

Report to:	Overview and Scrutiny Committee	Date of Meeting:	13 th June 2017
Subject:	Update on Universal Credit and Full Service Sefton Council.		
Report of:	Stephan Van Arendsen Head of Corporate Resources	Wards Affected:	All Wards
Cabinet Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

This report sets out progress in rolling out Universal Credit in Sefton and an update on Department for Work and Pensions (DWP) new funding arrangement for Full Service due to commence in Sefton Jobcentre Plus offices in October 2017.

Recommendation(s):

(1) That the content of the report is noted by the Overview and Scrutiny Committee.

Reasons for the Recommendation(s):

To update Overview and Scrutiny Committee on Universal Credit implementation locally and the support arrangements that will be introduced to support Sefton residents claiming Universal Credit.

Alternative Options Considered and Rejected: (including any Risk Implications)

Not to provide Personal Budgeting Support (PBS) and Assisted Digital Support (ADS). This would mean Sefton residents will not receive the help they require to make a digital claim for UC and personal budgeting support via the Council.

What will it cost and how will it be financed?

(A) Revenue Costs

The Department for Work and Pensions have set out details of the grant offer for Universal Support and linking Housing Benefit administration for 2017/18, which includes Personal Budgeting Support (PBS) and Assisted Digital Support (ADS).

The table below illustrates how the work will be funded.

	17/18 (£)	Comments
Universal Credit		
UC Universal Support		Local Authorities will be funded if assumed volumes are exceeded
Assisted Digital (Live Service)	2,489	It is currently estimated that 5% of those seeking to claim Universal Credit will need Assisted Digital support.
Personal Budgeting Support (Live Service)	3,013	It is currently estimated that 5% of those seeking to claim Universal Credit will need Personal Budgeting Support
Assisted Digital (Full Service)	30,524	It is currently estimated that 6% of those seeking to claim Universal Credit will need Assisted Digital support
Personal Budgeting Support (Full Service)	35,241	It is currently estimated that 7.5% of those seeking to claim Universal Credit will need Personal Budgeting Support
UC Implementation Support		UC Implementation Support will be paid via 'New Burdens payments'
Management Support(Full & Live Service)	34,194	This is to support Universal Credit Implementation
Support for complex housing cases (Full Service)	8,204	This is to fund Local Authorities for the clerical process of providing further information for complex housing costs to Universal Credit.
Housing Benefit Stop Notices	37,501	This is to fund Local Authorities for the clerical process of closing down a Housing benefit claim that has since migrated to Universal Credit
Payment Deduction Programme	13,471	This is to fund Local Authorities for the clerical process attached to claimants with historical debt (similar to MGP1) who have migrated to Universal Credit.
Total Universal Credit Funding	164,637	Total figures rounded to nearest pound

(B) Capital Costs

None

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): The additional resource requirements relating to Personal Budgeting Support (Full Service) will be undertaken by Citizen Advice and will be funded by the DWP. Additional resource relating to digital support and back office functions will be undertaken by staff in the Benefit Service including Bootle and Southport One Stop shops, and funded by the DWP.</p>
<p>Legal Implications:</p>
<p>Equality Implications:</p> <p>There are no equality implications.</p>

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Claimants will receive the help they require to make a digital claim for Universal Credit, Council Tax Reduction and personal budgeting support via the Council and Citizen Advice.
Facilitate confident and resilient communities: not applicable
Commission, broker and provide core services: not applicable
Place – leadership and influencer: not applicable
Drivers of change and reform: not applicable
Facilitate sustainable economic prosperity: not applicable
Greater income for social investment: not applicable
Cleaner Greener: not applicable

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD.FD 4681/17) and Head of Regulation and Compliance (LD 3965/17) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Full Service for Sefton is scheduled for October 2017.

Contact Officer:	Christine Finnigan
Telephone Number:	0151 934 4161
Email Address:	Christine.finnigan@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

1.1 Cabinet Member for Regulatory, Compliance and Corporate Services requested a detailed briefing paper on Universal Credit at Cabinet Member briefing on the 13 March 2017.

1.2 Universal Credit (UC) helps ensure customers are better off in work than they are on benefits. Universal Credit provides support to help people prepare for work, move into work or earn more. UC is a means-tested benefit which is intended to replace all of the following means-

tested benefits (that top up existing income) with a single monthly payment. The benefits and tax credits that fall within scope of the UC are:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit for working age.

