

WELFARE REFORM UPDATE

EXECUTIVE MEMBER: Councillor Gillian Troughton
LEAD OFFICER: Julie Betteridge, Head of Customer and Community Services
REPORT AUTHOR: Julie Betteridge

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Council provides a range of services and partnership arrangements to assist residents impacted on by Welfare Reform. The Council through a co-ordination and commissioning role is partnering with DWP to assist vulnerable residents with complex applications to Universal Credit as it begins its roll out within the borough.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

(eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

This report sets out the proposed framework for joint working in the borough in readiness for Universal Credit roll out and requests Executive to endorse the partnership approach and detail.

RECOMMENDATIONS:

Executive are requested to:

- a) Note the continuous partnership approach on social inclusion which will assist vulnerable residents impacted by Welfare Reform and the planned roll out of Universal Credit and endorse the Council taking a lead role to develop a consortium approach to a programme of activities and funding including acting as accountable body where accountable body costs are included within the funding package;
- b) Agree to entering into a Delivery Partnership Agreement (DPA) with the DWP on the basis set out in section 2 with final detail to be delegated to the Head of Customer and Community Services in liaison with the Portfolio Holder, Gillian Troughton; and
- c) To agree to the receipt and use of the DPA for 2014/15 through both internal and external commissioned resources. (The final contract sum will be confirmed through the delegated process of (b).)

1. INTRODUCTION

- 1.1 The Council has been working with a range of partners and focusing its own services on enabling support to residents impacted by welfare reform. From late 2012 to date, the Council has worked closely with partners to maximise the support within and across Copeland relating to the implementation of the 'spare room subsidy'. The impact of welfare reform on social housing tenants has been monitored and joint working developed through the Copeland Housing Partnership. The Council with the Revs and Bens Shared Service reviewed the Discretionary Housing Payments criteria in 2013 to ensure the resource would assist residents experiencing the 'spare bedroom tax'. In the first half of this current year

343 awards have been made using 41% of the £171,911 funding for this financial year. Please see appendix 2 for the detail.

- 1.2 Updates and focused presentations have been provided to members over the past 18 months. Throughout this period the Council has been receiving updates on the pilots and plans for Universal Credit (UC) and its roll out in Copeland. Attached at Appendix 1 is both the claimant journey and overview detail on Universal Credit provided by DWP. We have highlighted a range of issues and concerns about the evidence requirements for UC claimants, about the potential risks for families, victims of domestic abuse, landlords and others of the payment arrangements for Universal Credit and are continuously reviewing how our housing and customer services and budgets may be affected by welfare reform. The Council alongside its local partnership activity is part of the Cumbria Welfare Reform Working Group and has at a previous Executive considered the outcome of the Cumbria Welfare Reform Commission.
- 1.3 Universal Credit will begin in the Millom area in Copeland on 8th December, 2014, for single people and couples without dependent children. The rest of Copeland will begin Universal Credit for these two groups on 15th December, 2014. The DWP have set criteria for those new claimants within these two categories who will make their claim through Universal Credit. There are a number of exclusions including for example individuals or couples with a mortgage. It should be noted that new family claimants will not be rolled out until Summer 2015 although pilots are now beginning in two areas in the North West for new claimant families. DWP have set out the intention that the first roll out of UC for existing claimants will be in 2016/17.

2. PROPOSALS

- 2.1 The Council has been approached by the Department of Work and Pensions (DWP) as part of its Universal Support approach to negotiate a local Delivery Partnership Agreement (DPA) for the borough of Copeland around the roll out of Universal Credit in 2014/15. This DPA is particularly focused on the Government's approach of working with local partners to assist new claimants with vulnerabilities and complex life situations. The DWP highlight that during the pilots this was around 10% of new claimants. Our local partnership intelligence highlights that this could be at least 30%. Some of our on-going issues are the lack of capacity within all the existing agencies working with vulnerable residents being impacted or who will at some point in the future be impacted on by welfare reform and Universal Credit. The Delivery Partnership Agreement offers some early opportunity to identify and use DWP resources to resource targeted support as we begin the roll out of Universal Credit in the borough.
- 2.2 We have begun our negotiations with the DWP who will use a standard national DPA template in our agreement. The particular requirements for a partnership approach are to 'provide a structure for the delivery of local support services to individuals needing additional help with the new demands of Universal Credit'. Through the DPA the partners to the agreement will be trialling and testing some key elements of support to new claimants to Universal Credit. These are:
 - Access to digital support;
 - Triage through co-ordinated locations;

- Development of personal budgeting support initiatives which will include opening bank accounts, debt advice, budgeting plans and Alternative Payment Arrangements.

