

**REPORT TITLE: UNIVERSAL CREDIT IMPLEMENTATION.
REPORT OF CHIEF OFFICER (HOUSING, COMMUNITY SAFETY
AND PARTNERSHIPS)**



WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To advise Council of the roll out of Universal Credit (UC) in the Borough and to detail the Council's responsibilities under the proposed Partnership Agreement with DWP. To outline how the council will deliver these responsibilities and request the approval of a 12 month Universal Credit Support Officer temporary post.

2. RECOMMENDATION

That Council

- 2.1 Note the update on UC roll out.
- 2.2 Note the content of the Partnership Agreement and agree to delegated authority to the Chief Executive for sign off of the final version.
- 2.3 Note and agree to the proposed approach by the council for the delivery of its responsibilities contained in the Partnership Agreement'
- 2.4 Agree to a 12 month temporary post within the housing service to minimise the impact of UC on the HRA rental stream.
- 2.5 Agree to a supplementary income budget of £32,940 and a supplementary expenditure budget of up to £28,712 being set up.

3. BACKGROUND TO THE REPORT

- 3.1 UC replaces a range of existing benefits and will be introduced for new, single applicants linked to Hinckley Job Centre Plus (JCP) from 23rd March 2015. The benefits being replaced are:

- Income based Jobseekers Allowance.
- Income based Employment and Support Allowance.
- Income Support
- Working Tax Credit.
- Child Tax Credit.
- Housing Benefit

- 3.2 A date has not yet been given for full implementation of UC, which will involve all claimants migrating from their current benefits to UC.

- 3.3 UC will be paid as a single monthly payment in arrears. The single payment will include the Housing Element paid in respect of the person's rent. It is the responsibility of the claimant to ensure this money is paid to their landlord. This will be a change for many claimants who are social housing tenants, as housing benefit is currently paid directly to the landlord.

4. THE LOCAL AUTHORITY ROLE IN UNIVERSAL CREDIT.

4.1 A Partnership Agreement will be in place between the DWP and the council which will set out the responsibilities of both parties. The latest Partnership Agreement is provided in appendix 1. This may still be subject to change.

4.2 Within the Partnership Agreement the council are required to undertake the following services and activities:

- Provide support to UC service centre staff around housing cost issues. This will involve providing expertise for complex housing cost issues.
- Support on line access, where claimants need one to one support to access the UC claimant portal or to complete the UC on line application.
- Support for claimants with complex needs and in particular those who require personal budgeting support to manage financial affairs on a monthly basis. These claimants would be referred from Job Centre Plus work coaches.
- Manual processing for Local Council Tax Reduction Scheme.
- Work with the UC programme in preparing landlords.

4.3 DWP will provide funding to support the above activities. Funding allocated to the Council is currently proposed to be based on a variable rate per case dealt plus an additional £5,000 for one off costs. Based on the case load predicted for this Council this funding is expected to be £32,940. It is proposed that the DWP will pay the Council funding monthly following receipt of an invoice detailing the case load for the month preceding. It is therefore important that procedures are put in place to collate time spent by officers on UC cases. However, it should be noted that this is one area where the DWP have indicated there may be changes within the Partnership Agreement.

4.4 The number of cases predicted by DWP for initial migration are detailed below. Initially numbers are predicated to be small in terms of the people claiming UC and of these the numbers who will require support. However, the council needs to prepare for full implementation and the impact that this will have

	Total number predicted claims March 15 – March 16
Online supported access	35
Personal budgeting support (straight forward)	26
Personal budgeting support (complex)	9
LCTRS Support	85
Support for Universal Credit Support Centre	141

4.5 UC is designed to mimic the payment of wages to make it easier for people to move into work. Whilst it is recognised that support will be needed by some claimants, the emphasis is on enabling them to take responsibility and manage their own financial affairs.

4.5 Impacts of UC implementation will be felt in three main areas of council business:

- Customer services who will be the front line officers providing support in terms of on line applications/general queries.
- Revenues and benefit service who will provide the support to the service desk and administrator the local council tax reduction scheme.