The Department for Work and Pensions (DWP) refers to these as legacy benefits.

1.3 Universal Credit is claimed online and payments are made monthly and direct to the household, albeit there are payment safeguarding arrangements as well. This reflects the 75 per cent of people in work who are paid that way. Support is available to help customers get online. Jobcentre's are able to provide access to the internet or advise customers about local places where the internet can be used for free. If customers are unable to claim online, face to face and telephone support is available until a customer can get access to the Internet. Local Authorities are able to assist with this through the Universal Credit Delivery Partnership Agreement currently in place.

1.4 Universal Credit interacts with the remaining benefits (usually treating them as 'unearned' income) as well as taking in to account earned income and other income (e.g. occupational pensions etc.). Also by providing a top-up for living costs if the claimant's existing income is below a set level, and providing help with housing costs as part of the UC claim instead of Housing Benefit.

2. Universal Credit national roll out – revised timescale.

2.1 It was originally intended by the Government that all new claims that would have been legacy benefits should be Universal Credit claims by April 2014 and for all existing claims (between 7 and 8 million) to be transferred to UC between 2015 and 2017.

2.2 The timeline for the roll out has been re-set on a number of occasions by the Government.

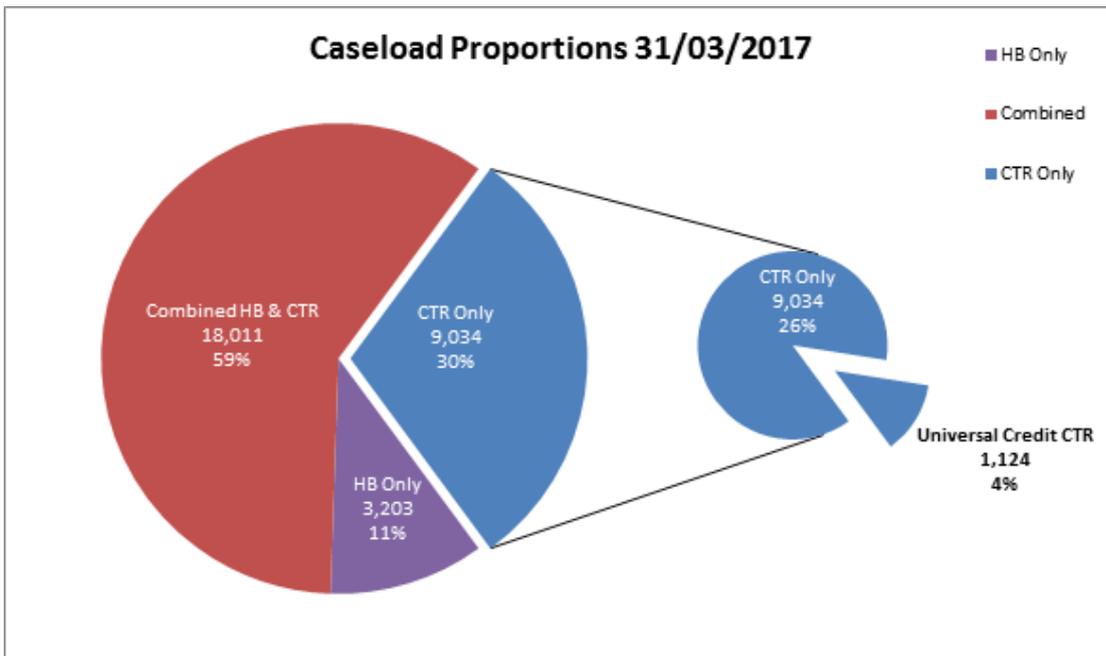
2.3 There were approximately 430,000 (as at January 2017) claimants on Universal Credit, the majority of which are simple new claims under the limited "Gateway" system (known as Live Service). This number is significantly lower than the 8 million originally reported by the DWP.

2.4 The managed migration of existing housing benefit claims to UC has yet to begin and is now expected to commence in July 2019, for completion in 2023/24.