- 2.3 The approach we are taking is to work with our local partners on social inclusion and work and skills issues to enable an integrated approach to assisting vulnerable and workless Copeland residents. This enables joint working to maximise both the use of existing resources, contract and funded projects and develop a programme of activity to fill gaps to support and assist residents. At this stage Copeland Borough Council is the appropriate lead partner for a Consortium approach to develop a Social Inclusion programme. An expected outcome of the DPA is to contribute to how we, DWP and other agencies work in partnership to best deliver social inclusion and targeted support.
- 2.4 Wider partnership discussions on the potential requirements of welfare reform and Universal Credit highlights the particular high risk issues from a Copeland perspective:
- The high demand for intensive support to claimants, evidenced through the increasing caseload for the local CAB;
 - A triage approach is important to support individuals so they can get assistance easily;
 - The advocacy gap – particularly a current concern relating to PIP and challenge around sanctions, but potentially an issue for UC claimants around personal budgeting support;
 - Mental health and general wellbeing impacts for all aspects including spare bedroom tax, PIP assessments and impact of sanctions with expectations that this will only increase as roll out escalates;
 - Concern is raised about digital access but local statistics highlight there is a particular concern on digital and basic skills capability amongst welfare recipients and potential UC claimants;
 - The increase in chaotic and complex circumstances may require more regular (than monthly) and more direct payments within UC in Copeland than is nationally planned;
 - Inconsistency of support and decision making within the welfare reform process.
- 2.5 The Council is keen to ensure that whilst we anticipate numbers to be manageable in this first roll out of UC within the borough that we set out the delivery partnership arrangements to a) be a package of partnership support to assist DWP in the national roll out of Universal Credit; b) to include an appropriate package of activity that needs to be developed and trialled to meet Copeland specific requirements whilst learning from the pilots, and c) uses the strengths of partner agencies in meeting the targeted support to vulnerable claimants. To this end we are proposing to commission particular services from Copeland CAB and internally commission co-ordination and specific services and activity from both the Council and the Revs and Bens Shared Service.
- 2.6 The Council have a number of responsibilities in relation to assisting the roll out of Universal Credit:
- To ensure we continue to drive improvements in customer interface around benefits and support to vulnerable residents;

- To maintain our commitment to a prevention approach to assist residents before they reach crisis;
- To use our community leadership function through keeping members and partners informed to maximise links and joint working for the benefit of vulnerable residents;
- To obtain additional funding available to Local Authorities to enable additional to DWP UC support;
- To use all partnership routes and play to partners strengths in delivering support;
- To use local intelligence to focus and target resources to our most vulnerable residents.

2.7 The Universal Support delivery to be included within the 2014/15 Copeland DPA is currently being detailed and costed but will use the following support framework within Copeland which is designed to assist and support vulnerable residents across a range of social inclusion agendas:

- **PREVENTION**

Identify Vulnerable
MOT/Preps
Access to Opportunities

- **TRIAGE**

Support as required and access from any engagement point

- **CRISIS**

In acute basic need
Result of activity eg sanction

2.8 We are looking to the DPA to fund a package of support activity which includes:

Copeland Borough Council

- Copeland Direct as the co-ordinating/early entry point for additional support triage in this first roll out for additional support
- Revs and Bens Shared Service focused activity including secondments into DPA team to assist Copeland Direct and CAB (CTRS + Benefits)
- Communications / Info
- Work with landlords

Commission

- CAB -
- Triage Advisers at agreed locations including Copeland Centre, Cleator Moor, Egremont and Millom
- Personal Budgeting Sessions to new UC claimants
- Bespoke Digital support sessions with PEC/Inspira
- Advocacy for complex and vulnerable during application process as required

The final detail of the package will be agreed with DWP by the 8th December 2014 in time to support the UC roll out in the Millom area. Where possible existing resources will be drawn on to assist with the commitment by a range of existing service providers including social

landlords who are undertaking work with their residents to identify vulnerable residents and do some early MOT and preparatory work around welfare reform and particularly personal budgeting under Universal Credit.

