

PLANNING FOR THE INTRODUCTION OF UNIVERSAL CREDIT

1. INTRODUCTION

- 1.1 The Council's Delivery Plan of Corporate Aims highlights the introduction of Universal Credit as a Key Activity. This Key Activity is included in the future work programmes of both the Corporate Overview & Scrutiny Panel and the Communities Overview & Scrutiny Panel. The subject is included in the Service Review Programme approved by Cabinet on 5 June 2013.
- 1.2 The Department for Work and Pensions (DWP) has indicated that they have a growing expectation that local government will play a significant role in delivering Universal Credit. Councils are expected to be joint and equal lead partners in determining how Job Centre Plus and any relevant local government resources are used to support service provision to meet local needs.
- 1.3 The DWP anticipates that local authorities will produce a Local Support Services Framework and work as a key commissioner with Job Centre Plus and partners to help support claimants make the transition to Universal Credit. The DWP recently issued updated guidance for local authorities. This can viewed using the link shown at the end of this report.
- 1.4 Other recent welfare reform changes (e.g. spare room subsidy, benefits cap and local council tax reduction scheme) are already having a significant impact on the Council. There is no doubt that the introduction of Universal Credit will be a major challenge and an important project for the Council.
- 1.5 This initial report has been prepared to outline the key issues and to give an early indication of the potential work to be undertaken by the Council. The Council has a key role to play as the authority is currently responsible for administering housing benefits, and in the future these benefits are to be incorporated into the new Universal Credit.
- 1.6 The Council also has another key role to play as a landlord of social housing. There are other roles for the Council as an employer and as a community leader working with partners to support the delivery of Universal Credit.

2. BACKGROUND

- 2.1 The Government's welfare reforms are extensive and far reaching in both their scope and ambition. Universal Credit is the biggest change to the welfare system since it began and will replace a number of tax credits and benefits, including housing benefit which currently provides help for people on low income with their rent in both the private and social sectors.

- 2.2 People of State Pension Credit age will not transfer to Universal Credit. They will continue to get Pension Credit, but under new rules their Pension Credit will include a housing credit which will replace Housing Benefit. Housing Benefit for pensioners will continue until at least 2017/18.
- 2.3 The national timetable for implementation has slipped. The current planning assumption is that Universal Credit will go live for new claims in all areas during 2016, with the majority of the remaining caseload moving to Universal Credit during 2016 and 2017.
- 2.4 There are undoubtedly some tasks that could commence now with our existing teams and partners, to help prepare for Universal Credit and to respond to welfare changes already introduced. However, we do not want to embark on any work which may prove to be abortive.

3. KEY ISSUES

- 3.1 Universal Credit will be 'digital as appropriate' with a target of 80% transactions to be completed on-line. There will inevitably also be significant telephone calls and face-to-face enquiries made to the council's offices.
- 3.2 Universal Credit will be paid monthly in arrears directly to claimants (like a salary).
- 3.3 Housing costs will no longer be paid direct to a landlord, although there will be limited exemptions for vulnerable people. This change will have a major impact on our Council and other landlords.
- 3.4 Claimants will be responsible for paying their rent to their landlord. Claimants will have to manage their Universal Credit to pay their rent on time.
- 3.5 About 55% of the gross rent due to NFDC is currently automatically paid by Housing Benefit (i.e. the proportion due from those on the lowest incomes). It is therefore conceivable that the workload falling on our Rent Recovery team will more than double and our rent arrears will more than double, even if we take effective proactive action.
- 3.6 All the main political parties have supported the concept of Universal Credit, although there are some differences about the implementation process. Most of the implementation process is now planned to take place after the next General Election.

4. WORKSTREAMS

The Council's Local Support Service Framework will need to comprise of a number of work streams. There is some activity that the Council will have to undertake and other activity that the Council may choose to undertake for the benefit of tenants and other residents.

An indication of the type of work is summarised below:

NFDC as a landlord of social housing	NFDC as the administer of Housing Benefit	NFDC as a community leader and an employer
<u>Arrears management:</u> To effectively manage the collection & recovery of rent monies, following introduction of the changes and the cessation of direct payments to landlords. (Key tasks will include direct debit update campaigns, review of other methods of payment and review of rent recovery policies & processes etc.)	<u>Housing Benefits:</u> To deal with the integration of housing benefit into the new Universal Credit for working age claimants and into Pension Credit for pensioner claimants. (Key tasks may include preparing a resource plan and a financial plan showing declining benefit subsidy etc.)	<u>Digital Inclusion:</u> To provide mediated support to online applicants via Council & Public Access Points and training to enable customers to develop skills to complete their own applications. (Key tasks may include mapping public access points, identifying and plugging gaps, liaison with computer clubs etc.)
<u>Financial Independence:</u> To provide money management and welfare advice to tenants in most need. (Key tasks may include mapping organisations already providing budgeting support in the District, liaising with credit unions and talking to local banks about basic bank accounts, engaging with prospective new tenants to identify needs etc.)	<u>Collaborative Work:</u> To achieve an integrated approach across public and voluntary agencies in the District for the benefit of claimants (Key tasks may include regular engagement with New Forest Advice Network even at this early stage etc.)	<u>Work Focus:</u> To improve links & data exchange with Job Centre Plus to help people into work and to develop better links to businesses for job vacancies. (Key tasks may include review of job clubs etc.)

5. MANAGEMENT OF THE PROJECT

- 5.1 A Project Board has recently been established to define and oversee the project. The Board comprises of the two main Portfolio Holders (Housing & Communities and Finance & Efficiency), a member of Executive Management Team and Head of Housing & Customer Services. The initial meeting of the Project Board is to be held on 23 January 2014. The Board will consider the updated guidance and other information for local authorities.
- 5.2 A Project Team will be established in due course and this will be chaired by the Head of Housing & Customer Services. The Project Team will be responsible to the Project Board for the production and delivery of an approved Project Plan.
- 5.3 The Project Team will comprise of appropriate managers from services and partners (including Legal to help with debt recovery, ICT to help with digital inclusion and Business Support to help with work focus).
- 5.4 The Overview & Scrutiny Panel(s) will receive updates and progress reports. A Task & Finish Group of Members may be formed later to review any proposed changes to Council policies e.g. recovery of rent arrears.

- 5.5 The Housing Policy Group will be used as the forum for consulting with tenants. The New Forest Advice Network is likely to be the best body to represent key partners.
- 5.6 In due course it may be appropriate to arrange a presentation for all Members of the Council on the subject, prior to a Council meeting.
- 5.7 Bringing together the management of the Housing service with the teams responsible for local taxation & benefits and the local offices & contact centre will help facilitate a more co-ordinated approach to the introduction of Universal Credit.

6. CONCLUSION

- 6.1 The Council should continue to take a pro-active approach to plan for the introduction of Universal Credit. There should be a proportionate response to make sure that significant resources are not used to address issues that may not materialise. However, the Council should ensure that that it is properly prepared and has thought through the various implications and formed a view on the level of the Council's involvement where there is some discretion.

7. RECOMMENDATIONS

- 7.1 To note the contents of this initial report and feedback any comments to the Project Board and Project Team for consideration when formulating the Council's plans.

Further Information:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/263490/universal-credit-local-support-services-update-trialling-plan.pdf

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