3. Universal Credit in Sefton

3.1 UC Live Service was introduced in Sefton Job Centre Plus (JCP) offices for single newly out-of-work people from 30th June 2014. This was expanded to couples from 28th July 2014 and rolled out to families from January 2015

3.2 As at March 2017, there were 4,155 UC claims in Sefton, of which 1,124 were claiming council tax reduction (CTR) with the council. The table below shows the UC benefit caseload for housing benefit and council tax reduction:

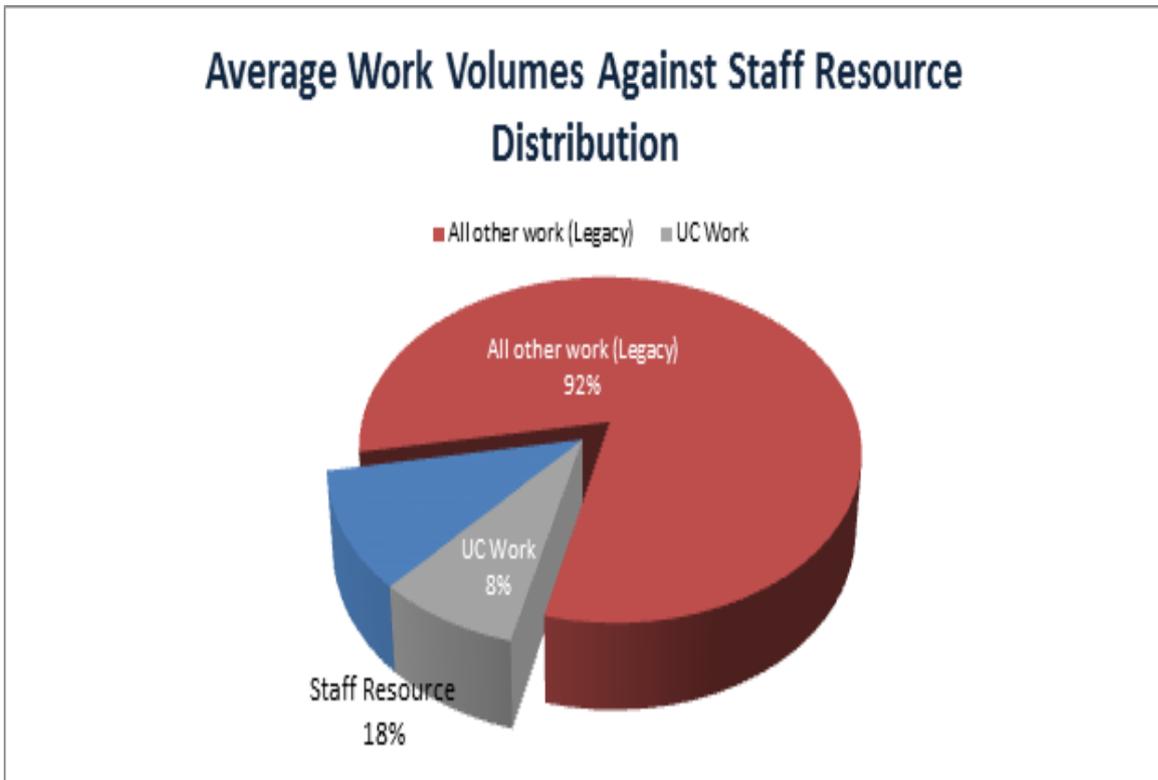


4. Universal Credit in Sefton – work undertaken to implement UC as follows:

4.1 Sefton Council - Benefits Service Back Office

- Council Tax Reduction (CTR) Scheme amended to enable assessment of CTR in relation to Universal Credit customers.
- Universal Credit Team set up in the back office to deal specifically with Universal Credit work.
- Universal Credit procedure notes produced - procedures constantly refined in response to the rapidly changing legislative and procedural environment.
- IT processes implemented to manage Universal Credit workflows efficiently and record relevant data effectively.
- Training provided to back office Universal Credit team - documents continue to be updated to reflect changes.
- Awareness training provided for front line staff i.e. evidence gathering and correct signposting.
- Sefton's Library managers provided with a presentation on Universal Credit and effective signposting
- Online benefit application form (BECS) updated (in conjunction with software provider Team Netsol) to cater for Universal Credit.
- New letters produced to specifically deal with Universal Credit - existing letters updated where necessary
- Sefton's Website updated to provide information on Universal Credit - includes relevant links and signposting.

