

Report to: Executive
Date: 16th March 2015
Report for: Decision
Report of: Report of the Executive Member for Finance and the Director of Finance

Report Title

Delivery Partnership Agreement for Universal Credit – 2015/16

Summary

This report seeks approval to enter into a Delivery Partnership Agreement for Universal Credit for the period 1st April 2015 to 31st March 2016.

The Department of Work and Pensions (DWP) implemented Universal Credit on a specified category of claimants in Trafford from 23 June 2014. Trafford Council, as requested by the DWP, agreed to provide certain activities as part of the roll-out and subsequently a Delivery Partnership Agreement (DPA), was entered in to covering the period 23 June 2014 to 31st March 2015.

The DWP has asked the Council to continue to provide these services in 2015/16, although due to the numbers of claimants not being as high as expected, the funding available has reduced. A new DPA agreement is therefore required if the Council's is to continue providing this service. The DPA protects the Council's position by outlining the expected tasks and funding arrangements for 2015/2016. It also provides for termination of the Agreement should it be necessary.

Recommendation(s)

That the Council enters into a Delivery Partnership Agreement with the DWP to continue to support the implementation of Universal Credit in Trafford for the period 1st April 2015 to 31st March 2016.

Contact person for access to background papers and further information:

Name: Louise Shaw
Extension: 3120
Background Papers: None

Implications

Relationship to Policy Framework/Corporate Priorities	The policy will support the Council's corporate priority of services focussed on the most vulnerable people.
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Financial	None as the services to be provided are fully funded by the DWP.
Legal Implications:	The Council has power to enter into the agreement under section 1 of the Localism Act 2011. The Delivery Partnership Agreement outlines the parties obligations and confirms the Council's willingness to participate. The risks are as set out in this report.
Equality/Diversity Implications	It is not considered that there are any adverse impacts on equality issues arising from this report.
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	None

1 Background

- 1.1 One of the main elements of the Welfare Reform Act 2012 was the introduction of Universal Credit (UC) to provide a single streamlined benefit. Universal Credit includes child tax credit, working tax credits, Employment Support Allowance (ESA), Job Seekers Allowance (JSA), Income Support and Housing Benefit. Applications will only be received on-line and will be assessed by the Department of Work and Pensions (DWP). The DWP has administered UC from April 2013 and will continue to do so until UC is rolled out nationally on a phased basis through to the end of 2017.
- 1.2 UC has been live in Trafford since 23 June 2014 for single people. This has recently been extended to include couples and families.
- 1.3 On 6 June 2014 the Council agreed to enter into a Delivery Partnership Agreement with the DWP to support the implementation of Universal Credit with agreed funding of £81,236 plus VAT.

2 Introduction

- 2.1 On 23 June 2014 the DWP began its North West expansion of UC. The roll-out was linked to postcodes within jobcentres and the implementation was introduced in Trafford from this date as Altrincham and Stretford Jobcentres were the first of the live UC sites. The remaining Trafford associated jobcentres, Wythenshawe, Alexandra Park and Chorlton went live later in 2014.
- 2.2 The activities that the DWP asked the Council to undertake in 2014/15 were as follows:
 - Provide expertise to UC Service Centre staff on complex housing issues;
 - Support claimants to get on-line and stay on-line;
 - Process Council Tax Support (CTS) for UC claimants using manual processes;
 - Support claimants with complex needs and those that require personal budgeting;
 - Work with the UC Programme in preparing landlords for the introduction of UC.
- 2.3 The Council recruited staff and commissioned CAB Trafford to fulfil these requirements based on the volumetric data provided by the DWP.

- 2.4 The demand that has been placed on the Council with regards to these activities has been extremely low (see Appendix A) and the funding provided by the DWP has covered the cost.
- 2.5 The DWP has invited the Council to provide the services they require to support UC in 2015/16 and will again provide funding to meet all of the Council's costs.
- 2.6 The purpose of the DPA is to formalise the agreement to work with DWP on UC activities. The DPA includes the management information to be collected on UC, data protection and freedom of information requirements, outlines the tasks expected to be undertaken by both parties, funding arrangements and termination arrangements should this be necessary by either the Council or the DWP.

