demand for welfare, debt and money advice, additional family distress and increased homelessness presentations.
- 1.3 This report outlines the changes and provides an initial impact analysis using Renfrewshire data as well as Scotland wide analysis to reflect the numbers likely to be affected in Renfrewshire and offers a view on the potential impact on individuals, the community and the council. It also explains how we will progress the Council's response to the continuing changes to welfare provision.
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2. **Recommendations**

2.1 It is recommended that the Board

- Note the contents of the report

3. **Background**

3.1 The UK Government has, through the Welfare Reform Act 2012, introduced a raft of changes to welfare provision over the last four years. The underlying policy intent of the Government's measures is to reduce the level of welfare spending; to support people off welfare benefits and into work and; to reduce the complexity and administrative burden of the current system. Many of these changes have already led to a significant reduction in the levels of benefits received by the poorest households across Renfrewshire, with some of the impact of these changes yet to take effect.

The measures that were previously introduced include:

- Changes to the financial support people receive to help meet housing costs this includes Local Housing Allowance (LHA) restrictions; benefit cap; under occupancy restrictions (Bedroom tax); temporary and supported accommodation restrictions
- Changes to tax credits for working people
- Changes to state benefits for people who are unable to work because they are sick or disabled – this refers to the Incapacity Benefit (IB) to Employment and Support Allowance (ESA) migration
- Changes to financial support for people who need help to live independently – this refers to the end of Disability living Allowance for working age people and the introduction of Personal Independence Payment (PIP)
- Changes to social fund urgent/hardship support and community care grants - the devolution of these elements of the Social Fund scheme to the Scottish Government, with Councils now administering the new Scottish Welfare Fund scheme
- Introduction of Universal Credit – single integrated working age benefit paid to one person in the household on a monthly basis, with council providing arrange of support to ensure the people affected receive information and support to allow them to access the benefit and manage their finances

- Changes to the financial support people receive to help with the cost of Council Tax - the devolution of Council Tax Support to the Scottish Government, with Councils now administering the new Council Tax Reduction scheme

3.2 The measures announced by the UK Government at the July 2015 Budget introduced further changes to welfare benefits, changes to personal taxation and the introduction of a higher national minimum wage for over 25s.

3.3 This report provides information on the measures being introduced; the timescale for introduction where known; indicative data on the number of Renfrewshire citizens who may be affected by changes; as well as an initial assessment of the potential wider impact on the community and the Council.

4. **July 2015 measures**

4.1 In total, the welfare measures announced by the Chancellor will cut welfare spending across the UK by £13 billion a year by 2020-21 (OBR Economic and Fiscal Outlook). The key welfare reforms announced include:

- A freeze on the level of benefits paid to people of working age
- Changes to tax credits for working age people, including restricting child tax credit for people with more than three children
- Changes to the housing benefit rules for families and for people aged 18-21
- Changes to the length of time Housing Benefit can be backdated
- A change to the overall amount of welfare support a household can receive
- Changes to the amount paid to people receiving Employment and Support Allowance
- Changes to the rules for receiving Universal Credit for Lone Parents

4.2 More detail on the specific measures along with information on related changes to personal taxation and the national minimum wage are summarised, along with an initial analysis of the number potentially affected are provided in Table 1, included in Appendix 1 to this report.

- 4.3 This initial analysis draws on analysis undertaken at Scotland wide level, as well as provides Renfrewshire context where possible. The changes affect people on working age benefits, including Jobseekers Allowance, Employment and Support Allowance, Housing Benefit, Tax Credits, Child Benefit and Universal Credit.
- 4.4 Where it is possible to identify the specific number of households or individual claimants that are likely to be affected the analysis provides an estimate of the potential impact for individuals and households related to the specific measure. What it isn't possible to do at this stage is draw conclusions on the cumulative effect of the impact, even though it is understood that some people and households will be affected by more than one of the changes.
- 4.5 Members will wish to note that the greatest, long term impact on household income and the local economy is expected to arise as a result of the proposed four year freeze on benefit levels that will be introduced from 2016/17.
- 4.6 The Government's plans mean that these new measures will be introduced at the same time as the UK Government moves forward with a wider roll out of Universal Credit across the UK and in tandem with the move to devolve welfare powers to the Scottish Government, as proposed by the Smith Agreement, both of which will have significant implications.
- 4.7 It is therefore important that the Council takes proactive and coordinated steps to plan for the changes in order to manage and mitigate the impacts as far as possible for the people directly affected, the wider Renfrewshire Community and Council and partner service provision.
- 4.8 The Council's strategic approach to welfare reform has, over the last four years recognised and planned an effective response to the changes. These included ensuring effective arrangements were put in place to manage the impact of welfare reform; manage the impact on citizens and the financial risks to the council. These risks have continued to be kept under review. The July 2015 announcements require the Council to once again consider the new risks as the detail on the measures and the potential impacts are more fully understood.
- 4.9 Specifically, while a number of the intended measures directly apply to Housing Benefit, the complex interaction between the different benefits and tax credits, will also lead to revisions in Housing Benefit and Council Tax Reduction entitlement, which will have a consequential impact on Council financial assessment capability, as well as anticipated growth in requests for support from DHP and SWF.
- 4.10 This initial analysis highlights the range of changes that will be introduced over the next couple of years, all of which will require an

appropriate corporate and partnership response to mitigate the impact for people and prepare Council services to be able to respond to the increased demand for support and advice as well as the financial impact as a result of reduced benefit levels.