- Debt recovery issues regarding Attachment of Benefit (Direct Deductions) raised with DWP Universal Credit Recovery team.
- The table below illustrates the resource implications for UC work in the Benefit Service.



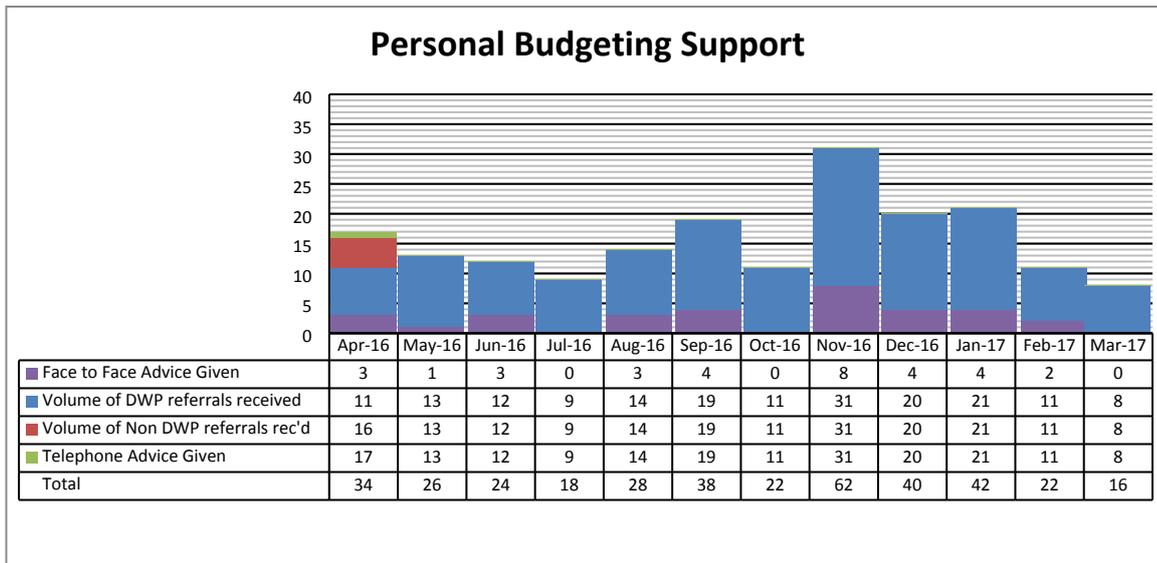
4.2 Sefton Council - One Stop Shops

4.2.1 In the One Stop Shops advisors assist customers claiming Universal Credit online, Council Tax Reduction (CTR) and Discretionary Housing Payments where appropriate. During 2016 – 2017 424 customers were assisted to claim Universal Credit or Council Tax Reduction.

4.3 Personal Budgeting Support (PBS)

4.3.1 Citizens Advice Sefton has been delivering personal budgeting support and debt advice for customers in receipt of Universal Credit since June 2014. They have helped 186 customers in 2016/17 that have been referred either directly from the DWP or who have self-referred.

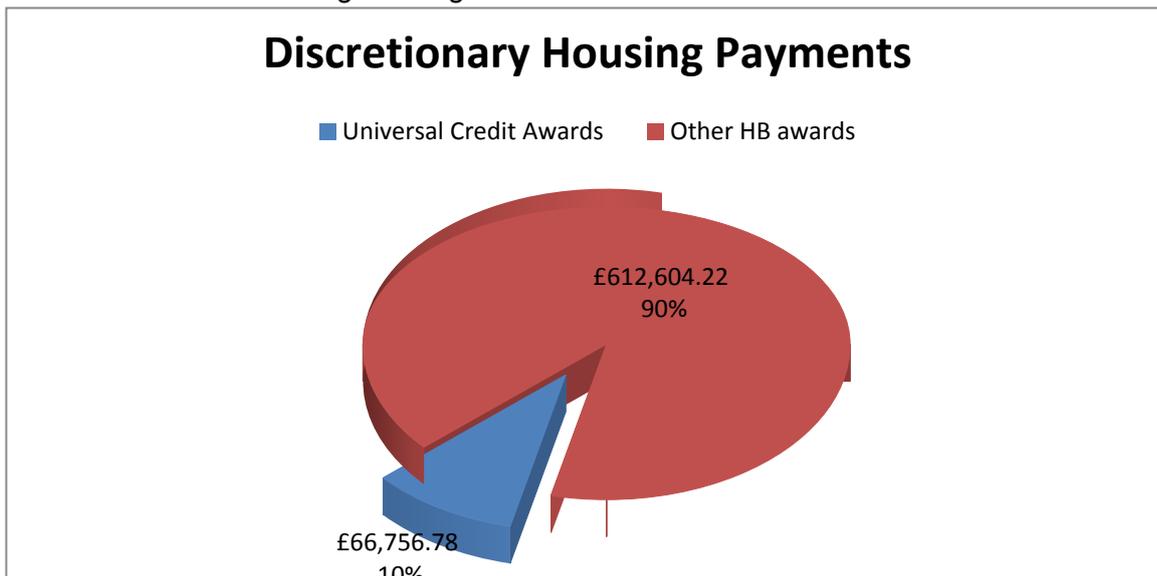
4.3.2 The table below details the work undertaken by Citizen Advice regarding personal budget support.



