

## **TELFORD & WREKIN COUNCIL**

### **Proposals for Welfare Benefit Reform and Localised Support for Council Tax - Impact on LA Services**

**Cabinet - 8<sup>th</sup> December 2011**

#### **REPORT OF: Head of Customer Services, Leisure & Libraries**

### **1. Purpose of the report**

- 1.1 To update Cabinet on the Government's proposals for welfare reform and the potential impact that they may have on residents and business of the Council

### **2.0 Recommendations**

- 2.1 **That Cabinet note the content of this report and the significant impact that the changes will have on the residents of the borough and on the business of the Council;**
- 2.2 **The Head of Customer Services, Leisure and Libraries provides Cabinet with a regular update report on the progress of the proposals at least every six months, or whenever key decision are required to be made;**
- 2.3 **Cabinet acknowledge the concerns outlined in 4.10 and 6.3 of this report which have subsequently been highlighted in a letter from the Leader to the Department for Work and Pensions with copies to respective MP's outlined in *Appendix 1*;**
- 2.4 **To set up a members information seminar to include Town and Parish Councils as well as Ward Members to allow the Benefits Manager to present the Government's proposed changes in detail to aid further understanding of the implications and impact for residents within our Borough due to the complex nature of the changes being proposed**

### **3. BACKGROUND**

- 3.1 On 11<sup>th</sup> November 2010, the Government published its white paper on the introduction of the Universal Credit (UC). The Universal Credit proposal aims to radically simplify the system to make work pay and combat worklessness and poverty. The White Paper has implications for the future delivery of Housing Benefit (HB) and makes proposals for Council Tax Benefit (CTB) to become a local rebate.
- 3.2 In September 2011, Communities and Local Government produced their consultation document on the localisation of support for council tax, which sets out their ideas for the creation of a local rebate for Council Tax, with much greater discretion for local authorities to determine how it should be awarded, at present it is prescribed by Government. The move towards a local rebate will no doubt result in Councils having to take the difficult decisions around levels of rebate and communicating that to residents.

- 3.3 In October 2010 Her Majesty's Revenues and Customs and the Department for Work and Pensions produced a strategy document, 'Tackling fraud and error in the benefit and tax credits systems', which sets out the proposals to reduce the £5.2 billion of taxpayers' money lost through fraud and error.
- 3.4 In September 2011 the Department for Work and Pensions issued a consultation on the future of benefit fraud investigation including a number of proposals how local authority fraud investigation should be administered in the future.

#### **4. UNIVERSAL CREDIT**

- 4.1 Universal Credit is an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work, replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance.
- 4.2 Universal Credit will merge out-of-work benefits and in-work support. The intention is that people will no longer have to take a risk in moving from one system to another. For those in employment, Universal Credit will be calculated and delivered electronically, automatically adjusting credit payments according to monthly income reported through an upgraded version of the Pay As You Earn tax system. The system aims to be simpler and to respond more quickly to changes in earnings so that people will not face the same complexities as they do now, particularly at the end of a tax year. As a result people should be much clearer about their entitlements and the beneficial effects of increasing their earnings by taking on more hours or doing some overtime.
- 4.3 The financial incentive provided by Universal Credit will be backed up by a strong system of conditionality; unemployed people who can work will be required to take all reasonable steps to find and move into employment. Conditionality will be responsive to an individual's circumstances – reflecting, for example, that whilst the majority should move into full-time work, for some people there may be temporary periods when part-time work is appropriate (for example, for some lone parents).
- 4.4 Overall administration of the new benefit will be initially managed by one Government department; the Department for Work and Pensions; as opposed to the delivery of current benefits through a mix of the Department for Work and Pensions, HM Revenue & Customs and Local Authorities. The latter are currently responsible for the administration of Housing Benefit and Council Tax Benefit.
- 4.5 The Government introduced a Welfare Reform Bill in February 2011 to give effect to these changes. There will be a phased approach to the introduction of Universal Credit with the first individuals expected to enter the new system from 2013, followed by the gradual closure of existing benefits, including Housing Benefit & Council Tax Benefit, and Tax Credits claims and their transfer to the new system. This transfer is expected to be completed for all customers by 2017.
- 4.6 The government's aim is for people to claim Universal Credit on-line, with subsequent contact with the DWP to be made by telephone. There is an intention to provide some face-to-face support for customers, but it is not clear what the level of service will be, or who will deliver it.