5. Development of an effective response

5.1 As with the first phase of welfare reform changes, any one of the changes would demand an effective Council response however with such wide ranging changes being introduced there are significant implications for a range of Council services and citizens.

5.2 It is therefore proposed that a welfare reform work stream is established within the Tackling Poverty Programme and that a corporate and partnership response is developed in a similar manner to the previous welfare reform project, developing an effective response to manage the financial and social impact on the most vulnerable; to identify and assess the impact of the proposed changes on Council finances, policies and strategies and propose effective strategies to mitigate the impact.

5.3 It is anticipated that plans will be developed to take account of the objectives are described below:

- Identify and assess the impact of the proposed changes on council policies and strategies and propose effective strategies to mitigate the impact.
- Develop effective strategies to communicate the changes to citizens. Define vulnerable citizens and seek to minimise the impact by offering advice and support to manage the financial and social impact during the transition period.
- Work with key stakeholders, including DWP, to plan an effective and coordinated response to a variety of impacts including the impact on housing provision; concessionary service provision and the provision of financial, benefits and debt advice.
- Mitigate as far as possible the impact on the council's financial position arising from the expected reduction in income; a reduction in external resources and new burdens.
- Consider the impact of the changes on the future provision and structural arrangements of Council Services
- Plan an effective and coordinated response to the 'make work pay' aspect of welfare reform by building on existing employability programmes and the wider programme of

economic regeneration activity

6. **Community Planning Partner engagement**

6.1 The welfare reform changes will impact on many individuals and organisations across Renfrewshire recognises that there is an opportunity and a need to continue to engage with Community Planning Partnerships (CPP) as a conduit for change within localities.

6.2 It is proposed that the Council facilitates discussions with community partners in relation to welfare reform under the auspices of the Tackling Poverty Programme in order to create an effective vehicle for the sharing of ideas, resources and good practice and act as a sounding board for the development of plans to mitigate the impacts of the welfare reform changes and develop consistent and coordinated communications.

7. **Resources**

7.1 The exact level and scale of the associated work programme that will emerge will become increasingly evident as each associated project develops and existing welfare reform funding will continue to be utilised and directed in a flexible manner to ensure appropriate resources are deployed to achieve the desired outcomes in line with the anticipated pace of change. Any requirements for additional resources in future years to support this programme of work will be kept under careful review and considered as part of the Council's budget setting process.

Implications of the Report

1. **Financial** - The welfare reform changes have potentially significant financial implications and risks for the Council both directly and indirectly will continue to be recognised and managed as part of the Council's strategic financial planning and risk management arrangements.

2. **HR & Organisational Development** - there are potentially significant staffing implications over the medium term in relation to the migration of Housing Benefit to Universal Credit. A report on any future staffing implications will follow as the implications become clear

3. **Community Planning** – There are potentially significant financial implications for the Renfrewshire economy and for citizens of Renfrewshire as a result of the scale of change to be introduced to the benefit system

4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights**
 - (a) The changes are as a result of the UK Government legislation. The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website
8. **Health & Safety** – None
9. **Procurement** – None
10. **Risk** - there are significant financial risks as referred to above and risks associated with the change which the Council will be required to manage in relation to the welfare changes being planned by the UK Government. Risks will be identified and managed as part of the welfare reform workstream within the Tackling Poverty Programme.
11. **Privacy Impact** - None

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Table 1

Measure	Impact on citizens	Renfrewshire Estimate	Wider impact on Community/Council/Community Planning Partners
Freezing all working age benefits and tax credits for four years from 2016/17 to 2019/20. This includes a freeze on the Local Housing Allowances (level of support for rent in the private sector which is annually determined)	This will result in a real terms cut in the value of benefits received by working age benefit recipients. It will affect the people who claim a wide range of benefits in Renfrewshire, including families who currently receive child benefit. It does not affect maternity pay or disability benefits. Institute for Fiscal Studies estimates that families will lose an average of £260 per year Cumulative inflation from 2015-2019, the period covered by the freeze, is forecast by the Office for Budget Responsibility to be about 7 percent	23,000 households will be affected across Renfrewshire; this is estimated based on Scotland level data. Renfrewshire benefit recipients are shown below: Child Benefit – 20,215 families receive CHB in respect of 32,525 Jobseekers Allowance – 3017 recipients Employment and Support Allowance – 9165 recipients Tax Credits – 12,600 families in receipt of tax credits	Impact on local economy as a consequence of reduced spending power; increase in Housing Benefit and Council Tax Reduction entitlement if rent and CT liability levels increase; Potential detrimental effect on housing affordability if rent levels in Private Rented Sector rise quickly; Increased demand for advice and employability services
A reduction in income thresholds in tax credits and work allowances in Universal Credit (UC) from April 2016	This will reduce the amount of income an individual can earn before their tax credits start to be withdrawn from £6,420 to £3,850. The equivalents in UC will be reduced to £4,764 for those without housing costs, £2,304 for those with housing costs and removed altogether for non-disabled claimants without children	12,600 families receive tax credits. 8,900 are in work and this includes 4000 lone parent families	Impact on local economy as a consequence of reduced spending power; reduced work incentives Increased demand for advice and employability services
Increase the tax	This increases the speed at which tax	12,600 families receive tax	Impact on local economy as a

