

WIRRAL COUNCIL

POLICY & PERFORMANCE CO-ORDINATING COMMITTEE

1 APRIL 2014

SUBJECT:	UNIVERSAL CREDIT PROGRESS REPORT
WARD/S AFFECTED:	ALL
REPORT OF:	HEAD OF BUSINESS PROCESSES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR ANN MCLACHLAN (GOVERNANCE & IMPROVEMENT)
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report updates Members on the latest information with regard the introduction of Universal Credit in Wirral and nationally as part of central governments welfare reform programme. The report is for noting.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Universal Credit (UC) is set to replace six other Benefits or Welfare Credits, for those of working age. This will include the locally administered Housing Benefits but not the Council Tax Support Scheme. Universal Credit will be a single monthly payment for those on a low income or out of work and was to be introduced in phases from April 2013 through to October 2017.
- 2.2. A restricted roll-out started in April 2013, when it was introduced in Ashton-under-Lyne Job Centre here in the North West. It was then extended to Wigan and Warrington Job Centres each starting to accept UC claims in July 2013. Originally this was to be followed by an incremental national roll out so that all authorities were involved by late 2013. However the DWP then decided to slow down this roll out and only Hammersmith, Inverness, Rugby, Bath and Harrogate Job Centres followed during October and November 2013. The next phase of roll-out will see Shotton Jobcentre taking UC claims from 7 April 2014.
- 2.3. Roll-outs to date have been confined to limited eligibility criteria claimants. This have been new claimants who are Single, Fit for work with no children, without housing costs and without savings in excess of £6,000.
- 2.4. The Department for Work and Pensions (DWP) have advised that during summer 2014 they expect to progressively start taking claims for UC from couples and then in the Autumn of 2014 from families at the initial sites.

- 2.5. The DWP further advised that once the above has been safely tested, roll-out is to be further extended within the North-West area, with it being available in each part of Great Britain during 2016. The majority of claimants on legacy benefits are then expected to move onto UC during 2016 and 2017. There has been no move from the completion date of the transfer at the end of 2017. There is currently no identified timescale within which we can expect Wirral residents, at some level, to be making claims in respect of UC.
- 2.6. Twelve Local Authority led pilots were launched in September 2012 for a twelve month period. The aim of these pilots was to support UC go live by delivering learning and evaluation about more collaborative working to reduce mediated support for those claimants who may require some assistance in becoming work ready and more able to self-serve.
- 2.7. In June 2013 the pilots were extended to 31 December 2013 this being on the understanding that they would collectively develop a set of questions and answers, around their four key areas of focus:-

Digital Inclusion

Financial Inclusion

Triage

Partnership Working

All local authorities could ultimately use the outcomes of these when the time came to prepare for the implementation of UC in their area and to develop their provision of their local UC support.

- 2.8. The Local Support Services Framework and Trialling Plan was published in February 2013, followed by the responses report in August 2013 and with the Local Support Services Update and Trialling Plan being issued in December 2013.
- 2.9. This framework is intended to cover those who may need help in making their application for UC, what services those people may need and how these services might be developed locally and tailored to their local need.
- 2.10. The principles and processes of the Framework are to be tested in the areas where UC is in live payment (Pathfinder areas) and then extended to being trialled in other areas as the roll-out programme develops over the coming months. It is expected by Autumn 2014 that a further, updated Framework document will be published.
- 2.11. From the material and information available sourced it is clear that it is the Government's intention is to ensure a closely controlled, progressive roll-out, allowing more capacity through space and time for greater testing, evaluation and development of the role of local authorities in support provision.

- 2.12. It would appear that it is the intention for local authorities to be partners in the support work and it is understood that an associated role is envisaged for authorities until at least 2020. There is though no discussion with regard cost and support to do this at this early stage.
- 2.13. With no identified timescale for Wirral residents to start making claims in respect of UC the Support Framework has not been rolled out here. The pending introduction of UC in nearby Shotton will provide some opportunity to observe more closely the impacts together with the experience of our other local authority colleagues in the delivery of their services and support offered to affected service users.
- 2.14. In light of the above there is little that can be done operationally or strategically in Wirral at this stage, specifically linked to the implementation of UC. Senior managers are keeping abreast of any national activity and developments with the roll-out schedule and routinely refresh associated papers and reports as the Department often produces without wider circulation.
- 2.15. It is important to note that the broader foundations of the Support Framework are already mirrored in long term and ongoing development work on access channels and support that Wirral have been dealing with as the already seen impacts of the wider Welfare Reform Programme since it's inception in Housing Benefit changes starting with Local Housing Allowance in April 2008.
- 2.16 Partnership working between the Benefits Service as well as our Customer Services and our key partners already exist and can quite readily be further developed. This includes working with our local social and private sector landlords as well as the Business Development Managers locally in Jobcentre Plus. Senior Benefit and Customer Services managers continued role in this engagement is imperative and as this partnership is already established through the Welfare Reform subgroup of Wirral's Equality and Diversity group. It is likely this group will form the basis of Wirral's Support Framework group.
- 2.17. On line access to Benefits Services and particularly the experience of designing, establishing and delivering Wirral's Local Welfare Assistance Scheme has further strengthened the links between the role of Customer Services and that of our core processing and assessment work as clients present to us with increasingly diverse and difficult situations in making applications for hardship support.
- 2.18. Further development plans to enhance access to include other channels such as social media, hand held mobile devices etc. These will also form part of the wider customer contact strategy and senior benefit managers, specifically with regard to the move to UC, are in the process of evaluating the benefits of the increasingly used 'Looking Local' solution, a national access channel available