- The housing service. Currently approximately £3.2m of yearly rental income is received through housing benefit (for working age tenants). Under universal credit the tenant will receive this amount direct and they will then have to budget and pay their housing costs alongside their other outgoings. Work will be needed to ensure that rental income is maximised and support given to tenants to ensure they understand their responsibilities and pay their rent.

5 Our Proposed Approach.

5.1 It is for the council to determine how to deliver the requirements detailed in 4.2, either directly providing services themselves or commissioning others to provide services on their behalf.

5.2 The fact that initial numbers are estimated to be small and the move towards a Me and My Learning approach to provide support to people around digital independence, personal budgeting and assistance to get into work/training, has resulted in a decision to provide services directly in the first instance.

5.2 Delivery is proposed as outlined below:

5.2.1 **Provide support to UC service centre staff around housing cost issues.** This will be provided by existing revenue and benefits officers who have the required expertise and knowledge to provide this support.

5.2.2 **Support on line access, where claimants need one to one support to access the UC claimant portal or to complete the UC on line application.** This will predominately be provided by customer services, by directing people to the self service IT points available, Job Centre Plus representatives and the DWP telephone helpline. Additional training may be required for customer services officers to allow them to become fully versed in these arrangements. A mapping exercise is also taking place to identify public IT points across the Borough and whether staff at these sites could provide basic support in applications.

5.2.3 **Support for claimants with complex needs and in particular those who require personal budgeting support to manage financial affairs on a monthly basis.** Personal budgeting support is provided by the tenancy support officer within the housing service. This programme could be developed to meet the requirements of the DWP Partnership Agreement. Delivery of this service is detailed further in 6.3 below.

5.2.4 **Manual processing for Local Council Tax Reduction Scheme.** This will be undertaken by revs and benefits officers.

5.2.5 **Work with the UC programme in preparing landlords.** A private landlord forum exists and an offer has been made to facilitate a meeting with DWP and private landlords to explain the operation of UC. This is particularly important as the council needs to ensure private landlords continue to provide accommodation to people on benefits. A meeting with Registered Providers in the Borough will also be convened.

6 Impact on the Council landlord function.

6.1 As referred to in 4.5 there is a risk to the HRA business plan if tenants do not pay their rent from their UC. Pilot projects of direct payments of social rental tenants have shown initial increases in rent arrears. Work undertaken with tenants to support them in understanding their responsibility of rent payment and assisting with areas such as budgeting, setting up bank or credit union accounts, managing existing debt,

understanding rent payment methods etc reduces the extent of rent arrears over time.

- 6.2 The council has a positive experience of minimising the impact of welfare reform on rental income when a temporary officer was employed to visit and provide advice and support to all tenants affected by the underoccupancy charge. It is proposed to undertake a similar exercise with tenants who will be moved onto UC. This work would include advising tenants of the changes, ensuring tenants had bank accounts and email addresses and identifying tenants who require support with debt management and personal budgeting advice. The post would also apply for Alternative Payment Arrangements for those tenants who have fallen 2 months into arrears or who have been identified as being unable to manage single monthly payments.
- 6.3 The proposed temporary post, whilst funded through the HRA, could also provide the personal budgeting support to those non council tenants claimants referred by the DWP for personal budgeting support. The cost of providing support to these cases would be reclaimed from the DWP under the Partnership Agreement.

7. FINANCIAL IMPLICATIONS [KP]

- 7.1 As outlined in 4.3, DWP will provide funding to the Council for their role in administering UC. Based on the current DPA this will be calculated based on a variable rates per case, however it has implied this may be changed to a regular monthly payment. Based on the caseloads predicted by DWP for this Council, total funding of £32,935 is forecast for March 2015 – March 2016 as calculated below:

	Hrs	Rate (£)	Volume	Funding awarded (£)
Online Supported Access	1	25.66	35	898
Personal Budgeting (Straightforward)	2	25.66	26	1,334
Personal Budgeting (Complex)	6	25.66	9	1,386
LCTRS	1	25.66	85	2,181
Support for UC Support Centre Management	1	25.66	141	3,618
Management	35	40.71	13	18,523
One off costs				5,000
Total				32,940
VAT				6,588
Total				39,528