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Measure	Impact on citizens	Renfrewshire Estimate	Wider impact on Community/Council/Community Planning Partners
credits taper rate from 41% to 48% from April 2016	credits start to be withdrawn once a person earns over £3,850. This reduced the rewards for a person from working more hours or moving into work	credits. 8,900 are in work and this includes 4000 lone parent families	consequence of reduced spending power; reduced work incentives Increased demand for advice and employability services
Restrict eligibility for child tax credit to the first two children, from April 2017	This will reduce the value of tax credits for future claimants with 3 or more children.	There are currently 2295 households in Renfrewshire with 3+ children receiving child benefit. At this stage it isn't possible to determine how many receive tax credits	Increased requirement for advice services about the impact of having another child;
From April 2017, those out of work aged 18 to 21 making new claims to Universal Credit will no longer be entitled to the housing element, with some exceptions	Young people in this age bracket will no longer receive support for housing costs, requiring them to live with family or friends	In Renfrewshire there are currently 64 claimants aged between 18-21 on Housing Benefit and JSA. If they were all subject to these new rules, the annual reduction in housing benefit or the UC Housing element across Renfrewshire is estimated to be £392,000	May lead to increased homelessness; impact on the funding of temporary and supported accommodation Increased demand for advice and employability services
The overall limit on welfare benefits (the benefit cap) will be reduced from £26,000 per annum for families couples	This will reduce the overall amount of welfare support received and breaks the link between need and entitlement. The benefit cap is currently applied by reducing the amount of housing benefit paid to a household. Universal Credit claimants can	Currently there are 30 households affected by the current Benefit Cap (£26,000 per annum), with an average weekly Housing Benefit loss of	Some of the impact may be offset by awards of Discretionary Housing Payment (DHP). Additional impacts/costs falling on councils include cost of providing temporary accommodation for

Measure	Impact on citizens	Renfrewshire Estimate	Wider impact on Community/Council/Community Planning Partners
living outside London, to £20,000 per annum, with single claimant's capped at £13,400 per annum. There is no defined date for when this Cap reduction will become effective.	have their total award reduced.	£32.29 per person, per week. It is estimated that the reduction in the cap amount will increase the number of households affected to 251 with an estimated average loss of Housing Benefit per person, per week of £50.50. It is anticipated that many affected by the cap will be lone parent families.	priority needs households if made homeless as a consequence of the benefit cap; additional support to families affected by the cap to enable to escape the cap; disruption to children's lives and schooling. Increased demand for advice and employability services
Reduction in the rate of employment and support allowance to jobseeker's allowance levels (this will be extended into Universal Credit) from April 2017	Entitlement will reduce by approximately £30 a week	There were 9165 ESA recipients as at February 2015, although not all will be in the work related activity group that will be affected by this measure	More vulnerable customers likely to be affected by this measure; Increased demand for advice and employability services
Backdating limit for HB reduced from 3 months to 4 weeks from April 2016	Housing Benefit awards will be restricted for periods prior to the date of application	Analysis of backdating values is being progressed	Impact on tenant's ability to make rent payments
Parents on UC expected to look for work if children over	Lone parents will be expected to attend the Jobcentre to discuss plans to return to the workforce when their youngest child	No data on the numbers likely to be affected is available at the current	Potential for benefit sanctions and a consequential impact on benefit levels if conditionality rules not

Measure	Impact on citizens	Renfrewshire Estimate	Wider impact on Community/Council/Community Planning Partners
3yrs of age. No date for introduction.	turns 3.	time	adhered to; impact on the need for quality flexible childcare provision
Introduction of a higher national Minimum wage for over 25s from April 2016	Initially be set at £7.20 per hour and is expected to rise to £9 per hour by 2020. People on the minimum wage who live with higher earners will benefit most from the increases as they are out of the tax credit system. The impact of this measure will be offset, for those whose income is supplemented by benefits, by the reductions to tax credits and housing benefit	Approximately 214,000 workers in Scotland over age of 25 who currently earn less than £7.20 an hour.	Impact on local economy as a consequence of increased spending power
Increase in the income tax personal allowance to £11,000 from April 2016	The increase will benefit the majority of taxpayers however the increase won't benefit people who currently earn less than £10,600 as they are already under the threshold for paying income tax. Increased income for many however the impact will be offset, for many whose income is supplemented by benefits, by the reductions to tax credits and housing benefit.	No data available	Impact on local economy as a consequence of increased spending power, but not for those earning less than the threshold
The UK Government is increasing the overall amount allocated for Discretionary Housing Payments	This is an increase in funding for DHP when compared with current annual funding of £125 million for 2015/16 There are no details of how the funding is to be apportioned, but it is will possibly be linked to the impact of the Benefit Cap and other	Renfrewshire's DHP allocation from DWP 2015/16 is £366,294. The Council has topped up the fund from its own resources in each of the	DHP is becoming the fund of last resort. Increased pressure on DHP provide an admin overhead and decisions based on need

Measure	Impact on citizens	Renfrewshire Estimate	Wider impact on Community/Council/Community Planning Partners
across the UK from £500 million to £800 million over 5 years from April 2016.	reductions	last 2 financial years	

To: Leadership Board

On: 16 September 2015

Report by: Chief Executive

Heading: **Call For Evidence: Welfare Reform Committee – Smith Agreement Inquiry**