to Sky/Virgin customers as well as PC, Mobiles and Nintendo Wii users. This will be accompanied by a review and update of Wirral's own UC internet pages and links which will include access to the national UC toolkit.

- 2.19. Universal Credit is in respect of working age claimants and the welfare reform programme intended that pensioners would also move to a new scheme Pension Credit probably about 12 months behind Universal Credit transfer. There have been widely publicised issues in respect of the Universal Credit timescale for roll out. The government announced in late 2013 that it was likely Pension Credit introduction would be delayed at least 12 months from its original timing. Thus there are no significant details about this scheme at the present time.
- 2.20. The introduction and impacts of Benefit Reforms such as the Spare Room Subsidy, Benefit Cap, extension of Discretionary Housing Payment and the introduction and administration of both the Local Welfare Assistance Scheme and Localised Council Tax Support Scheme demonstrate the service area's ability to respond to high volume, complex change and to react to the associated needs of those affected.

3.0 RELEVANT RISKS

- 3.1 If the authority does not support this national welfare change its claimants looking to ensure they access this benefit may be adversely affected.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The option to not engage with this legislative change is not appropriate and it will be the breadth of local support offered by the Council that will be for consideration as the scheme rolls out.

5.0 CONSULTATION

- 5.1 None is required by the authority at this time on Universal Credit.

6. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 These organisations have already experienced increases in support requirements, especially around Welfare Support and Advice, as benefit levels reduce and more changes are introduced.
- 6.2. This is similar to the impacts seen by our own staff both at the front and back of house service areas and it is clear these impacts will accelerate for all.
- 6.3. Wirral has been proactive in supporting this support and advice requirement by agreeing additional funding to support the voluntary sector in this work.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 The financial impact for Wirral is not yet known and this will be key to any ongoing role in work anticipated under the Local Support Service Framework.
- 7.2. The DWP funds Housing Benefits work via direct grant and this will be affected in the future as transfers commence. Despite the service seeing its work volumes increase in 2013/14 by around 25% the DWP have reduced the administration grant received by Wirral. In 2013/14 this was £2,691,091 plus a one off downturn payment of £133,097 and an additional in year grant of £140,124, totalling £2,964,312. For 2014/15 this has reduced to £2,041,008, a reduction of £923,304 (31.1%). This is explained by two issues. Firstly it reflects that the grant no longer covers Council Tax Support and 20% of 2013/14 grant has transferred to the Department for Communities & Local Government to meet 2014/15 Council Tax Support costs which is to be advised separately. The grants are then subject to a 10% government efficiency challenge which reduces overall national funding, although a reduction in the higher work levels are yet to be seen.
- 7.3. The direct staffing impact of UC in Wirral thus far has been negligible and is likely to remain so during at least 2014/15. As the move to UC ultimately progresses and the caseload of working age claimants transfers, the management of a diminishing service will necessitate a critical review of staffing establishments as over a period of time it will be managed down to reflect the changes. The Benefits Service, Revenues Service, Call Centre and Library One Stop Shops areas will all be affected. Discussions with staff representatives continue as all recognise the significant impact these changes have on staff and service users alike.
- 7.4. There are no IT or Asset implications arising from this report.

8.0 LEGAL IMPLICATIONS

- 8.1 There are none arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

- 9.1 An Equality Impact Assessment in regard Universal Credit is not at this stage necessary by Wirral but Welfare Reform / Housing Benefit EIA's have been undertaken and are shown at

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

9.2 National EIA's have been undertaken by the DWP for all areas of the welfare reform agenda and a full in depth UC EIA is shown at this link;

<https://www.gov.uk/government/publications/universal-credit-equality-impact-assessment>

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

12.1 That the report be noted.

13.0 REASON FOR RECOMMENDATIONS

13.1 To ensure Members are aware of the up to date position on Universal Credit both nationally and on Wirral.

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APPENDIX: None

REFERENCE MATERIAL: Department for Work & Pensions Guidance Updates

SUBJECT HISTORY

Council Meeting	Dates
Scrutiny Programme Board	19 February 2013
Council Excellence	30 January 2013
Cabinet	19 July 2012
Council Excellence	26 March 2012