



To: Leaders and Chief Executives of Local Authorities
Chairs of Local Service Boards

cc: Steve Thomas, WLGA
Graham Benfield, WCVA

4 September 2012

Dear Colleague

As you are aware, the UK Government is introducing major changes to the benefit system through the provisions of the Welfare Reform Act 2012. One of the main reforms, the introduction of Universal Credit to replace a range of other benefits, will be phased in from October 2013. However many reforms such as the new Council Tax Support Scheme, the benefit cap and under-occupancy rules will commence in April 2013.

Welsh Ministers have consistently expressed their concern about the way these reforms are being pushed through: this is borne out by independent assessments demonstrating their regressive impact, particularly for children and families in poverty. The changes will put additional pressure on critical local services in Wales, such as children's services, adult social care, housing, welfare advice and homelessness services, at a time of financial constraint.

Nevertheless, the clock is ticking and all partners will wish to see the impact of these reforms mitigated as much as possible. The Department of Work and Pensions (DWP) recognises that implementation of Universal Credit will rely on them working in close partnership with other agencies, nationally and locally. To this end, they have agreed to develop a local partnerships approach and will be establishing a Wales Universal Credit Advisory Group, with representation from DWP, Welsh Government, Welsh Local Government Association (WLGA) and third sector, nominated by Welsh Council for Voluntary Action (WCVA).

The local partnership approach is about building on existing best practice, enabling DWP District Managers to work with local authorities and their community planning partners, key housing associations and the voluntary and community sector in each locality, in order to help partners understand the impacts of Universal Credit at local level and develop local solutions to help manage those impacts in a way that provides a joined up service for claimants needing support.

Over the past year, here in Wales we have made very considerable progress in streamlining and integrating the public service approach to improving outcomes for people and communities through our work on single integrated plans and rationalising partnerships. I am concerned that the DWP's local partnership approach does not undermine this work by proliferating new partnerships outside the partnership accountability frameworks which Local Service Boards have established. It is also essential that any efforts by DWP should complement the proactive work being taken forward through the Tackling Poverty Action Plan which you have been invited to consider at your Local Service Board. One particularly relevant element of that plan is the broad review of advisory services which is now getting underway.

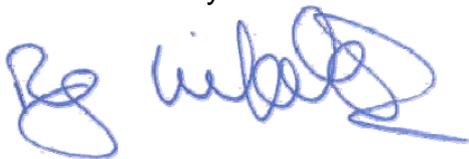
Most LSBs are already looking at the impact of welfare reform in their area, and most have poverty and worklessness high on their agendas. I am therefore proposing that in the first instance the DWP should work with LSBs to agree the approach for each area of Wales. In most instances, the LSB itself will not have the right membership to tackle this issue but will wish to maintain a strategic overview of the implementation of Universal Credit and its impacts as it progresses. It is likely therefore, that you may wish to delegate the work to an appropriate sub-group and maintain a position of oversight. However, these are, of course, matters for local determination.

Welsh Government officials have discussed this approach with the WLGA which agrees this is an appropriate way forward. WLGA will be able and willing to provide support to LSBs using established networks to communicate good practice and the learning that comes out of the DWP Pathfinder project and the local authority led pilots that were announced at the end of August.

The DWP operational team in Wales will shortly be in touch with you to take this work forward. I hope you agree that this approach is in the best interests of people in Wales but if you have any serious concerns, please do not hesitate to get in touch with me.

Please draw this letter to the attention of your LSB members.

Yours sincerely



REG KILPATRICK

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