- 4.7 Universal Credit only applies to working-age claimants. Pensioners, who make up about 50% of the council's benefits caseload, will have their housing costs met by a housing credit, which will be administered by the Pension, Disability and Carers Service. The government has not issued any details on how this change will be put in place, but it is expected that councils will be processing new claims from pensioners until 2014.
- 4.8 However, the Government consider that Local Authorities may still have some part to play in administering non-mainstream Housing Benefit cases (for example, people living in supported or temporary accommodation). The government are currently consulting on this aspect of the reforms. Local Authorities may also have a role to play in delivering face-to-face contact for those who cannot use other channels to claim and manage their Universal Credit.
- 4.9 The Department for Work and Pensions have recently announced that they intend to defer a decision on the final delivery model for Universal Credits, and in particular, what role may be played by Local Authorities until 2015 and as a Council we continue to lobby Government to ensure that the final arrangements fully meet the needs of our local residents.

#### 4.10 **CONCERNS**

There are a number of concerns about the proposals:

- Local Authorities have an excellent track record of delivering benefit services that far exceed the performance or quality of service that have been delivered by HMRC or Job Centre. If Local Authorities are not part of the delivery model for Universal Credit there is a real likelihood of an increase in processing times, a lack of local knowledge and a reduction in accuracy, which will frustrate the ambitions of Universal Credit regarding removing the barriers to work.
- The move away from face to face services to automated services will cause problems for the most vulnerable residents. The Department for Work and Pensions ambition is to have 80% of its claims made online. For this to be successful it would require a significant channel shift if it is to be in place by 2013, which for many of our customers would be unachievable.
- The proposals do not allow for housing benefit to be paid straight to a landlord as can happen now in many circumstances. If tenants don't pay their housing benefit to the landlord they could become homeless putting further strain on our homeless service. Locally, our landlords are already voicing their concerns about the commercial viability of renting out homes to benefit claimants in the future, as they predict that the levels and incidents of rent arrears will spiral under Universal Credits.
- The proposals include Universal Credits being administered through a national ICT system. By their own admission, the timescales that the Department for Work and Pensions have set for the introduction of Universal Credit are ambitious and aggressive. The likelihood of an ICT system being up and running and fully functional by 2013 is virtually impossible and this has already been voiced by the main ICT suppliers Northgate and Capita. Unfortunately the Government's track record of putting these large scale ICT systems in place is poor and many systems, such as Tax Credits are still plagued by problems many years after it has been implemented.
- There are 20,000 staff employed by Local Authorities nationally involved in the administration of Housing and Council Tax Benefit. Locally we are already beginning to see experienced benefit staff start to leave the service as their

concerns about the long-term future of their role grow. We may soon face the very real prospect of there being a significant skills and knowledge gap in our service as we carry vacant posts and struggle to recruit to on a permanent basis pending the final decision on the long term delivery model for Universal Credit in 2015. This loss of expertise will of course most greatly affect our vulnerable customers at the time when they are most likely to need the support of their Local Authority to assist them with the migration to the new benefit systems.

- 4.11 A letter expressing these concerns has been issued from The Leader of the Council to the Department for Works and Pensions in November 2011 with copies to the respective Members of Parliament. **See Appendix 1**

## **5. LOCALISED SUPPORT FOR COUNCIL TAX**

- 5.1 Council Tax Benefit will not form part of the Universal Credit. Rather, Local Authorities will be given scope to take account of the priorities of their own local communities when determining the amount of support for vulnerable and low income households to meet their Council Tax bills. It is expected that Local Authorities will be better able to provide a joined-up system of support for people on low incomes that dovetails with the various rebate and discount schemes which are already part of the Council Tax regime, while at the same time protecting vulnerable groups.

- 5.2 The Government issued a consultation document – "Localising support for council tax in England" on 4th August 2011 and propose that the following principles should underpin local schemes:

- Local authorities will have a duty to run a scheme to provide support for council tax in their area
- For pensioners there should be no change in the current level of awards
- Local authorities should also consider ensuring support for other vulnerable groups
- Local schemes should support work incentives, and in particular avoid disincentives to move into work.