3 Local Authority Role 2015-16

- 3.1 The activities that the DWP have asked the Council to undertake in 2015-16, are included in the DPA are the same as set out at paragraph 2.2 above with the exception of working with the UC Programme in preparing landlords for the introduction of UC.
- 3.2 Not everybody will be able to make a claim for UC. The introduction of families took effect on 26 January 2015, however, the eligibility criteria means that the only people who can make a claim are working age individuals who make new claims and have been assessed as being fit for work. Thus, the most complex claimants and/or their families will not be eligible to claim UC under the current criteria.
- 3.3 The DWP has estimated that the number of UC applications expected to fit the above criteria will range around 172 to 254 per month.
- 3.4 The majority of these claimants will not require the support or additional activities listed in the DPA. The majority of claimants do make their claim on-line either at home or in local jobcentres with relatively few coming to the Council to make their UC application. It is expected that no more than 5% of UC claimants in Trafford will require either online support or personal budgeting support. A full breakdown of estimated numbers from April to December can be found at Appendix A.

4 Trafford's Proposed Activities

- 4.1 Included within the DPA is the funding available for providing activities to support the UC roll-out for 2015/2016 which is £45k plus VAT. All activities listed will be fully funded by the DWP.
- 4.2 Within Exchequer Services, the expertise is available to provide support to the UC Service Centres. The service will also be able to carry out the manual processes required for the CTS claims received from UC claimants. The DWP funding will allow the additional demand to be met. From October 2015 the DWP has advised that there will be an automated solution in place for CTS data transfer which is why the funding ceases from that date.

- 4.3 Trafford already offers on-line access to its residents through a variety of access points across the borough. It is proposed that existing resources will be utilised to provide online support to residents who require assistance.
- 4.4 Personal Budgeting Support (PBS) will be provided by an external provider and a procurement exercise will follow if the DPA is approved. With the increasing complexities that the roll-out expansion will bring with the inclusion of families, the Council believes this service will be best provided by one of its existing partners.

5 Risks

- 5.1 A potential risk to the Council is reputational damage if the scheme does not work as expected. However, the Council is not directly administering payment of UC as that is the responsibility of the DWP. While every effort will be made by our staff to work with DWP to make the scheme a success, there are termination provisions within the DPA should significant problems arise which cannot be resolved. Under the DPA one month's notice is required for either party to terminate the arrangement. Clearly, this would only be used where serious and fundamental issues emerge in the processing or payment of UC claims which could not be resolved.
- 5.2 Online access to both make the initial UC claim and to maintain the UC claim will be required (self-reporting, UC Jobmatch, searching for work). For the purposes of the DPA, additional online public access is expected to be minimal. The figures for 2014/2015 were lower than expected with only 1 member of the public requiring assistance. If the required support increases above the expected levels then the Council can either terminate the DPA in accordance with the termination clause or request additional funding to meet the costs of the unexpected demand.

6 Recommendations

- 6.1 That the Council enter into a DPA with the DWP to support the continuing implementation of Universal Credit from 1st April 2015 to 31st March 2016.

Other Options

Universal Credit is a central Government policy which is now live across the North West and will be soon be rolled out nationally. The Council could choose not to provide the activities requested, however, it would not have the opportunity to support residents and prepare future claimants and stakeholders for this major policy change.

Reasons for Recommendation

Universal Credit became live in Trafford on the 23rd June 2014. In order to support the continuing implementation of Universal Credit the Council is obliged to enter into a Delivery Partnership Agreement with the Department of Work and Pensions.

Key Decision: Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance *ID*

Legal Officer Clearance *HK*

CORPORATE DIRECTOR'S SIGNATURE

A handwritten signature in blue ink that reads "James Hyde". The signature is written in a cursive style with a large initial 'J' and 'H'.

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.