- 7.2 As detailed in section 2.4, it is proposed that an officer be recruited on a temporary basis to assist in the provision of Personal Budget Support to both Council tenants and non tenants in receipt of UC. Subject to Job Evaluation, it is predicted that this post will be a Grade 05 and therefore, if approved a budget of (£23,762 - £28,712) will be required to fund this post (including oncosts and vacancy factor). This cost will be met by the Housing Revenue Account on the basis the individual will primarily deliver services to Council tenants. The appropriateness of this will be reviewed regularly to assess whether some element of the cost should be met by the General Fund.
- 7.3 If approved therefore a supplementary income budget of £32,940 is required and a supplementary expenditure budget of up to £28,712. In accordance with Financial Procedure Rules, these should be approved by Executive.

8. LEGAL IMPLICATIONS [EH]

Additional Post

- 8.1 The post is for an initial temporary period of 12 months. However, the agreement with DWP can be terminated by either party at any time giving 3 months notice. The agreement does not tie to any particular post and therefore there are no TUPE provisions or indemnity provisions for redundancy.
- 8.2 It should be noted that TUPE may apply, but this would need to be considered fully with HR taking in to account our responsibilities in the agreement and the employees duties. In addition, if a post holder is appointed and they have, or attain during the course of employment, more than 2 years continuous service there may be redundancy implications should the agreement terminate and the contract no longer be required.

Payment of the Housing Element

- 8.3 Identified within the report is the fact that tenants will now have to pay their rent directly. The Universal Credit system does include a provision to allow for the Housing element to be paid directly to the landlord upon application of either the tenant or the landlord. This is Alternative Payment Arrangements, which guidance states will be 'Claimant Centric' and applications will only be considered on a case by case basis. They will only be offered for those claimants where they are unable to manage single monthly payments and, as a result, there is a risk of financial harm to them or their family. There will also need to be arrears equal to 2 months (or more) rent.

Partnering Agreement

- 8.4 The agreement has not been reviewed or negotiated by legal services. A brief review has been undertaken in considering the implications for this report and the following points have been noted:
- The agreement is terminable with three months notice as soon as commenced. Upon termination only those costs incurred by the council to date will be met.
 - Payment to the council will only be made upon prompt invoicing with any information required by the DWP. This will be subject to validation by the DWP and then payment will be made monthly, in arrears within 20 working days of issue of the invoice.
 - A separate data sharing agreement will be required between the parties, in addition to the agreement annexed to this report.
 - There are extensive duties on the council under this agreement, detailed within schedule 1 – it will need to be ensured that we have the resourced and skills to meet them.
 - There is a cap, within schedule 2, on the total amount the council can seek from the DWP under the agreement. This is blank at present but, once inserted, it will mean that the council will need to meet any costs over and above this in order to meet the obligations under the agreement

9. CORPORATE PLAN IMPLICATIONS

- 9.1 Contributes to: Corporate Plan Aim 3 – supporting individuals – to identify and support the most vulnerable people and Aim 4 – providing value for money and pro active services – move towards early intervention and prevention.

10. CONSULTATION

10.1 None undertaken.

11. RISK IMPLICATIONS

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Council isn't able to deliver on its responsibilities in the Partnership Agreement	The proposals contained in the report for service delivery will ensure requirements are met.	Chief Officer (Housing, community Safety and Partnerships)
HRA rental income is at risk due to direct payment of housing costs to tenants in receipt of UC.	Temporary 12 month post will work with tenants to ensure they are prepared for UC.	Chief Officer (Housing, community Safety and Partnerships)
Costs of providing services in accordance with Partnership Agreement exceed budget provided by DWP.	Closely monitor workload and request the review clause included in the Partnerships Agreement at an appropriate point.	Chief Officer (Housing, community Safety and Partnership)

12. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

12.1 The DWP have identified triggers which will identify vulnerable recipients of UC who will require support. The council will also be undertaking work with its own tenants to identify support needs.

13. CORPORATE IMPLICATIONS

13.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Partnership Agreement

Contact Officer: Sharon Stacey Chief Officer (Housing, Community Safety and Partnerships)

Executive Member: Councillor Keith Lynch