## **CONCERNS**

- 5.3 There are four main concerns over this proposed replacement to Council Tax, they are:

- Scheme design
- Funding & Impact on claimants
- Timescales
- The interaction with Universal Credit

## **5.4 Scheme Design**

From the information currently available, it is not clear to what extent local authorities will be able to design their own local CTB scheme. Information released during the Spending Review 2010 suggested that local authorities will need to devise, assess and implement local CTB schemes by April 2013 - '*local authorities will be given flexibility to tailor the scheme to meet local priorities and to manage spending within lower limits...*'

Despite the intention to localise CTB, the government is also clear that its aims are to ‘...*protect the most vulnerable, particularly pensioners...*’ DWP has also indicated that any reforms to CTB should not undermine the incentive to work and so, some form of protection will also be required for working claimants.

It is reasonable to assume that as more protection is provided to certain target groups, it becomes more difficult for local authorities to control costs. Given the government indications about needing to protect certain groups, local authorities will have to manage these pressures, whilst also delivering a 10% reduction in funding.

## 5.5 Funding and impact on claimants

The reforms to the Welfare System, and particularly the introduction of the Universal Credit, have focused on the principle of a single benefit/single entry system. There is a view that the concept of a local council tax benefit scheme is at odds with this principle. Were local authorities to be given full discretion over CTB, one of the potential consequences could be that each local authority develops a slightly different scheme.

This could potentially confuse claimants wishing to claim CTB. This is particularly true for customers who may find their entitlement to CTB changes if they move into a different local authority area. In extreme cases, different local schemes could lead to ‘benefit chasing’ as claimants move between authorities to access a more ‘generous’ CTB scheme. As CIPFA (Chartered Institute) have noted, if the Government implements a fixed cash grant for CTB, ‘***Where it looks as if the cash limit will be reached before the end of the financial year, a local authority may have to tighten its rules in-year or otherwise reduce awards or refuse to make any further awards.***’ This will not only lead to confusion for claimants, but could result in unequal benefit provision to similar households *within* local authorities. Should such a situation arise, this would compound the fact that there is less funding available nationally. The 10% funding reduction has clear implications for the amount of CTB paid in local areas; it is certain that some CTB claimants (existing and new) will see a reduction in the amount of benefit that they are paid.

## 5.6 Timescales

At present, it is difficult to comment on how realistic the timescale for change is. Much will depend on the progress of the Welfare Reform Bill and the outcome of the DCLG’s consultation. The government envisage the following timescale:

### **Summer 2011**

- Consultation begins.
- Government begins working with local authorities, representative organisations and suppliers on delivery requirements for localisation.
- Basis for model schemes considered.

### **Autumn/winter 2011-12**

- Government publishes a response to the consultation.

- Introduction of Local Government Finance Bill (included provisions for localisation of council tax support).
- Central and local government begin working on model schemes.

### **Spring 2012**

- Primary legislation passage through Parliament
- Government preparing and publishing draft secondary legislation

### **Summer 2012**

- Primary legislation passed.
- Secondary legislation prepared
- Local authorities designing and consulting on local schemes

### **Autumn/winter 2012-13**

- Local authorities establishing local schemes – putting place systems, notifying claimants of changes.
- Local authorities setting budgets.

### **Spring 2013**

- Local scheme in operation.

As the secondary legislation will only be in the preparation stages during the summer of 2012, it will be extremely challenging for local authorities to design, consult on and have a fully tested system in place by the time annual billing takes place in February 2013. This is a major risk and has been highlighted as part of Service and Financial Planning to budget for a £1.5m loss in 2013 whilst we run the current scheme and move to a new scheme in 2014.

## **5.7 Interaction with Universal Credit**

A further concern is that the proposals from Communities and Local Government regarding the move towards a localised council tax rebate seem to be contradictory to the intentions of the Universal Credit. Whereas Universal Credit will see Housing Benefit transferred into a single assessment process which will be common nationwide, localised council tax rebate will potentially grant every local authority in the Country the powers to design their own awarding criteria and scheme. This will not only cause significant confusion and uncertainty for customers and therefore likely to act as a new barrier to employment, but it will also be inefficient to administer as local authorities will no longer have the ability to assess Housing Benefit and Council Tax Benefit as a single transaction, as happens now. This will no doubt lead to a post-code lottery; where by customers in two neighbouring local authorities could find themselves receiving significantly different levels of state assistance dependant on their respective council's scheme.

## **6. FRAUD INVESTIGATION**

- 6.1 The Government currently pays out around £190 billion in benefits, tax credits and child benefit administered by the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC). The most recent estimates put annual

revenue losses due to fraud and error in the welfare system at £5.2 billion, or almost 3% of total expenditure. This is made up of £3.1bn in DWP administered benefits (2.1% of total expenditure) and £2.1bn in HMRC (8.9% of expenditure).

