

Taunton Deane Borough Council

Executive – 22 April 2015

Universal Credit and Local Support

Report of the Principal Benefits Officer

(This matter is the responsibility of Executive Councillor Vivienne Stock Williams)

1. Executive Summary

- 1.1 The purpose of this report is to provide Members with information about the introduction of Universal Credit (UC) within the local area as part of the phased roll out of the scheme nationally.
- 1.2 Universal Credit is a new method of providing financial support, replacing a number of existing benefits currently available, which will include Housing Benefit that is administered by the local authority. Universal Credit will 'go live' in the Taunton Deane area – initially only for single working age unemployed claimants – with effect from 20 April 2015.
- 1.3 The presentation of this report at the Committee itself will be supported by a briefing from the Department for Work and Pensions (DWP) providing the national context and also the support that DWP are looking to local authorities to provide or commission in respect of assistance for claimants and personal budgeting support. This report sets out the preparatory work required to assist the DWP to deliver Universal Support to claimants in Taunton Deane as well as seeking Member approval for allocation of the funds.

2. Background Information

- 2.1 The DWP is introducing Universal Credit to replace six means-tested benefits for working age households. It is a new simpler, single monthly payment for people who are in or out of work and will replace:
 - Income-based Jobseeker's Allowance
 - Income-related Employment and Support Allowance
 - Income Support
 - Child Tax Credits
 - Working Tax Credits
 - Housing Benefit

2.2 The aim of Universal Credit is to encourage more people into work and to make even small amounts of work pay. The single benefit will remove the distinction from being in and out of work, allowing increased reward from employment and simplifying the system to prevent barriers in returning to work.

3. How will Universal Credit Work?

3.1 Universal Credit is administered and paid to customers by the DWP – it is not the responsibility of local authorities to administer. The DWP state Universal Credit should not be seen as a re-working of the current welfare system. It is an entirely new benefit, and its features include:

- Most people will apply online and manage their claim through an online account
- Universal Credit will be responsive – as people on low incomes move in and out of work, they will get ongoing support, giving people more incentive to work for any period of time that is available
- Most claimants on low incomes will still be paid Universal Credit when they first start a new job or increase their part-time hours
- Claimants will receive just one monthly payment, paid into a bank account in the same way as a monthly salary
- Support with housing costs will go directly to the claimant as part of their monthly payment.

4. How is Universal Credit Being Implemented?

4.1 The DWP have adopted a 'test and learn' approach to delivering Universal Credit, having started the roll out process in specific areas of the country with new claims from single working age Jobseekers from April 2013. The roll out has continued and on 29 September 2014 the DWP announced Universal Credit would be rolled out in three tranches from February 2015 to November 2015. Somerset, through the Universal Credit pathfinder site in Bath & North East Somerset, was highlighted in "Tranche 1", and for Taunton Deane Borough Council the launch date is 20 April 2015.

4.2 The approach to implementation nationally means that the number of customers claiming Universal Credit is initially low and will grow over time. The number of customers were estimated at 14,170 receiving Universal Credit at 11 September 2014, projected to increase to 100,000 by May 2015, then 500,000 by May 2016, and approximately 7.7 million customers when Universal Credit is fully rolled out. Following the test and learn approach, roll out will extend to new claims for Universal Credit from couples, families with children, as well as dealing with changes in claimants' circumstances.

4.3 Based on the experience of roll out in the pathfinder areas the DWP have produced projected Universal Credit customer volumes during 2015/16 that

would require local support from the Council. These are summarised in the table below:

| Types | Number of customers per year |
|---|-------------------------------------|
| Online support | 55 |
| Personal Budgeting Support (PBS): Straight Forward | 42 |
| Complex | 14 |
| LCTS (20% of claims) | 136 |
| Support for UC | 222 |

