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| <b>DECISION-MAKER:</b>              | <b>SCRUTINY PANEL A</b>                                 |
| <b>SUBJECT:</b>                     | WELFARE REFORMS INQUIRY<br>MEETING 2: SETTING THE SCENE |
| <b>DATE OF DECISION:</b>            | 22 NOVEMBER 2012  |
| <b>REPORT OF:</b>                   | SENIOR MANAGER, CUSTOMER AND BUSINESS<br>IMPROVEMENT    |
| <b>STATEMENT OF CONFIDENTIALITY</b> |   |
| None                                |   |

### **BRIEF SUMMARY**

This report provides details for the second meeting of the Scrutiny Panel A's Welfare Reforms Inquiry.

There will be two presentations, followed by questions from the Panel.

The first presentation on the policy drivers for change will be given by the Director, Policy in Practice and Lead on Welfare, Employment and Public Spending for the Centre for Social Justice.

The second presentation sets the scene locally using a range of poverty and deprivation data. This will be given by the Directorate Business Manager, Environment and Economy.

The chair of the panel will also provide an update on actions from the last meeting.

### **RECOMMENDATIONS:**

- (i) The Panel is recommended to consider the information provided by these presentations and use this, alongside the appendices, as evidence in the inquiry.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. To enable the Panel to analyse the evidence in order to formulate findings and recommendations at the end of the inquiry process.

### **DETAIL (Including consultation carried out)**

2. The second meeting of the Inquiry will set the scene for the Welfare Reforms by providing an overview of the national policy drivers for change and the local socio-economic context in which the reforms will be implemented.
3. The first presentation to the Panel will be given by the Director, Policy in Practice and Lead on Welfare, Employment and Public Spending for the Centre for Social Justice (CSJ).
4. The presentation will outline:
  - Changes to local welfare support and the local role including
    - Council Tax Support
    - Housing changes
    - Vulnerable people
  - The national policy drivers in relation to:
    - The need for reform
    - The challenge for Southampton
    - The local role in tackling these challenges

5. Recent press releases from the CSJ relating to the Welfare Reforms debate on matters such as poverty and income, child poverty, child benefit and making work pay are attached at Appendix 1 to 4.  
A policy paper by the Centre for Social Justice, *Rethinking Child Poverty*, is attached at Appendix 5.
6. The Director has written extensively on welfare policy, Government spending and employment. His publications include *'Outcome-based Government'*, a guide to maximising returns from public spending and *'Creating Opportunity, Rewarding Ambition'*, an analysis of entry level employment, with recommendations to improve employment opportunities for long term job seekers. He led the work on the implementation of Universal Credit prior to the general election.  
He was a consultant at KPMG prior to taking strategy-focused roles at a venture capital backed start-up and leading law firm before conducting independent research on welfare policy that led to his role at the CSJ. He has also worked on voluntary initiatives in the UK, Japan and East Africa.
7. The second presentation will be given by the Directorate Business Manager Environment and Economy. It will provide an overview of local socio-economic context in which the reforms will be implemented.
8. The presentation will consider local issues in relation to the impacts of the Welfare Reforms, using the latest statistics and information, including:
  - Indices of Multiple Deprivation (IMD) 2010
  - Mosaic groups in Southampton
  - Welfare benefit data
9. A summary of the emerging issues for Southampton from the IMD2010 is provided in Appendix 6.
10. Consultation on the proposals for the Local Council Tax Scheme closes on the 16<sup>th</sup> December. An interim report on the feedback received to date will be submitted at the meeting.
11. The respondents were asked if they have any issues, concerns or comments about the general changes to Welfare Reforms. Appendix 7 provides a summary of the feedback for this question received up to 30<sup>th</sup> October.
12. An update on actions from the first meeting will be given by the chair. The schedule of actions from Inquiry meetings is attached in Appendix 8.
13. Evidence circulated within this report or to be tabled at the meeting include:
  - Labour market statistics
  - Interim feedback on the Local Council Tax Scheme consultation
  - Proposals for the development of discretionary support
  - Draft Scrutiny Panel A Interim response and recommendations to the Local Council Tax Scheme
14. Finally, recent publications that may be of interest to the Panel are submitted as evidence to Scrutiny Panel A's Welfare Reforms Inquiry.  
Appendix 9: *Between a Rock and a Hard Place: Early Impacts of the Welfare Reforms on London*. November 2012, Child Poverty Action Group  
Appendix 10: Executive Summary, *Managing the impact of Housing Benefit reform*, National Audit Office. A copy of the full report can be found at [http://www.nao.org.uk/publications/1213/housing\\_benefit\\_reform.aspx](http://www.nao.org.uk/publications/1213/housing_benefit_reform.aspx)

15. The Panel is invited to have a discussion on the changes to the national and local Welfare Reforms and their potential impact in the city to formulate their findings and develop a final report and recommendations.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

16. None

### **RESOURCE IMPLICATIONS**

#### **Capital/Revenue**

17. Not applicable

#### **Property/Other**

18. Not applicable

### **LEGAL IMPLICATIONS**

#### **Statutory Power to undertake the proposals in the report:**

19. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

#### **Other Legal Implications:**

20. None

### **POLICY FRAMEWORK IMPLICATIONS**

21. None

|                |         |                                 |      |               |
|----------------|---------|---------------------------------|------|---------------|
| <b>AUTHOR:</b> | Name:   | Dorota Goble                    | Tel: | 023 8083 3317 |
|                | E-mail: | dorota.goble@southampton.gov.uk |      |               |

### **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### **Appendices**

|        |   |
|--------|---|
| 1 – 4. | Recent press releases from the CSJ relating to the Welfare Reforms debate   |
| 5.     | A policy paper by the Centre for Social Justice, <i>Rethinking Child Poverty</i>  |
| 6.     | A summary of the emerging issues for Southampton from the IMD2010   |
| 7.     | A summary of feedback from Local Council Tax Scheme on general concerns around the Welfare Reforms (Question 20)                  |
| 8.     | Schedule of actions from previous Inquiry meeting   |
| 9.     | <i>Between a Rock and a Hard Place: Early Impacts of the Welfare Reforms on London.</i> November 2012, Child Poverty Action Group |
| 10.    | Executive Summary, <i>Managing the impact of Housing Benefit reform</i> , National Audit Office.                                  |