5 Discretionary Housing Payments (DHP)

5.1 During 2016/17 The Council awarded 208 Universal Credit customers with a discretionary housing payment. A total of £66,756 was paid out to residents as additional support towards their housing costs.

5.2 The table below shows the comparison between DHP awarded for UC claimants compared to claimant's receiving housing benefit.



6 Working with partners and key stakeholders

6.1 Private Landlord Forums & Registered Social Landlords liaison meetings

6.2 Forums and liaison meetings have been scheduled and are ongoing to keep Landlords informed with Universal Credit developments relevant to them e.g. direct payments, housing element of UC and how customers can apply to the council for a Discretionary Housing Payment.

6.3 Regular internal UC meetings between the council's Customer Service, Benefit Service and Revenue Service to ensure joined up approach and staff updated on required processes.

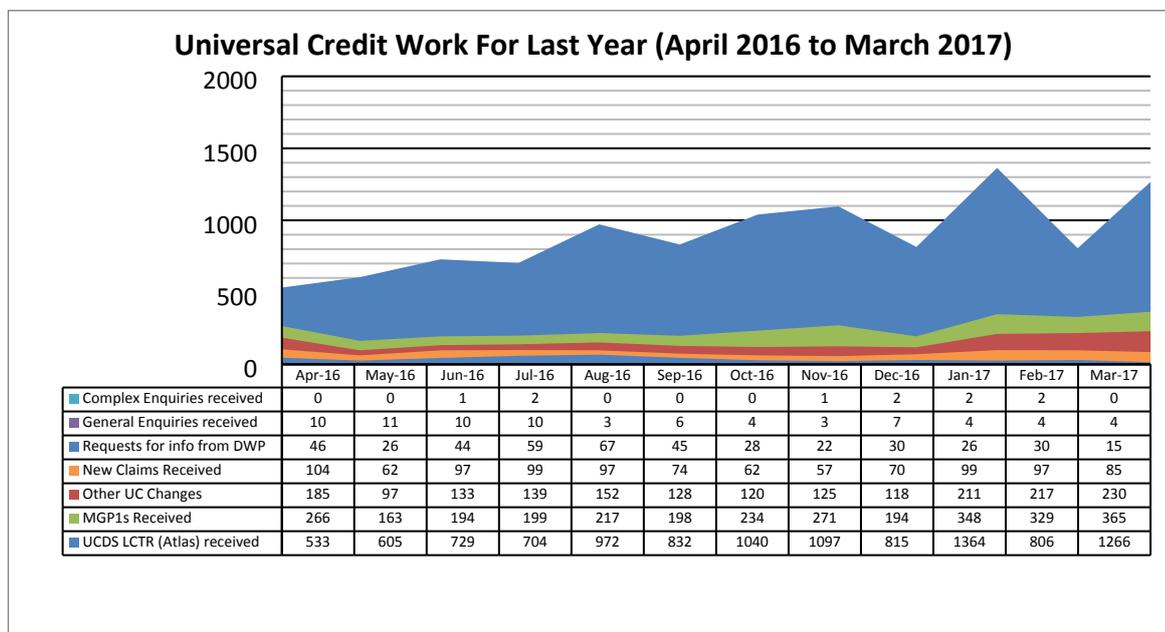
6.4 Meetings held with DWP and other Merseyside Local Authorities to collectively raise issues and provide solutions relating to complex claims and DWP legislation change.