1. Summary

- 1.1 On 27 November 2014, a report by The Smith Commission was published, titled 'Report of the Smith Commission for further devolution of powers to the Scottish Parliament.' This report outlined an agreement reached between all of Scotland's main political parties to devolve more powers to the Scottish Parliament.
- 1.2 In January 2015, the UK Government published its report, 'Scotland in the United Kingdom: An enduring settlement' This paper presented draft clauses in response to the Smith Agreement which would form part of a future 'Scotland Bill'
- 1.3 The Scotland Bill 2015 was introduced to Parliament on 28 May 2015 and includes the proposed devolution powers across a number of sectors including the welfare system.
- 1.4 The devolution of some aspects of the welfare system continues to be debated during the passage of the Scotland Bill. The Scottish Parliament's Welfare Reform Committee has opted to focus on the practical implementation of the social security schemes outlined in the Smith Agreement.
- 1.5 The Committee has invited all interested individuals and organisations to submit written evidence on the Smith Agreement and how the proposed devolved powers to better deliver benefits in Scotland. (Please refer to Appendix 1)

1.6 Attached to this report at Appendix 2 is a proposed Council response which has been developed at the request of and in consultation with the Council's Administration Group.

1.7 The deadline for receipt of written evidence was 28 August, 2015 and a draft response, as detailed in appendix 2, has been submitted on behalf of the Council, subject to approval by this Board.

2. **Recommendations**

2.1 It is recommended that the Board approves the contents of the proposed response

3 **Background**

3.1 The Committee broke down its enquiry into four 'work-streams' (please refer to Appendix 1) and seeks view on:

How the new welfare powers proposed by the Smith Agreement should be used to improve or change:

a) Personal Independence Payments, Disability Living Allowance Attendance Allowance and Carer's Allowance

b) Universal Credit (housing element and administrative arrangements) and Discretionary Housing Payments

c) the Work Programme and Work Choice

d) the Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

1.4 The Committee particularly welcomes:

- Practical suggestions to ensure that the principles of dignity, respect, support, equality and common sense are embedded in the new system.
- Views on the integration of Scottish devolved benefits with existing devolved powers and any unintended consequences of changes.
- Systems of intergovernmental working in relation to benefit delivery

Implications of the Report

1. **Financial** – n/a
2. **HR & Organisational Development** – n/a
3. **Community Planning – Community Care, Health & Well-being** – the Scottish Welfare Fund provides a very clear support mechanism to vulnerable families and individuals in times of acute financial need
4. **Legal** - none
5. **Property/Assets** – n/a
6. **Information Technology** – n/a
7. **Equality & Human Rights** -
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – n/a
9. **Procurement** – n/a
10. **Risk** – n/a
11. **Privacy Impact** – n/a

List of Background Papers –

1. Report of the Smith Commission for further devolution of powers to the Scottish Parliament. (published by The Smith Commission)
2. Scotland in the United Kingdom: An enduring Settlement (published by HM Government)

Author Emma Shields, Operational Services Manager ext 6880

Welfare Reform Committee

Smith Agreement Inquiry

Call for Evidence

Whilst the devolution of some aspects of Social Security continue to be debated during the passage of the Scotland Bill, the Welfare Reform Committee has opted to focus on the practical implementation of the social security schemes outlined in the Smith Agreement.

The Committee invites all interested individuals and organisations to submit written evidence on the Smith Agreement and how we can use the proposed devolved powers to better deliver benefits in Scotland. The Committee is tackling this inquiry in four workstreams and wants to know:

How should the new welfare powers proposed by the Smith Agreement be used to improve or change:

- a.) Personal Independence Payments, Disability Living Allowance Attendance Allowance and Carer's Allowance**
- b.) Universal Credit (housing element and administrative arrangements arrangements) and Discretionary Housing Payments**
- c.) the Work Programme and Work Choice**
- d.) the Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.**

Under these workstreams the Committee would particularly welcome:

- Practical suggestions to ensure that the principles of dignity, respect, support, equality and common sense are embedded in the new system.
- Views on the integration of Scottish devolved benefits with existing devolved powers and any unintended consequences of changes.
- Systems of intergovernmental working in relation to benefit delivery

The deadline for the receipt of written evidence is Friday 28 August.

Submitting written evidence to the Committee

Submissions should ideally be no more than 4 pages of A4. Responses should be sent, wherever possible, electronically and in MS Word format to the following email address: WelfareReformCommittee@scottish.parliament.uk

APPENDIX 1

Before submitting your evidence please read the [Parliament's Policy on Treatment of Written Evidence by Subject and Mandatory Committees](#)

Responses can also be sent by post to: Clerk to the Welfare Reform Committee, Room TG.01, Scottish Parliament, Edinburgh, EH99 1SP

Background

1. The Smith Agreement, setting out a proposed set of new powers – including over social security – was published on 27 November 2014. In January 2015, the UK Government published a set of draft clauses for a Scotland Bill and now the Scotland Bill itself – largely reflecting the draft clauses – has been introduced to the Houses of Parliament and is currently being considered. However the Devolution (Further Powers) Committee, which reported in May, flagged up some differences as it saw it between the Smith Agreement proposals and the draft clauses.
2. The Scotland Bill is now being considered in the Commons and may of course be subject to amendment. For this reason it is proposed to continue to focus the inquiry on the Smith proposals rather than what is currently proposed in the Bill, which may of course change during its passage.
3. The Committee aims to keep the focus of the evidence, and the inquiry, on the practical implementation and operation of the welfare schemes once devolved, as opposed to the details of the powers. The Devolution (Further Powers) Committee will be continuing to examine the Scotland Bill during its passage.
4. The Committee's intention is to work closely with the Scottish Government and other partners as it progresses through the inquiry. The aim of this is to attempt to build a broad consensus on the arrangements for a Scottish social security system that can be both fair and humane.