6.2 The new strategy is built around five key elements: Prevent, Detect, Correct, Punish and Deter.

6.3 The proposals include:

- Creating a single fraud investigation service
- Employing over 200 new anti-fraud officers
- Setting up a mobile regional taskforce to investigate each and every claim in high fraud areas
- Abolishing cautions as a penalty for fraud
- Increasing asset seizure
- New tougher one-strike, two-strike and three-strike rules, including three years loss of benefit for people with multiple convictions
- Deducting money owed directly through PAYE
- Civil penalties of £50 for more minor offences
- Closer working with Crimestoppers
- Naming and shaming fraudsters in local areas
- Stepping up the Check First, then Pay approach to stop fraud and error entering the system

6.4 The implication for the Council is that housing benefit fraud will, in future, be dealt with by the DWP, not an in-house fraud team, although it is suggested in the DCLG consultation document that local authorities retain responsibility for investigating incidences of fraud in the replacement scheme for council tax benefit. The aim was to have the single fraud investigation service operational from April 2013.

6.5 The consultation on the future of Local Authority Fraud investigation set out the 4 preferred options from the Department for Works and Pensions regarding the transfer of Local Authority staff into a Single Fraud Investigation Service (SFIS). The proposals are intended to be an interim measure, through to 2015, when the future of SFIS, and the arrangements for Local Authority Fraud Investigation will be reconsidered alongside the decision on the future delivery model for Universal Credit. The four options are:

- **Option 1.** LA staff remain employed by LAs, but operate under SFIS powers, policies, processes and priorities. This brings LA investigation staff into SFIS under a procedural change. By leaving employment and location unchanged this option would allow LAs the flexibility to redeploy resource to meet other LA priorities if required.
- **Option 2.** LA staff remain employed by LAs in LA estate but are seconded to the DWP - this option means all LA investigation staff remain LA employees based in LA estate under formal secondment to DWP and operate under SFIS powers, policies, processes and priorities. This brings LA investigation staff into SFIS under both management and procedural changes. This option would allow LAs a degree of flexibility to recall and redeploy resource to meet other LA priorities, under the terms of the secondment agreement if required.
- **Option 3.** LA staff become DWP employees but deliver investigation locally from the LA estate - this option means all LA investigation staff become DWP employees based in LA estate and operate under SFIS powers, policies, processes

and priorities. This brings LA investigation staff into SFIS under both management and procedural changes.

- **Option 4.** LA staff become part of the DWP working within DWP estate as employees - this option means all LA investigation staff become DWP employees based in DWP estate and operate under SFIS powers, policies, processes and priorities. This brings LA investigation staff into SFIS under both management and procedural changes.

6.6 Responses to the consultation have been overwhelmingly in support of option 1. It was felt that this option provided the most flexibility, especially in allowing LA staff to consider other types of fraud, and in developing piloting and testing ways of working. Several LA's reflected that this option allowed for closer working with HMRC and FIS, thus developing new skills. Most significantly it was felt that, as this option did not require changes to the LA Admin grant, it was therefore the most affordable option.

## **7. SUMMARY IMPACT ASSESSMENTS**

### **7.1 Financial Implications**

In 2010/11 the Council paid out a total of £61.6million in housing benefit and £16.4million in council tax benefit. The Council currently claim the majority of this expenditure back through a subsidy paid by the government which is based on actual expenditure incurred. The subsidy totalled £60.8million for housing benefit and £14.1million for council tax benefit in 2010/11.

7.1.2 The Council also receive a specific grant from the government for the administration of housing and council tax benefit which is £1.6million for 2011/12. This supports the cost of the housing and council tax benefit assessments team within Revenues and Benefits. This grant is being cut by £0.1million in 2012/13

7.1.3 With the move to universal credit the costs of housing benefit would transfer to the new body administering the scheme. This also suggests that some staff would also transfer to the new body under TUPE. There is not sufficient detail available yet to quantify the financial implications to the Council of the move to universal credit.

7.1.4 The consultation paper on Localising Council Tax made it clear that funding for council tax benefit would be paid to Local Authorities through a fixed grant. The paper also stated that the grant would be 10% less than current amounts paid to Councils. This would result in a cut of £1.4million if this was based upon 2010/11 actual subsidy received. It would then be up to local Councils to deliver a council tax benefit scheme within the funding available.