6.5 Universal Credit review meetings held with Sefton's DWP Partnership Manager. DWP arranged for their Excellence Division team to visit Sefton Benefit Service to review and consider issues raised and the impact on the Benefits Service administration and our Customers.

6.6 Specific Universal Credit case issues are regularly raised directly through the DWP Universal Credit Service Centres.

7 Universal Credit Benefit Service workload – Live Service:

7.1 The chart below demonstrates a breakdown of Universal Credit work under UC Live Service received over a 12 month period:



7.2 In April 2016 the UC workload was 533 items received in the month. In March 2017 the workload increased to 1266 items- over the past year the Universal Credit workload has more than doubled in volume and will increase further with Full Service migration due in October 2017.

8 UC Benefit Service operational issues raised with DWP

- 8.1 Despite the steady increase in the number of notifications received via the DWP Data Hub, there are a significant number of notifications that are not received by the Benefit Service – this causes incorrect assessment of CTR and proves resource intensive in trying to obtain the information to enable correct assessment of CTR.
- 8.2 Missing DWP files and the unreliable data on DWP files pose great difficulty for Local Authorities and create delays for benefit claimants receiving CTR awards.
- 8.3 The data available on the DWP Customer Information System (CIS) is often insufficient in that it does not provide details of the income taken into account for the assessment of UC. This delays processing claims for CTR as evidence
- 8.4 Some elements are and will remain entirely manual and is subsequently time consuming/resource intensive i.e. closing down the Housing Benefit claim and attempts to recover overpaid housing benefit, as DWP do not always inform the Council when a customer moves over to UC.
- 8.5 All of these issues are pro-actively raised with DWP Partnership Manager and DWP Operational Excellence division on a regular basis

9 UC Full Service Sefton October 2017

- 9.1 UC Full Service is due to commence in Sefton Jobcentre Plus offices (JCP) in October 2017. Full Service will form part of the DWP's digital solution and customers will use this solution for claiming and maintaining their UC claim online. This differs under the UC Live service where all processes are manual and there is currently a very limited gateway. All notifications to local authorities regarding their award will be sent through this automated solution.
- 9.2 The 'gateway' to UC will be expanded to all claim types of customers for both in & out of work benefits, including those with disabilities or not fit for work.
- 9.3 Where a claim already exists under UC Live Service, it is understood that it will transfer to the 'Full Service' within three months of the introduction of that service. UC Live Service and Full Service UC operate on different I.T. platforms, so 'UC Live Service' claimants will have to complete a new full 'application' to Full Service UC.
- 9.4 Existing legacy benefit claims may transfer to Universal Credit by natural migration — where the claimant had previously had a change of circumstances that would normally require a new legacy benefit claim (e.g. beginning work after unemployment and needing to claim Working Tax Credit or vice versa) the claim will be for Universal Credit.
- 9.5 In this situation the entire claimant's existing legacy benefits will transfer over to Universal Credit and it should not be possible to return to the old system.
- 9.6 Between now and summer 2018 DWP have informed local authorities they will complete UC Full service roll out across the country.

9.7 Full Service rollout in Merseyside

- Sefton – October 2017
- Knowsley – February 2018
- St Helens- April 2018
- Wirral – July 2018
- Liverpool – July to Sept 2018

10 DWP requirements and liaison

10.1 With the introduction of UC Full Service the demand for claimant support services will change. UC brings a cultural and behavioural shift for claimants. The transition to monthly payments and direct payment of housing costs requires them to be responsible for managing their money and paying their bills. The move to UC Full Service also means that UC is delivered predominately via self-serve using the internet. Some claimants will need help with this.

10.2 DWP have made funding available to local authorities to help deliver Universal Support consisting of Personal Budgeting Support (PBS) Assisted Digital Support (ADS).

10.3 A key DWP requirement for the UC Full Service is that local authorities provide extensive management information on a case-by-case basis to demonstrate the level of ADS and PBS provided. Whilst management information is required for the current UC Live service the requirements for the UC Full Service are substantially more.