Simon Watkins
Clerk
Welfare Reform Committee
17 June 2015

1.0 Background

Renfrewshire Council welcomes the opportunity to respond to the Welfare Reform Committee on the future use of the devolved powers resulting from the Smith Agreement.

The Council shares the view of the Smith Report that devolution should not stop at the Scottish Parliament but should be extended further with the transfer of powers from Holyrood to local communities. We believe the consultation on welfare reform should form part of a wider consultative process with the Scottish Local Government Partnership, COSLA and civic Scotland on where powers and responsibilities should rest.

A key priority for the Council is tackling the causes and impacts of poverty and it has been leading efforts to tackle poverty through the establishment of the Renfrewshire Tackling Poverty Commission. The Commission's recommendations focus on local service delivery changes, on national policy changes and on putting how people feel at the heart of how organisations respond to poverty. It is in this context that the council responds to this call for evidence.

1.1 Summary

It is the Council's view that the delivery of welfare provision should be efficient, simple to access and must help people with the greatest need most. Any new benefits must simplify and enhance existing support mechanisms or completely replace existing benefits.

If Local Authorities are to undertake an expanded remit i.e. responsibility for delivering any new or expanded functions, then full consideration of how these functions would be designed, managed and funded must be undertaken.

The Council fully supports the Smith Report recommendation that the Scottish Government be given the “administrative power to change the frequency of UC payments, vary the existing plans for single household payments, **and pay landlords direct for housing costs in Scotland.**” It advocates strongly the use of these powers.

The Council has recognised in its responses to the ‘work stream’ related questions (detailed below) that there will ultimately be a need for trade-offs; where funding is required to support one area there will be arguably, a detrimental impact on others. As a result, schemes developed must be designed to interact with other areas of social policy and must respond to changing demographics in Scotland.

2.0 Responses to work stream scenarios- How should the new welfare powers proposed by the Smith Agreement be used to improve or change:

2 a) Personal Independence Payments (PIP), Disability Living Allowance (DLA) Attendance Allowance (AA) and Carer's Allowance (CA)

The Council wishes to make the benefit application and assessment process for people with disabilities easier to ensure that the number of applicants losing disability benefits unnecessarily is kept to a minimum and entitlement is maximised.

The change from DLA to PIP is negatively affecting people previously in receipt of DLA. Those most adversely impacted are those who received care component (particularly low rate) as they are now less likely to qualify for PIP.

Customers who lose DLA and do not qualify for PIP are entitled to less Housing Benefit /Council Tax Reduction and also as a result lose benefits, such as winter fuel payments, free disabled bus passes and blue badges.

The impact of this change ultimately is financial strain, potential loss of independence, isolation and possible ill health.

The consequence for Local Authorities and charities will be an increase in applications to the DHP and Scottish Welfare Funds (already budget pressured) and a likely increased demand for advice services.

It is therefore the Council's view that:

Any new disability related benefit should prioritise those with greatest need and they should receive the greatest level of support. In addition, what are recognised as the positive elements of 'PIP' should be retained. e.g. the changes to 'High Mobility' which has made it easier, in some cases, for those with mental health conditions and those with hearing and visual impairments to qualify.

Attendance Allowance should be retained in its current form, but should be reviewed regularly to ensure alignment with long term health and social care objectives and long term plans for an increasingly aging population.

In relation to Carers Allowance (CA), recognising that there would be budgetary implications, it is suggested that the basic rate should be at least same as Job Seekers Allowance. It should also be considered whether CA could be payable for lower care levels and some mobility recipients depending on level of care needed. It is suggested that the earnings limit should be increased and students to be eligible to apply.

With regards to the Access to Work Scheme, the council questions the introduction of a proposed cap on the level of workplace assistance and whether this would potentially place a glass ceiling on the career aspirations/opportunities of people with disabilities.

Other considerations which the Council suggests are:

- Review the extension of the eligibility for disability benefits while in hospital, beyond 28 days.
- Undertake a review of medical assessments. There should be a more transparent process for assessing benefits and the guidance given to decision makers and medical professionals.
- Create clearer guidance on the benefits of working while receiving appropriate disability benefits as a supplement rather than sole reliance on disability benefits
- Consider more scope for transition periods to allow customers to settle into the most appropriate job, before reducing the level of financial support.

2b) Universal Credit (housing element and administrative arrangements arrangements) and Discretionary Housing Payments

2b.1 Universal Credit

2b.1.1 Direct Payment

The Smith Report recommends that the Scottish Government be given the “administrative power to change the frequency of UC payments, vary the existing plans for single household payments, **and pay landlords direct for housing costs in Scotland.**” The Council fully supports this recommendation; since the introduction of the Universal Credit concept, the Council has had serious concerns about payment of all housing cost support direct to customers. It was recognised immediately that it could lead to increased arrears and in certain cases dissuade some housing providers from offering accommodation to customers in receipt of benefits.

A particularly serious concern is that vulnerable tenants would be placed under additional pressure by a single monthly payment being paid to one member of the household; this payment then requiring to be allocated to a range of expenditure.