- 2.9 DWP will be providing training on Universal Credit as part of the DPA process which will include commissioned delivery partners.
- 2.10 Partnership discussions on both social inclusion including welfare reform and work and skills issues have been looking at a Consortium arrangement. Further work to develop this approach will be taking place over the next three months while the first DPA is in place in readiness to bid for wider social inclusion funding and resources. Copeland Borough Council is well placed to take the lead and hence has done so on work and skills partnership activity for the past six years and over the past year on welfare reform through the housing partnership. The proposal is to continue in this role to develop and gain funding for a programme of social inclusion activity to complement and fill gaps in the range of existing provision with the Council taking the accountable body function in any bids subject to ensuring that the accountable body costs are met within the external funding package. The Council has active working links with the socio economic agendas within the Nuclear Sector and its supply chain and the LEP social inclusion theme within the European Structural Investment Fund. The wider social inclusion agenda will be looking for resources and partnership activity from all sectors in ensuring an integrated package of resources to enable a package of support services to workless residents and families.

3. CONCLUSIONS

- 3.1 We anticipate through our discussions with DWP a further DPA for 2015/16. Our approach to this DPA for 2014/15 is to ensure resources for an early range of services that will offer additional support to the DWP that can be tested and valued in readiness for future DPA resource arrangements. The Arrangement will run from 8 December 2014 to 31 March 2015.
- 3.2 Executive are recommended to note and support the partnership approach being taken by the Council in offering additional support to the DWP in rolling out Universal Credit in Copeland. Agreement is sought to entering into a Development Partnership Agreement with the DWP for December 2014 to end of March 2015 using the framework at 2.7 and detail at 2.8. Executive are also requested to delegate the final detailed signing off of this DPA to the Head of Customer and Community Services and agree to receiving the DWP contract money against the final agreed DPA including commissioning elements as highlighted in 2.8 above.
- 3.3 The Council has through its Corporate Plan set out commitments to address and support social inclusion activities through its services and with partners. The framework set out in 2.7 will act as an umbrella to enable range of existing inclusion activities to further connect and support residents impacted on by welfare reform. Executive is requested to note the Council's continuing role in facilitating and co-ordinating linkages and our current activity to investigate a consortium approach to developing a package of social inclusion measures to complement and fill gaps from the existing provision. Executive is asked to endorse this

approach and agree to the Council taking the lead role in developing a programme of initiatives through acting as the Accountable Body for such a programme with the costs of accountable body provided through the funding package.

4. STATUTORY OFFICER COMMENTS

- 4.1 The Monitoring Officer's comments are: No additional comments at this stage.
- 4.2 The Section 151 Officer's comments are: The outcome of the final detail of the package in monetary terms will not be agreed with DWP until 8th December 2014, so it is not yet possible to assess what, if any financial costs will fall to this authority. The terms of the accountable body status would also need to be known so as to assess if any risk is inherent in this/these agreements. It is noted that the funding package would provide for the costs of this function being undertaken by the authority.
- 4.3 EIA Comments: Universal Credit will be rolled out to all new claimants within the criteria set by the Government. The Council and its partners are entering a DPA arrangement to enable focused resources to ensure equality of access and support and where needed particular focus on vulnerable, complex and protected groups. Attention is being paid within the delivery to ensure accessibility of venue and support delivery method.
- 4.4 Policy Framework: The Council sets out within the Corporate Plan its intention to "be an effective public service partner so we can get the best deal for Copeland". The Consortium approach to welfare reform works to this.
- 4.5 Other Consultee Comments, if any: There are on-going conversations with partners, particularly the CAB.

5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 5.1 The Council will use its contract standing orders and project management framework to deliver the project. Project management will be provided through funding from the DPA. The Head of Customer and Community Services will act as the contract lead. A monthly contract meeting will be held between the Council and commissioned delivery partners. Regular meetings will be scheduled with DWP around this DPA and the continuing roll out plans of Universal Credit. Wider partner meetings including the work and skills partnership will be mechanisms for sharing issues and progress of the roll out of Universal Credit within the borough.
- 5.2 The DPA has a risk register linked to the delivery, partnership activity and on-going impact of UC roll out within the borough. The strategic risk register identifies the risk to the Council of service delivery against national policy change and reform.