5. Universal Credit Supported Locally – TDBC Support Arrangements

- 5.1 The Government has recognised that whilst the responsibility for claims administration sits with the DWP, local authorities and other local agencies can play an important role in helping customers – particularly those that need additional assistance in completing their claims or are vulnerable. The Government consulted on the introduction of Local Support Services Framework – since rebranded as Universal Credit Supported Locally. The principles are to make work pay, encouraging people that they will be better off in work and offer support to claimants to increase their capability and become more independent and socially included.
- 5.2 Whilst the DWP has the funding to support customers, they are working with and providing funding to local authorities to provide claims assistance and personal budget support. Officers have been working with DWP to determine the scope of support that is required and to negotiate the funding that will be made available to support this. Based on anticipated volumes and type of support requirements, the DWP have indicated there is a cash limit to the funding that can be provided. Officers have modelled a range of potential operating arrangements with costs ranging from close to and in excess of the funding on offer. Through negotiation the DWP is offering the full amount it can afford within cash limited funds and we have designed a service offering that fits within this affordability envelope.
- 5.3 In the first year it is proposed that Taunton Deane Borough Council will support the DWP for customers making new claims who are single working age unemployed, subject to specific eligibility criteria [Appendix 1](#). The support will be provided in line with an agreed Delivery Partnership Agreement (DPA). The DPA sets out the respective responsibilities of the DWP and TDBC in respect of local support, and the supporting governance arrangements. It is proposed that the Council delivers the following under the terms of the agreement:
- Provide support to the DWP’s Universal Credit Service Centres

- Provide assistance to customers that need additional help to complete their claim online, including extensive support for vulnerable or other customers with more complex claims
- Manual processing of Council Tax Reduction Scheme assessments
- Personal budgeting support and advice for customers to help them adapt to receiving their welfare support through Universal Credit
- Work with the Universal Credit programme to prepare landlords for implementation
- Provide regular management information to the DWP

5.4 In order to provide this support and ensure the impact of Universal Credit on the Council's services – such as Council Tax Support – the proposal is to gear up our capacity using the available funding as follows:

- Utilise online claim facilities in Deane House reception area, with plans to implement additional facilities in other locations such as Citizens Advice Bureau, job Centre, libraries and other Council outreach offices
- Provide supported claims assistance through the Benefits Service, with a number of staff being trained by DWP to obtain the necessary skills and knowledge
- Provide personal budgeting support and advice to customers adapting to Universal Credit
- Provide a signposting service to debt advice from the Citizens Advice Bureau
- Provide additional capacity within the Benefits service to backfill the additional management requirements for delivering claims assistance and personal budgeting support

6. Preparation for Roll Out in Taunton Deane

6.1 The Housing Service and Revenues and Benefits Service have been aware of and preparing for the anticipated implementation of Universal Credit for some time. Following the recent announcement of the proposed implementation of Universal Credit in Taunton Deane this April, a number of steps have been taken or are planned to prepare for this. This includes:

- The creation of a project team to progress the implementation
- A number of events to raise awareness for Members and other stakeholders including:
 - UC Brief to Village Agents – Team meeting 26/2/15
 - UC awareness session for TDBC Private Landlords – 19/3/15
 - Presentation for TDBC members for Corporate Scrutiny 26/3/15
 - TDBC - UC rollout for RSL's and Voluntary Sector – 27/3/15
 - Staff training (open to other staff) – 13/4/15 and 15/4/15
 - Quarterly Partnership meetings with Housing, Citizens Advice Bureau and Job Centre Plus

7. Finance Comments

- 7.1 The DWP have agreed to provide TDBC with funding totalling £45,510 in 2015/16, to enable the Council to provide local support for those UC customers that need it. It is anticipated the majority of claimants will 'self-serve' using the online claim facility or will be able to complete their claims with minimal input from DWP. The funding will be needed for those customers that require additional assistance. It is proposed to recommend the Executive approves the budget "virement" for costs of £45,510 and income of £45,510 in 2015/16 - this will not impact the Council's general fund reserves balance.
- 7.2 Based on national data and projections of the number of customers that will need assistance from the Council, it is considered the funding provided is sufficient to enable the Council to support the DWP as directed in the Delivery partnership Agreement. If the number of customers significantly exceeds expected volumes the Council will seek to renegotiate the funding provided by DWP.
- 7.3 The DPA and related funding from DWP for local support is currently only determined to March 2016. It is currently unclear what amount of funding will be provided in future years. The trend of UC customers is expected to increase as the roll out expands and more customers become eligible, therefore it is reasonable to expect funding in future years will increase, but this is not guaranteed. This funding risk has been taken into account in the design of the local support delivery model for the Council, so we can respond flexibly to future funding provision.

8. Legal Comments

- 8.1 As part of the Welfare Reform Act 2012, the UC Regulations 2013 apply for the implementation of UC by the Department for Work and Pensions.

<http://www.legislation.gov.uk/ukdsi/2013/9780111531938/contents>

9. Links to Corporate Aims

- 9.1 Supporting Universal Credit for Taunton Deane residents is closely linked with 'A Vibrant Economic Environment' to ensure people are better off financially under Universal Credit leading to more available income within the borough to support local business. The principles of Universal Credit also link closely with in TDBC corporate aims to provide a vibrant, social environment – the Delivery Partnership Agreement will identify and support our most vulnerable households working alongside partners to help support customers in our community.