10.4 To formalise the working relationship between the DWP and the Council, the DWP has replaced the Delivery Partnership Agreement with a Grant Funding Agreement. The Council will be required to undertake services it deems appropriate to deliver outcomes contained in the Grant Funding Agreement, which includes the following:

10.4.1 Assisted Digital Support

- Security awareness: to ensure claimant keeps (log-in) credentials safe
- Set and manage their own email account
- Access, navigate and understand the information required to gather data and complete online UC claims.
- Navigate and update online, diaries, 'to do' lists, and Journals
- Upload documents, including curriculum vitae (CVs), medical certificates.
- Notify change of circumstances
- Use online account for enquiries
- Print Documents

10.4.2 Personal Budgeting Support

- Work out monthly income and outgoings
- Recognise priority bills, such as rent
- Identify and cut back on non-essentials
- Complete and maintain a budgeting plan

- Convert from a Post office card accounts/Simple payments to more appropriate banking products, and
- have a transactional bank account
- Set up a direct debit for prioritised payments.

10.4.3 For the purposes of these arrangements, Sharing data will ensure timely and 'joined –up' support. Customer consent is required to lawfully share personal data on claimants for the purposes of PBS and ADS. A data sharing Agreement will be signed by DWP and the Council.

10.5 **DWP liaison meetings:**

Phase 1 meeting held in Bootle Jobcentre on 27/04/17. The presentation covered the overview of UC Full Service and allowed time for questions. A more detailed presentation will be provided nearer to Go Live date, which will include a demonstration of the actual systems that will be used. In addition the DWP will provide a package for staff training.

11 **Impact on current service delivery:**

11.1 UC claimants of all ages will still however have to claim support towards Council Tax, i.e. Council Tax Reduction, through the local authority.

11.2 Feedback from those local authorities currently working with UC Full Service in their area suggests there will be a significant reduction in new claims for Housing Benefit for working age customers but there will be an increase in the number of customers requiring support to claim and manage their ongoing UC awards.

11.3 Statistical forecasts received from the DWP indicate that there will be a significant increase in UC customers contacting the local authority for ADS; currently approximately 15 customers per month attend the One Stop Shops for help with their UC claim, this is expected to increase to 135 customers per month, an increase of 800%.

11.4 Approximately 34% of Sefton's current UC customers are in work. A large proportion of these are in low paid work. This means that they often experience monthly changes to their earnings and UC. The impact of this is that there is a significant increase in the amount of CTR Notification Letters, and Council Tax Bills having to be issued, causing additional costs to the Council and delays in Council Tax Recovery.

11.5 Problems that existed under UC Live Service are likely to represent an increasing challenge to manage with the sharp increase of customers claiming UC under UC Full Service.

11.6 The removal of entitlement to UC housing costs for some claimants aged 18-21 will apply from October 2017.

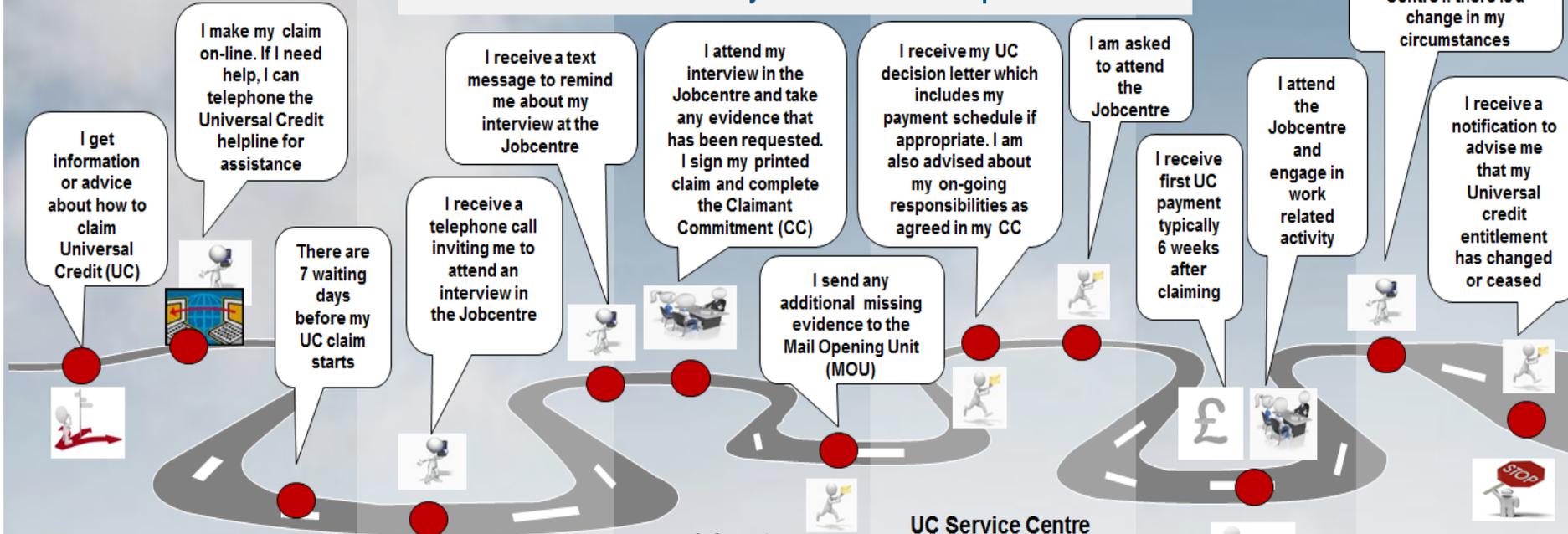
11.7 The table below shows the other key work tasks that the Council will still be required to deal with following the introduction of UC Full Service:-

