

Extraordinary Cabinet



Forest Heath
District Council

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| Title of Report: | Universal Credit Delivery Partnership Agreement | |
| Report No: | CAB/FH/15/016 | |
| Report to and date/s: | Extraordinary Cabinet | 17 March 2015 |
| Portfolio holder: | Stephen Edwards Resources, Governance and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk | |
| Lead officer: | Davina Howes Head of Families and Communities Tel: 01284 757070 Email: davina.howes@westsuffolk.gov.uk | |
| Purpose of report: | To approve the agreement between the Council and the Department for Work and Pension to support the delivery of Universal Credit. | |
| Recommendation: | <p>It is <u>RECOMMENDED</u> that, Cabinet:</p> <ol style="list-style-type: none"> (1) note the phase one implementation of Universal Credit across West Suffolk; (2) agree the Universal Credit Delivery Partnership Agreement attached at Appendix A; (3) delegate authority to the Head of Families and Communities, in consultation with the Portfolio Holder for Resources and Performance, to negotiate the costs being sought from the Department for Work and Pensions to support the implementation of Universal Credit (Appendix A, Schedule Two); and (4) note that review periods will be arranged with the Department of Work and Pensions in order to assess the actual impact of Universal Credit in the area. | |

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| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> |
| <p><i>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i></p> | |
| <p>Consultation:</p> | <ul style="list-style-type: none"> Liaison between the council's housing and customer services teams, Anglia Revenues Partnership and the Department for Work and Pensions. |
| <p>Alternative option(s):</p> | <ul style="list-style-type: none"> The council could choose not to provide advice and support to residents affected by Universal Credit. |
| <p>Implications:</p> | |
| <p><i>Are there any financial implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The likely financial impact of supporting the implementation of Universal Credit have will be calculated and detailed in Schedule Two of the attached partnership agreement. This has yet to be agreed with the Department of Work and Pensions. Arrangements are for the financial year 2015/16 only. |
| <p><i>Are there any staffing implications? If yes, please give details</i></p> | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> There are staffing implications for ARP and these costs will be factored into Schedule Two of the Delivery Partnership Agreement. In terms of other council services, particularly customer services and housing, it is anticipated that the majority of the work will involve signposting to support. However, support will need to be given to those customers who need assistance with online access. Staff will require training in order to provide an effective service to residents. |
| <p><i>Are there any ICT implications? If yes, please give details</i></p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p><i>Are there any legal and/or policy implications? If yes, please give details</i></p> | <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |

| <p>Are there any equality implications? If yes, please give details</p> | | <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Universal Credit is a government policy and will have been subject to appropriate equality impact assessment. Staff will need to provide support to those who have difficulty accessing online information. | |
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| <p>Risk/opportunity assessment:</p> | | <p><i>(potential hazards or opportunities affecting corporate, service or project objectives)</i></p> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| Customers are confused by the implementation of the new system. | Medium | Staff to complete the appropriate training in order to provide and/or signpost to the appropriate organisation. | Low |
| The number of customers affected by the change is higher than anticipated and cost to the council and ARP increase. | Medium | Regular liaison with DWP to monitor the number of claimants. Agreement includes provision for review should the volume of claimants differ from projections. | Low |
| <p>Ward(s) affected:</p> | | All Wards | |
| <p>Background papers: <i>(all background papers are to be published on the website and a link included)</i></p> | | None | |
| <p>Documents attached:</p> | | Appendix A: Universal Credit Delivery Partnership Agreement. | |

1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 Universal Credit (UC) is a government policy which aims to introduce greater fairness to the welfare system with the intention of ensuring that people are better off in work than on benefits. It is a new benefit for people who are on a low income or are out of work. It replaces six benefits and credits with a single monthly payment for people on a low income or who are out of work. It removes the requirement for an individual to provide similar information to different organisations. It is also intended to be more flexible than the current benefit system by making it easier to take short-term or part-time work. Universal Credit *does not* include the Local Council Tax Reduction Scheme with the administration of this remaining with local authorities.
- 1.1.2 Universal Credit is being introduced in stages and in some parts of the country it is available to single people, couples and families. Since February 2015, the government has accelerated the delivery of Universal Credit rolling out nationally to **single claimants** only.
- 1.1.3 In January 2015, the council was informed that all Jobcentres within Forest Heath and St Edmundsbury would be included in the first tranche of the roll out of Universal Credit with a go live date of 13 April 2015. This means that any new claims for single people (not couples or families) will be assessed under UC. Estimates of the number of claimants likely to be impacted are still being verified and cannot be released at this stage.