10. Health and Wellbeing

- 10.1 Through the authority's roll out of Universal Credit information sessions for social and private landlords, voluntary and community groups, we aim to ensure that

these organisations are able to provide support and signposting for relevant customers. Thereby helping customers to transfer seamlessly to the new single payment system will support independence and prevent barriers to work. We are also working with Taunton Citizens Advice Bureau to help those who need to develop their budgeting skills and become more empowered to take responsibility for their own resilience and wellbeing.

11. Environmental Implications

11.1 There are no environmental implications associated with this report.

12. Community Safety Implications

12.1 There are no community safety implications associated with this report.

13. Equalities Impact

13.1 Overall administration of Universal Credit is managed by the Department for Work and Pensions who have undertaken an [Equalities Impact Assessment](#).

14. Risk Management

14.1 Overall accountability for the delivery of the UC service rests with the Department for Work and Pensions who will work with the Council to identify:

- best practice
- problems that need solving
- opportunities for improvement

14.2 The DWP will manage risks directly associated with the implementation and management of the Universal Credit regime.

14.3 Implementing Local Support for Universal Credit customers in line with the Delivery Partnership Agreement will mean that the Council will need to plan for and mitigate risks in relation to:

- Service delivery – the DWP will refer customers to the Council for additional assistance with claims; the council will have ongoing service delivery obligations under the terms of the DPA
- Staff – the Council will need to recruit, train and manage staff to deliver the local support arrangements
- Reputation – although Universal Credit is the responsibility of the DWP, the Council will provide associated services to customers and its reputation and customer satisfaction levels may be affected directly or indirectly as a result of the support provided and the impact on Universal Credit on customers' personal circumstances

- 14.4 Funding – the DPA and funding agreement is only confirmed until 31 March 2016; it is unclear what funding and service expectations will follow in future years however there is a risk that funding will reduce, cease, or fail to keep pace with service demand in future.

15. Partnership Implications

- 15.1 Under the terms of the DPA the Council is expected to support the implementation of Universal Credit working with the DWP and recognised partners within the Borough.

16. Recommendations

- 16.1 The Executive is requested to note the preparation to date and the proposed arrangements to provide local support for Universal Credit claimants in Taunton Deane.
- 16.2 The Executive is also requested to approve the addition of £45,510 expenditure and income in 2015/2016, with no impact on the Council's Net Budget.

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Universal Credit Eligibility Criteria as at 20 April 2015

To claim UC you must be single, working age, unemployed and:

- be a British Citizen who has not left the United Kingdom (UK) for a continuous period of more than four weeks in the last two years
- have a UK National Insurance number
- be aged between 18 and 60 years 6 months
- have a bank, building society, Post Office account or a current account with a credit union
- not have to rely on an appointee or have any person acting on your behalf in relation to the claim
- not have any dependent children living with you who are adopted, fostered or being looked after by a local authority
- not have any dependent children living with you who are getting Disability Living Allowance (DLA), Personal Independence Payment (PIP) or who are blind
- not be pregnant
- not be a registered foster carer (even if no foster children currently live with you)
- be fit for work and not have a current fit note or have applied to get one
- not be a company director or in a limited liability partnership
- be either out of work or it isn't expected that you or your partner will individually receive take-home pay of more than £330 in the next month
- be either out of work or if you have a partner, you and your partner not expected to receive joint take home pay of more than £525 in the next month
- not expect to receive any earnings from self-employment in the next month
- not have a member of your household who is in the armed forces (regular or reserves) who is away in connection with that role

You will not be able to make a claim yet if either you or your partner if you have one:

- are receiving Income Support, Jobseeker's Allowance, Employment and Support Allowance, Incapacity Benefit, Severe Disablement Allowance, DLA or PIP
- are awaiting a decision on a claim to Income Support, Jobseeker's Allowance, Employment and Support Allowance, Working Tax Credit, Child Tax Credit or Housing Benefit
- are appealing a decision against Income Support, Jobseeker's Allowance, Employment and Support Allowance, Incapacity Benefit, Severe Disablement Allowance, Working Tax Credit, Child Tax Credit or Housing Benefit
- are homeless or live in supported or temporary accommodation
- own or partly own the home in which you live
- are a carer for someone with a health condition or disability
- are in any form of education or training or about to start a course of education or training within the next month
- have more than £6,000 worth of savings, shares or capital (total of all capital whether held individually or jointly)