

Report of the Cabinet Member **Policy, Corporate and Asset Management**

1. Introduction

I have been asked to report by Members as follows:

By Councillor Hannaford on *'Regional Military Capacity including an update the autumn budget implications for regional military capacity, sunset for the Royal Marines campaign, progress to secure contracts at Devonport Shipyard to decommission nuclear vessels and possible Brexit implications for the regional private sector defence industry.'*

and

By Councillor Atkinson on *'Further to the resolution adopted at the last Council meeting will the Cabinet Member report on the steps the Council has taken to support the DWP, JobCentrePlus, Devon's District Councils, Devon Citizens Advice and many other organisations such as foodbanks in providing advice and support to claimants as Universal Credit is rolled out in Devon in particular:*

- *what information has been given to help identify claimants who are most vulnerable and least able to be able to make the claim on line stating the anticipated number if possible of claimants in this position in Devon.*
- *what steps have been made to help identify claimants who will suffer hardship as a result of the 5 week delay in payments when they switch from current benefits to Universal Credit or claim universal credit when their circumstances change.*
- *the number of children likely to be affected by the 5 week delay in payments*

2. Regional Military Capacity

The defence sector is a very important part of Devon's economy. Devon county plays host to a number of operational bases of the armed forces, including most notably the Royal Marines at Chivenor, Lympstone and Bickleigh. Many more units are hosted within the City of Plymouth, including the naval base at Devonport and further Royal Marine bases. These bases provide jobs both directly and in their civilian supply chains. Defence manufacturing is also one of Devon's major employment sectors and includes activities as disparate as shipbuilding and the manufacture of highly specialised components of missile systems. Recent modelling suggests that the defence manufacturing sector accounts for up to 26,000 jobs across The Heart of South West LEP area.

Devonport Naval base directly accounts for 10% of employment in Plymouth. There are 370 businesses in the supply chain, of which 190 are actually located outside of the City boundaries.

The Chancellors recent announcement of a £1 billion uplift to the Ministry of Defence in his Autumn Budget, in addition to the £600m already allocated to the MOD for 2018/19 earlier this summer, together with around half of the additional £800m allocated for 2019/20, will be used to pay for Dreadnought costs running above previously budgeted levels. Overall, therefore, more than half of the extra £1.8 billion has been for unbudgeted Dreadnought costs. While the remaining £600m for 2019/20 can be used flexibly, the chancellor's statement emphasised the need for investments in cyber capabilities and anti-submarine warfare. It is hoped that some of this money will be directed to the capital infrastructure needed at HMNB Devonport to welcome and maintain these submarines and the forthcoming Type 26s.

Babcock's recent announcement about Appledore shipyard was extremely disappointing. The Cabinet Member for Economy and Skills has provided a detailed written report on the actions the Council is taking in support of the site.

The Ministry of Defence confirmed in January 2018 that it still intends to close RMB Chivenor by 2027, but has provided few details on exactly what its plans are or what timetable it is working to. Devon County Council and North Devon Council have asked the government's One Public Estate programme to help broker further engagement with the Ministry of Defence.

Plymouth have secured the future of the amphibious ships and the type 26 frigates will be base-ported in Plymouth. They are awaiting the announcement of the type 31's and Babcock have partnered with Thales and two partners both of which have a substantial footprint in Plymouth and Devon/Somerset. The future location of the marines is still uncertain. Plymouth are still awaiting the modernising defence programme. Whilst they have been successful there are still areas that need lobbying.

Plymouth is the only site in the UK to decommission nuclear vessels, it cannot be done anywhere else. Babcock are already under pressure to deliver the decommissioning programme with existing infrastructure.

More broadly, Devon County Council is in contact with the leadership at Plymouth City Council on the subject of defence capability in the region and looking at how we can work together to support the sector.

There are 376 businesses in the Devonport Naval base supply chain of which 170 are in Plymouth and the other 200 are in Devon, Cornwall and Somerset. Plymouth are currently working on a defence sector deal. The key issues around Brexit are sovereign capability which has recently been illustrated by Barden and the announcement by the German parent company to leave as a result of Brexit.

The Council is working with other partners in the Heart of the South West through the Brexit Resilience and Opportunities Group to consider what impacts that Brexit might have across the local economy.

3. Universal Credit

Council has previously enquired about the extra provision that Devon County Council has made to support people affected by the roll out of Universal Credit in Devon. This support is provided by a variety of means including partnership working, commissioning arrangements, grants, staff training and information provision. Examples of the Council's support were listed in the County Solicitor's Notices of Motion report CSO/18/25 to the Cabinet on 12 September 2018.

The Department of Work and Pensions (DWP) is responsible for the introduction and management of Universal Credit. DWP works closely, both nationally and locally, with local authorities, Citizens Advice, credit unions, registered social landlords and relevant registered charities which provide Universal Support.

Universal Support enables those partners to assist Universal Credit claimants with managing their claim or award of Universal Credit including accessing and using online services, and managing their financial affairs. The Department of Work and Pensions has entered into a partnership with Citizens Advice. DWP will provide £39 million from April 2019 to Citizens Advice to provide support to Universal Credit claimants.

The direct impacts of Universal Credit on local authorities are experienced in Devon primarily by the eight District Councils. The County Council is playing its part through support and coordination as the situation develops. An example of this is liaison with the District Councils and Citizens Advice Devon to assist a smooth transition of support for new claimants from April 2019. This work supplements ongoing work with the District Councils to support and promote their Council Tax Support scheme and fund the administration of their Extreme Hardship Funds.

Positive partnership relationships have also been developed by County Council services whose clients are likely to be affected by Universal Credit such as Children's Centres. Children's Centres have been made aware of the Universal Credit roll out and how they can help those families who are experiencing problems. Relationships have been developed with the Department of Work and Pensions Partnership Manager, so that any particular difficulties may be quickly resolved. DCC managers are members of the DWP Vulnerable Customer Network, where impacts on vulnerable clients are discussed and addressed.

Whilst the likely impacts of Universal Credit are understood, it is difficult to quantify the numbers who will find it difficult to make a claim or suffer hardship as a result of receiving their benefit monthly in arrears. A large part of the roll out will be "managed migration" from existing benefits, scheduled for 2020 to 2013. These customers will be notified up to 6 months before they are due to transfer so they can be fully prepared for the change. Where it is evident that a customer is vulnerable and will struggle with the online process, arrangements are in hand to signpost them to Job Centre Plus to support them through the process. DCC support will be reviewed as information emerges.

Councillor John Hart

Cabinet Member for Policy, Corporate and Asset Management