It is the Council's view that the Housing Cost element of Universal Credit should be paid directly to housing providers in the social sector. This would allow those providers in the social sector to budget and plan for the future with a greater certainty of revenue being received. There is also a strong argument for keeping the administration of the Housing Costs element of UC with Local Authorities who have the extensive experience and expertise.

2b.1.2 Bedroom Tax

Immediately following the UK Government's announcement to implement the Bedroom Tax Renfrewshire Council recognised the severe impact that this piece of welfare reform would have on social sector tenants. Fully cognisant of the ceiling on

DHPs (which was in place at that point) the Council was compelled to devise and introduce a 'Council Tenants Assistance Fund' which was designed to ensure that no tenants of Renfrewshire Council would be at risk of losing their home due to being affected by the bedroom tax.

Implementation of the bedroom tax also had a significant impact on local authority resources as a result of additional administrative processes/procedures.

The Council would therefore strongly advocate the removal of the Bedroom Tax

2b.1.3 Local Housing Allowance

With regards to the Local Housing Allowance rates, currently paid to private sector tenants, the reduction in Housing Benefit in real terms due to cost of living/rent increases must be considered with a view to reducing financial hardship in this sector. This issue is raised as tenants may not have a choice but to rent privately as there is a lack of social housing available. It should be noted that in relation to customers receiving Local Housing Allowance, currently there is additional support available in the form of DHP (see section 2b3 below), however this is not available to all customers, as it is a cash-limited fund.

2b.2 UC Administrative Arrangements

If Local Authorities are to undertake an expanded remit i.e. taking responsibility for delivering any new Scottish benefits administrative arrangements then the design, management and funding of any new mechanism must be fully considered. There must be detailed analysis of the cost of delivering and administering any new responsibilities.

The areas which would require careful consideration would be:

- The design of flexible joined up processes which have customers' needs as the focal point.
- How any new administrative arrangement can work in tandem with the Scottish Welfare Fund and Council Tax Reduction Scheme
- How an arrangement can facilitate the efficient administration of Discretionary Housing Payments (DHP) or indeed negate the need for them.
- How changes can be facilitated by an appropriate IT system. (The DWP UC IT System, already significantly delayed, may not be flexible enough to allow alterations without costing millions to reconfigure)
- Whether any changes to benefits discussed under section 'a' (above) would result in further devolved administrative responsibility.
- The mass migration of Housing Benefit claims to Universal Credit to enable Local Authorities to plan, recruit and maintain existing HB/CTR expertise.

2b.3 Discretionary Housing Payments (DHP)

DHP Regulations require full review and update clarifying on points raised by notable Case Law.

Any wholesale DHP changes will need impact assessments and Equality and Human Rights Risk Assessments completed by both Scottish Government and Local Authorities.

The Council's view is that Local Authorities should continue to have the flexibility to develop local policy; based on national guidelines as this ensures that the approach is consistent with appropriate demographics and circumstances. This methodology has already been demonstrated successfully with the work carried out by individual Local Authorities to mitigate the impact of the bedroom tax.

Other practical considerations in relation to DHPs should include

- DHP funding and the approach to allocation for specific purpose e.g. to support a specific welfare reform effect like the benefit cap.
- Basis of distribution for funding i.e. separate or linked into the annual financial settlement.
- Whether Local Authorities should have the power to augment DHP funding
- How DHP policy and guidance can be implemented without 'fettering' discretion (often cited at tribunal hearings) Consideration of the current DWP DHP Guidance and its suitability would need to be undertaken
- Defining financial hardship and what should be classed essential and non-essential expenditure from a customer's perspective.
- Whether increased DHP funding has a negative impact on rents decreasing/freezing both in the social and private sectors. Analysis should be undertaken to establish whether or not the current Scottish Government policy as using DHP to mitigate the bedroom tax has had any effect on increased building of one bedroom properties, changing allocation policies, promoting mutual exchanges etc.
- Alignment with any new benefit provision introduced.

By definition, DHPs are designed as short term assistance and not to mitigate the long term impact of Welfare Reform. It should be considered whether DHP is the most appropriate vehicle for mitigating the effect of the bedroom tax. As previously stated it is the Council's view is that the rules should be removed.

Finally relating to DHPs, steps should also be taken in the context of addressing the causes of hardship and consequential demand on DHPs e.g. the challenge of

balancing housing allocation policies with welfare provision, employment and training opportunities, debt and budgeting education.

2c) The Work Programme and Work Choice

The landscape for supporting people to enter or re-enter the labour market is complicated with a range of funding streams and providers across the public, private, independent and voluntary sectors. This makes the available support systems difficult to understand, expensive to administer and almost impossible to navigate for those for which they are designed to support. The Smith Agreement provides an opportunity to simplify these systems, bring funding streams together and provide a more joined-up service to people who require this support.

It is agreed that any support provided by the Scottish Government for those at risk of long term unemployment must be available to assist the claimant for at least one year in order to ensure a robust approach to tackling unemployment (although it is recognised that some will progress before the end of a one year programme).

As major providers of local employability services, local authorities are very conscious of their inability to support those already referred to the Work Programme and Work Choice and the inferior levels of service, and support, that these programmes provide. In the council's view this clearly exemplifies the complicated landscape described above.