7.1.5 Clearly there are significant financial implications as a result of welfare reform, however there is not enough detail around some of the proposals at this point in time to be able to calculate the full impact. The 2012/13 budget model does include an allowance for the £0.1m reduction in administration grant and £1.4m for the one-off impact of the cut in council tax benefit funding, which is likely to impact in 2013/14 while the new local scheme is designed and implemented to meet the 10% reduction. As government proposals are firmed up and financial implications become clearer they will be reported back to Cabinet as part of the Head of Customer Services, Leisure and Libraries update and will be considered as part of future budget strategies.

MLB 10.11.11

## 7.2 **Legal**

The full legal implications of the changes to the benefits system can only be addressed once the final proposals are made definitive. Future reports will detail legal implications as these become known.

## 7.3 **Equalities**

The Department for Work and Pensions has carried out an initial equality impact assessment on the proposal to introduce Universal Credit (and consequential reforms) to meet the requirements of equality legislation. At this stage there are still some detailed policy decisions to be taken and so the Equality Impact Assessment provides an indicative high level assessment of impacts. Final conclusions cannot be drawn until policy development is complete. The DWP will carry out a more detailed Equality Impact Assessment with the introduction of the Welfare Reform Bill.

The proposal to reduce Council Tax Benefit expenditure by 10% is likely to lead to increased pressure for those who rely on benefits to help them pay their Council Tax. This will be exacerbated for those who will also be affected by the proposed change to the levels of Housing Benefit.

## **Appendix 1**

Fax: 01952 383991

Benefit Reform Division  
Department for Work and Pensions  
1<sup>st</sup> Floor  
Caxton House  
Tothill Street  
London  
SW1H 9NA

Dear Sir/Madam

### **Local Authority role in the future of Universal Credit**

In recent months senior officers of Telford & Wrekin Council have been briefing members about the proposal in the Welfare Reform Bill to introduce a Universal Credit, which will encompass the payment of housing related support, a benefit which is currently administered by local authorities in the form of Housing Benefit.

Whilst I understand the underlying principals of the proposal and fully support the simplification of the welfare system and some of the aspirations to ensure that the barriers to employment are removed, I am writing to you to express my concerns about the planned means of its implementation and the proposed delivery model for the new benefit. In particular I believe that any proposal to remove the administration of housing support away from local authorities will put these aspirations at risk.

Local Authorities have an excellent track record of delivering benefit services that far exceed the performance or quality of service that has been delivered through any of the centrally administered benefits and administered through HMRC, Job Centre Plus, etc. There is a concern that if local authorities are not part of the delivery system there will be an increase in processing times and accuracy of payments, which will in fact compound the issue of the welfare state acting as a barrier to employment.

The move away from face to face services to automated services will cause problems for the most vulnerable residents. I understand that the plan for Universal Credit is that it will be a benefit which by default is claimed online. I believe that the DWP estimate that 80% of customers will be able to access Universal Credit via the web is highly inaccurate, and would require a significant channel shift of customers from face-to-face contact to reliance on online services; something that I believe to be overly ambitious and unrealistic particularly if it is to be in place in time for the introduction of Universal Credit in 2013/14.

Although I agree that as many people as possible should be encouraged to access services via the web, a large percentage of vulnerable people will not have the skills or access to be able to do this.

The Government have stated that combating benefit fraud is one of its major priorities, yet it is through the provision of face-to-face services that local authorities have been so successful at protecting the gate-way to the benefit system and reducing the opportunity for fraud to be committed. I would be interested to know what research has been undertaken by the DWP into the risk of fraud increasing if the majority of claims are able to be submitted online.

The proposals do not allow for housing benefit to be paid straight to a landlord as can happen now in some circumstances. The automated system will pay the Universal Credit entitlements to one person in a household via direct debit. The household will then have to manage their entitlement to pay for all household expenditure, including food, heating, and other utilities and their rent. I believe this will have a significant impact on homelessness as well as the availability of housing. If tenants don't pay their housing benefit to the landlord they could become homeless putting further strain on our homeless service. Locally, our landlords are already voicing their concerns about the commercial viability of renting out homes to benefit claimants in the future, as they predict that the levels and incidents of rent arrears will spiral under Universal Credits. For the most part this will not be because of any wilful decision of the claimant not to pass their benefit onto their landlord, but because whilst struggling to make ends meet, including paying for increased fuel, food and utility costs, there will be times when payment of the rent will simply not be the priority.