Remaining with the Council	Comment
Council Tax Reduction claims	New claims and change in circumstances for all age groups will remain with the local authority
Management information for UC Full Service for ADS and PBS	Substantially increased requirement for local authorities to provide MI to DWP
Housing Benefit claims for pensioners	New claims and changes in circumstances for pensioners will remain with the Council
Housing support for supported housing	Further Government announcement due but expectation is that funding will be provided to local authorities to determine funding for additional support
Discretionary Housing Payments (DHP)	Additional support for housing costs for both HB and UC claimants. Decision making will remain with the Council
Recovery of Housing Benefit overpayments	Legacy HB debt will remain with the Council for recovery
Appeals against Council Tax Reduction and historic HB dispute handling	Will remain with the Council to prepare case files for Tribunal Service and Valuation Office
Manual cancellation of HB claims to migrate to UC Full Service	As UC gateway is expanded, more claims will qualify and there will be a requirement to manually end/cancel legacy benefits such as HB;
Management and administration of Housing Benefit subsidy claim	This will remain with the Council
Government returns	For example, DHP returns to DWP and HB subsidy return
Maintaining of software solutions for HB and Council Tax Reduction	For example, system upgrades, year-end processes, annual uprating of state benefits
UC Full Service	<ul style="list-style-type: none"> • Training & awareness sessions for staff & key stakeholders • UC digital skills training for front line service. • UC specialist roles • Review team structures • Communication plan
UC Full Service	Review CTR scheme to simplify the administration relating to ongoing UC changes and impact on claimants.

12 Below demonstrates the UC customer journey for the current live service.

Customer Touch Points:

UC Customer Journey – Pictorial Representation



Business Process:

Online/ UC Helpline



Claims to Universal Credit (UC) are made on-line. If a claimant requires assistance, the Universal Credit Helpline is available. In exceptional circumstances, claims can be made by telephone or face to face

UC Service Centre



On receipt of the online UC claim, the Service Centre (SC) contact the Claimant by telephone to arrange an interview at the Jobcentre. An SMS text message is issued to remind the claimant about their appointment

Jobcentre



The Jobcentre print the UC claim and obtain a signature from the claimant. Any additional information is gathered and the Claimant Commitment (CC) is completed. The UC Portal is updated and the claim documents and any supporting evidence are sent to the Mail Opening Unit (MOU)

UC Service Centre



The MOU scan the claim on to the Data Repository System (DRS). Any evidence or correspondence sent in separately by the Claimant creates a CAMLite task for the agent in the SC. On receipt of the task, the agent updates the UC Portal. Once all evidence has been verified, this triggers the processing of the UC claim

Jobcentre



The Claimant is invited to attend the Jobcentre to undertake specific work related activity as agreed in the CC. There is on-going interaction at the JC

UC Service Centre Claims Closure



If the claimant has a change of circumstance it is reported to the Service Centre. The claimant is notified regarding any change to the award of Universal Credit