It has been frustrating that clients who are progressing well on a local authority programme are then mandated onto the Work Programme when they reach a certain stage of unemployment. The general rule of thumb for Council employability services is that it cannot provide any support to those on Government programmes and this can cause real inequalities. For example, the council operated a comprehensive wage subsidy programme for unemployed people being supported to look for work. The subsidy was considerably better than that offered by the Work Programme providers so local employers were then offered a good subsidy for short term (up to 9 months unemployed) unemployed people and a much lower subsidy for the much longer term unemployed clients through the Work Programme. This was happening across Scotland and clearly created inequalities and pushed employers towards the shorter term unemployed.

Renfrewshire Council took action locally to provide an "employer guarantee" which would top up the lower level wage subsidy (directly to the employer) so that the longest term unemployed would not be penalised through a lower wage subsidy option. It is Renfrewshire Council's understanding that it was the only local authority to do this but it was strongly felt that long term unemployed residents should not miss out on employment opportunities because of an inferior support programme.

A more localised service which is developed and delivered in partnership with the existing programmes of employability support would allow for more tailored approaches, greater partnership and co-ordination of services. This will result in better outcomes for clients.

It is noted that, as stated in the Smith Commission Agreement, conditionality and sanctions will remain reserved, including the ability to make mandatory referrals to Scottish Government employability programmes. While any mandatory programme will cause concern to local government there is some current practice which shows that working in partnership can overcome some of these issues:

An example of this is the current City Deal programme “Working Matters” which will be delivered by all 8 local authorities in the Glasgow City Region in partnership with DWP. The programme offers long term support (up to 3 years) to long term unemployed people with significant health conditions. Initially it appeared that this programme, delivered by local authorities, would have to be mandatory however, through close working with DWP an agreement was reached whereby any mandatory elements sat before the start of the programme with DWP and the local authorities then worked with those who agreed to go onto the programme.

The “Working Matters” programme is a good example of a new Scottish scheme coordinating with the UK-wide system of employment support (as currently delivered by Jobcentre Plus, which the Smith Commission Agreement recommended remain a reserved matter) and pulling working groups from UK wide and local employability services together to ensure that Claimants can transition smoothly from one system to the other.

In summary, a devolved employability service operating in Scotland could have significant benefits to local people and local organisations and, with the right partnership conditions, would significantly improve on the current levels of service and outcomes for local people.

2d) The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

As previously stated, the delivery of benefits must be efficient and simple to access for claimants and stakeholders. Any new benefits must simplify and enhance existing benefits or completely replace existing benefits. Over complicating the system will be costly and create confusion resulting in inefficiency. There is acceptance that there are unclaimed benefits already within the current system, therefore any new benefit be considered in the context of is simple to administer, simple to promote and simple to claim.

Rather than short term changes, detailed planning should be undertaken for a welfare system which not only helps the most vulnerable in society but also meets the needs of the taxpayer minimising fraud and error.

Consideration should be given to the lessons learned on the current welfare system when examining any new prospects. For example in relation to Council Tax Reduction, the original regulations were drafted and passed through Parliament with no agreed plan for the whole dispute process resulting in amended Regulations.

Any new benefit provision should have aim to have a well-designed administration framework agreed and established prior to starting, work to design this framework should have considered the following points:

- Whether the planned devolved benefits have an additional impact on those experiencing financial crisis, which may lead to increase in health inequalities
- Methods of Data gathering/sharing (Data sharing across systems and consent levels are a significant issue, therefore leadership to enable effective communication is essential.)
- Any negative/unintended consequences for customer.
- Accessibility/simplicity for customers which decrease the confusion when they are in receipt of multiple benefits.
- The risk of confusion where customers are in receipt of a variety of benefits would some be administered by UK Government and some devolved to Scottish Parliament.
- Appropriate joint working partnerships. (Cross government working has been highlighted as still proving challenging - NHS Health Scotland Policy Review, 2012).
- The design of a clear monitoring regime with associated key performance indicators, both detailing responsibilities for local and national government with detailed timelines.
- The development of multi agency training delivered via a partnership approach, to ensure consistent messages are being delivered. (As a large proportion of devolved spending will be on health related benefits –this would be an opportunity to tackle the issue of unclaimed benefits referred above).
- IT implications, which are often the areas of most expense and challenge in launching new regimes.

To: Leadership Board

On: 16 September 2015

Report by: Director of Development & Housing

Heading: Support for Veterans

1. Summary

- 1.1 This report provides an update on the work of the Council to support service veterans living locally in accordance with the Armed Forces Community Covenant which the Council and our Community Planning Partners signed up to in February 2012.
 - 1.2 The report provides an update on the work of the Veteran's Support Coordinator in developing pathways for service veterans through the customer service model being developed in partnership with East Renfrewshire and Inverclyde Councils, and also recommends a change to the treatment of war disablement pension income in calculations for non residential social care costs for veterans who were injured prior to 5 April 2005, following an approach from Poppy Scotland.
-

2. Recommendations

- 2.1 To note the work of the Council in supporting service veterans and of the progress made in development of a customer service model and pathways for veterans of the armed forces.
- 2.2 To agree that the War Disablement Pension income is to be disregarded in full when calculating clients contribution towards non residential care costs with effect from 1 October 2015.
- 2.3 To approve an in year adjustment to the adult services budget for 2015/16 and agree that an appropriate base budget adjustment is made moving into 2016/17 as part of the budget process.