6. RESOURCE REQUIREMENTS

- 6.1 The Council will be entering into the Delivery Partnership Arrangement with DWP. The negotiations are being undertaken on the principle that all relevant costs to support this

first roll out of Universal Credit in Copeland will be covered within the final detail. We anticipate this to include paying for:

- Council managing and hosting the partnership Universal Support to assist DWP till March 2015;
- Use of the Council Customer Services as the conduit for Universal Support;
- Communications activity;
- Work with the landlords forum;
- Specialist advice on housing benefit and housing options;
- Budget to commission triage and advocacy, personal budgeting support and digital support for vulnerable and complex individuals and couples applying to Universal Credit.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 The Council will perform a co-ordinating and lead role to assist partner engagement to assist the first roll out of Universal Credit within the borough. This will ensure additional resources from DWP are used to deliver focused support to residents within the first categories of applicants to the national roll out of this combined benefit arrangement.
- 7.2 The Collaborative approach within Copeland to welfare reform will be able to test and maintain an ongoing assessment on the issues and impact of Universal Credit on new claimants and the services and support they need to ensure they are best able to engage, receive benefits and prepare for life opportunities.

List of Appendices

Appendix 1	Universal Credit Information
Appendix 2	Discretionary Housing Payments Summary April to September 2014

Background Information:

DWP Universal Credit information including pilot feedback, DPA template, Copeland and Cumbria partnership activity, local stats and information

Universal Credit Overview

- Universal Credit aims to ensure claimants are better off in work than on benefits. It promotes personal responsibility to actively seek work and increase earnings, while continuing to provide support for those who need it most.
- It's designed to make work pay. As claimants earn more money, financial support will be withdrawn at a slower rate than is the case under the current system. Real Time information (RTI) link with HMRC will facilitate this
- Claimants will be able to apply for their benefits online. 80 per cent of benefit claimants already use the internet. Telephone and other support services available if needed.
- A single payment will be made to a household rather than an individual. This will include housing costs. It will be paid monthly, in arrears.
- Universal Credit requires claimants to accept a 'Claimant Commitment'. This sets out what is expected in return for receiving assistance, taking into account personal circumstances and capability to earn.
- Local support will be available to help claimants where appropriate. This will be provided through DWP and local authority delivery partnerships.

Universal Credit - it's all about work

- Universal Credit aims to reward work. No 16 hour rule and no limits on the number of hours someone can work. UC payment only reduces gradually as their take home pay increases so claimants won't lose all their benefits at once if they are on a low income.
- Universal Credit will encourage a new type of relationship with claimants. Work Coaches will help claimants to become more independent by supporting them in their worksearch activities. They will help claimants plan and focus their jobsearch as well as set them actions that give them the best chance of finding work.
- Universal Credit aims to support jobseekers through the Claimant Commitment to raise their expectations of what they can achieve, and to encourage responsibility. Those who are fit and ready for work will be expected to look for a job on a full time basis dependent on circumstances.
- Universal Credit claimants are expected to use Universal Jobmatch, an intelligent job matching service that helps employers to get the best fit for the jobs that they have on offer.

Personal Budgeting Support

- Universal Credit supports claimants to get used to monthly payments and managing finances successfully, making it easier to move into work.
- A range of support services are available to claimants not used to managing money in this way:
- Personal planner is available on gov.uk to help claimants understand and prepare for financial changes.
- Online budgeting tools for claimants who can help themselves - such as those offered by Money Advice Service and Citizens Advice.

- Jobcentre Plus Work Coach will direct claimants to help and advice in their areas. This could include help from local organisations to open a bank account or to put together a monthly budget. Some people may also be offered support over the phone or face to face to help them.

Alternative Payment Arrangements

- For a minority of claimants, alternative payment arrangements may be required; these might include
 - paying the rent directly to the landlord
 - making more frequent than monthly payments
 - splitting the payment within the household
- We will also have the option to make rent payments direct to the landlord if a claimant reaches a certain level of rent arrears.
- **Going forward** - a budgeting action plan is being included with each person's Claimant Commitment to make sure they are ready to manage their monthly payment at the very start of their Universal Credit journey.

Appendix 2 Discretionary Housing Payments Summary April to September 2014

Impact of welfare Reforms	Number of Awards	£
Benefit Cap	0	0.00
Removal of spare room subsidy	308	64160.09
LHA Restriction	17	3442.97
Combination of reforms	1	110.00
No impact	17	3069.99
Total	343	£70783.05

Purpose of DHP	Number of Awards
To help secure and move to alternative accommodation (e.g rent deposit and clearing rent arrears)	64
To help with short-term rental costs while the claimant secures and moves to alternative accommodation	163
To help with short-term rental costs while the claimant seeks employment	35
To help with on going rental costs for disabled person in adapted accommodation	11
To help with on going rental costs for foster carer	0
To help with on-going rental costs for any other reasons	70
Total	343