The new proposals include Universal Credits being administered by a national ICT system. I have concerns around the Government's ability to deliver this by 2013. The tendering for a system of this size and complexity will need to begin in the next few months and there is still a lack of clarity around many aspects of the proposals that will need to be confirmed before any design or tendering can take place. The likelihood of an ICT system being up and running and fully functional by 2013 seems highly unlikely. The Government's track record of putting these kinds of large ICT systems in place is poor and many systems, such as Tax Credits are still plagued by problems many years after it has been implemented.

A further concern is that the proposals from Communities and Local Government regarding the move towards a localised council tax rebate seem to be contradictory to the intentions of the Universal Credit. Whereas Universal Credit will see Housing Benefit transferred into a single assessment process which will be common nationwide, localised council tax rebate will potentially grant every local authority in the Country the powers to design their own awarding criteria and scheme. This will not only cause significant confusion and uncertainty for customers and therefore likely to act as a new barrier to employment, but I also believe this will be grossly inefficient to administer as local authorities will no longer have the ability to assess Housing Benefit and Council Tax Benefit as a single transaction, as happens now. This will lead to a post-code lottery; where by customers in two neighbouring local authorities could find themselves receiving significantly different levels of state assistance dependant on their respective council's scheme.

The timescales that have been proposed for the implementation of the localised council tax rebate are extremely unrealistic. The consultation only closed within

the last month, yet it is intended that Councils will have the scheme operational by April 2013. This does not allow sufficient time for a response to the consultation to be issued, relevant legislation to be passed, local schemes to be designed by Councils, IT systems to be developed and the local community consulted with in time for the start of the annual billing process for Council Tax, which is usually well underway by January. I fear that many Councils will simply not have had sufficient time to develop and implement robust schemes in that timeframe and may have to fund the 10% grant reduction themselves for at least part of the first year to ensure vulnerable customers are protected.

Communities and Local Government are promoting the localised council tax rebate as being a step towards empowering Councils as part of the localism agenda. However the reality is that there will be considerable restrictions on the design of the scheme, with protections being imposed for customers who are pension age and the low paid employed. This means that the 10% reduction in funding will largely hit the customers who have the least ability to make a contribution to their Council Tax, such as the working age unemployed. This will take Councils back to a similar position that they were in with Community Charge, whereby they are attempting to collect small amounts of revenue from a large number of customer who can least afford to pay. This is clearly inefficient and will require Councils to increase their Council Tax collection resources.

Our concerns regarding the localised council tax support proposals have been made to Communities and Local Government through their formal consultation.

I understand that on 13th October 2011, the Parliamentary Committee for Communities and Local Government made a number of key recommendations about the future of Housing Benefit and Council Tax Benefit. The committee, which is comprised of 11 backbench Members of Parliament, with a majority from the coalition parties, echoed many of the concerns that I have raised and are shared amongst colleagues across the local government community. In particular I understand that they suggest that the administration of housing support costs should remain with local authorities. That is where the expertise is and the links with homelessness and local housing provision are obvious. They also believe that the split between the proposed arrangements for the reformed Council Tax Benefit and Housing Benefit will be a major cause of confusion.

Finally, I am greatly concerned at the lack of information that has been made available as yet regarding the futures of the 20,000 local authority employees who are engaged in Housing Benefit administration nationally. This highly skilled, high performing workforce of benefit experts has a level of local knowledge and face-to-face advisory skills that are second to none across the field of welfare benefit provision. I firmly believe that this localised, face to face service, undertaken by highly committed local staff must be the service delivery model on which any major welfare reforms are based if there is to be any hope of the ambitions of Universal Credit becoming a reality.

We are already beginning to see experienced benefit staff start to leave our service as their concerns about the long-term future of their role grow. We may soon face the very real prospect of there being a significant skills and knowledge

gap in our service as we carry vacant posts that we will struggle to recruit to on a permanent basis pending the final decision on the long term delivery model for Universal Credit. This loss of expertise will of course most greatly effect our vulnerable customers at the time when they are most likely to need the support of their Local Authority to assist them with the migration to the new benefit systems.

Yours faithfully

**Cllr Kuldip Sahota**  
**Leader – Telford & Wrekin Council**

C.c. Mr David Wright, MP for the Telford Borough Constituency  
Mr Mark Pritchard, MP for Wrekin Constituency  
Mr Richard Partington, Interim Chief Executive, Telford & Wrekin Council