- 2.4 To agree that the Council support the campaign by Poppy Scotland and the Royal British Legion for a change to the regulations in relation to the treatment of War Disablement Pension when assessing residential accommodation care charges.
-

3. Background

- 3.1 In February 2012 the Council agreed to sign up to a Community Covenant with the Armed Forces. The Community Covenant Agreement is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. The aim of the Community Covenant is to encourage local communities to support the service community in their area and to promote understanding and awareness amongst the public of issues affecting the Armed Forces Community.
- 3.2 By signing up to the agreement, the Council and its partners became eligible to apply for funding from the Ministry of Defence Community Covenant and Libor funds for projects which would provide a benefit to service personnel and the communities in which they live.
- 3.3 Officers from Renfrewshire Council, Inverclyde Council and East Renfrewshire Council have met regularly as part of local "Firm Base" arrangements over the period since 2012, and developed a joint bid for funding from the Community Covenant scheme to enable the development of a veterans support model and customer access model. The bid was successful in attracting £87,000 of funding in 2014/2015. This partnership between the three councils is the first of its kind in the UK.
- 3.4 A Veterans Support Advisor was appointed as a focal point to work on behalf of the three councils, strengthening the partnership and becoming responsible for coordinating the delivery of this project's outcomes, sharing resources, expertise and minimising duplication of effort. Each council identified 5 Veterans Champions who work at the frontline for services provided and are trained by the Veterans Support Advisor. The first training session was completed in August 2014 and 15 customer service champions and three customer service managers completed this training. Close support is provided within the council by money advice advisors, homelessness officers, CHCP and personnel from the Scottish Welfare Fund who will work closely with the Veterans Support Advisor to ensure specialist and targeted support as required by the individual client is provided.
- 3.5 The establishment of a partnership agreement and pathway to the Veterans Welfare Service is currently being finalised. This is a critical part of the project as this is the organisation that holds the information on all serving and ex serving regular and reserve members of the armed forces.

- 3.6 Work to complete the customer service model is also being finalised and rolled out across the three councils.
 - 3.7 Meetings have also taken place with charities and associations within the three council areas, and meetings with national veterans charities have also taken place and are an ongoing and critical part of the work.
 - 3.8. The project has been recognised as best practice in statements to the Scottish Parliament where our Veterans Coordinator was praised for her work during the veterans' debate, and through the Veterans Commissioner's Transition in Scotland report. It has also been published in a guide to housing solutions on the Scottish Governments website that will be circulated to all LA Chief Executives, Directors of Housing and Armed Forces Champions.
 - 3.9. Funding for the development of the veterans support model will expire at the 31 March 2016, and it is proposed that the position of Veteran's Support Coordinator on a shared basis across the three Council area should be continued beyond this date. The three Councils will also continue to work to further develop the service and seek additional funding as appropriate to support the development of the service.
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4. War Disablement Pension

- 4.1 The Council has been approached by Poppy Scotland over the treatment of War Disablement Pensions in our assessment of client care contributions. The Royal British Legion has undertaken a campaign to have the entire pension disregarded to the calculation of client contributions.
- 4.2 Veterans injured prior to 5 April 2005 receive a War Disablement Pension, this is assessed as part of their income when calculating care costs. Veterans who were injured after this date receive compensation through the Armed Forces Compensation Scheme. This is not assessed as income, and therefore is not included in the assessment of client care contributions.
- 4.3 Both the Royal Legion and Poppy Scotland are urging government agencies to treat War Disablement Pension consistently with other compensation schemes and disregard the entire pension from care calculations. At present a number of councils take this approach and it is expected that this number will grow as a result of the recent campaign highlighting this issue. Renfrewshire Council do not include War Disablement Pension in the assessment of entitlement to Housing Benefit or Council Tax benefit.
- 4.4 At present there are 28 service users who receive care services who are in receipt of War Disablement Pension, 18 of these are supported in the community and 10 are in residential accommodation. The Council has

discretion over its non residential charging policy and as such it is recommended that War Disablement Pension is fully disregarded as income for the purposes of non residential accommodation. If the Council agrees to disregard fully this income, then the financial implication would amount to per £16,562 annum.

- 4.5 The treatment of income for the purposes of residential accommodation is determined by the National Assistance Act 1948 and associated guidance and regulations, and is therefore not at the discretion of the Council. However, this report recommends that the Council considers supporting the current campaign by Poppy Scotland and the British Legion for equitable treatment of War Disablement Pension in the assessment of income for residential accommodation.

Implications of the Report

1. **Financial** – The Council's commitment to the ongoing employment of the Veterans Support Coordinator will be on the basis of a one third share of employment and on costs.

The disregard of War Disablement Pension from calculation of social care costs are outlined in para 4.4 of the report. This will require a supplementary in year provision for adult services budgets in 2015/16 and an appropriate base budget adjustment in 2016/17.

2. **HR & Organisational Development** - None
3. **Community Planning**
Community Care, Health & Well-being - The Veterans Support project provides support to serving and former serving members of the armed forces, regular and reserve, their partners, dependants and carers.
4. **Legal** - The Council's ability to disregard income from War Disablement Pensions when assessing care charges is controlled by statutory regulations and guidelines that must be complied with.
5. **Property/Assets**- None
6. **Information Technology** - None
7. **Equality & Human Rights**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the

recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** - None
 9. **Procurement** – None
 10. **Risk** – None
 11. **Privacy Impact** – None
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List of Background Papers

- (a) Background Paper 1 (Report to Council February 2012, Community Covenant with the Armed Forces)

The foregoing background papers will be retained within (Development & Housing Services) for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is (Mary Crearie, Director of Development & Housing ext 6256)

Author: Mary Crearie