1.2 Delivery Partnership Agreement

- 1.2.1 Prior to UC implementation, councils are required to sign a Delivery Partnership Agreement with the Department of Work and Pensions (DWP). The purpose of this Agreement is to establish what local authorities are required to deliver in order to ensure a joined up and coherent journey between services for the claimant. This is an interim arrangement to support the initial roll out of UC but will be subject to review as and when full UC is available to all, including families and couples. The council's Delivery Partnership Agreement is attached as Appendix A.
- 1.2.2 Each council is required to negotiate with the DWP the likely costs it will incur as a result of UC implementation. These costs are based on the projected number of claimants in each council area. The Agreement makes provision for these costs to be reviewed should the number of claimants differ from the projected volumes for any reasons, including a change to the eligibility criteria (Appendix A paragraph 1.10).
- 1.2.3 Once negotiated, Schedule Two of the Delivery Agreement will set out the proposed funding arrangements and the costs that the council will seek from the DWP. Anglia Revenues Partnership (ARP) costs will be included as will any costs for activities likely to be carried out by a third party on behalf of the council. These costs are based on estimated volumes provided by DWP and by a national model which has been used to determine costs of activities.
- 1.2.4 The Delivery Agreement requires that the council includes the likely cost of

providing a Personal Budgeting Service (PBS) to UC claimants as a result of a referral from the Jobcentre. This is not a service that the council provides; rather PBS is provided to residents by third parties, for example, the Citizens Advice Bureau. It is suggested that this arrangement continue, at least for the short term, as the council does not have the capacity to build this expertise within the time available before the launch of UC. Over the next few weeks, discussions will therefore take place with third party providers of this type of advice to establish whether or not they have the capacity to provide PBS. The DWP estimate that 'straightforward' PBS advice takes two hours per person, whilst complex support is estimated to take six hours. At this stage it is not possible to know if these estimates are realistic. Consequently, it is proposed that in agreeing the Delivery Agreement that reviews are undertaken to analyse timings and the consequent impact on the council's and any third party budget. Longer term PBS may be a service which could be commissioned by the council, with funds being sought from the DWP. This matter will be subject to further discussions as part of the council's approach to grants and commissioning.

- 1.2.5 Payment of these costs is dependent on the delivery of the agreed services and activities. Monthly management information and an invoice, including a breakdown of activities, will be submitted to the DWP in order to claim these costs. The council will invoice the DWP for all of its costs and those incurred by ARP and any third party carrying out PBS as a result of UC. It should be noted that funding from the DWP is only guaranteed for one year (2015/16) and no indication has been provided as to the likely arrangements for April 2016 onwards.

2. Anticipated Universal Credit claims and likely costs incurred

- 2.1 The DWP has provided an estimate of the number of claims which are likely to occur across the council area from April 2015 to April 2016. The cost to the council, ARP and any third party have been estimated based on a national cost structure. The council and ARP have more flexibility to agree the likely management and one-off costs and have done so based on an estimate of the likely workload. This information will enable the council to agree with the DWP the costs which will be detailed in Appendix A Schedule two.

3. Next Steps

- 3.1 The council will need to negotiate with the DWP the costs for the activities outlined in Schedule Two of the DPA with an agreement to be in place before 13 April 2015. It is suggested that the Head of Families and Communities be given delegated authority, in consultation with the Cabinet Member for Resources, Governance and Performance, to negotiate and agree these costs.
- 3.2 Discussions will need to take place with third party providers in order to ensure there is sufficient PBS available from 13 April.
- 3.3 The Council and ARP will monitor the implementation of UC following go live in 13 April 2015 and make any necessary adjustments to the DPA.