
REPORT TO:	OVERVIEW and SCRUTINY COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	5th SEPTEMBER 2018	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/revenues and benefits/universal credit/scrutiny report sept 2018
SUBJECT:	IMPLEMENTATION OF UNIVERSAL CREDIT UPDATE	TERMS OF REFERENCE: 6.03 (a) (i)
WARD(S) AFFECTED:	ALL	

1.0 Recommendations

1.1 That the Committee consider the current position and progress in implementing actions for supporting tenants and potential claimants of Universal Credit.

2.0 Purpose of Report

2.1 Following the scrutiny of the Council's Universal Credit preparation at the Committee on 8th February 2018, this report provides an update on the impact of the implementation of Universal Credit in South Derbyshire. This is in accordance with the Committee's approved work programme for 2018/19.

3.0 Detail

Background

3.1 Universal Credit (UC) was implemented for properties in the Derby postcode areas serviced by the Derby Job Centre Plus (JCP) in July 2018 for **new claims** only. The full implementation of Universal Credit across South Derbyshire for those properties covered by the Swadlincote JCP, again for new claims only, is planned for late November 2018. Migration of existing cases is expected to commence in June 2019.

3.2 There are now 26 Council tenants in receipt of Universal Credit. This is an increase of nine since the last report, although a total of 124 current Council tenants could be affected by the July 2018 implementation.

3.3 There are currently 1,857 Council properties which house working age tenants, 954 of which are currently in receipt of Housing Benefit (Rent

Rebate). These tenants receive this support to pay their rent and it is paid directly into their rent account.

- 3.4 A further 2,007 working age private tenants receive help with their rent payable to landlords; this includes individuals and RSLs. Currently, payment is made either to the landlord or to the tenant direct.
- 3.5 Housing Benefit, in the form of both Rent Rebate and Rent Allowance, is one of the six benefits, which are being rolled into the encompassing UC and paid direct to the tenant rather than to landlord. Therefore, from November both groups of tenants will receive their various benefits in one payment and they will then be responsible for paying their total rent direct.
- 3.6 A matter of some concern is that all claims for UC have to be made on-line.
- 3.7 It should be noted that UC does not currently affect people of pensionable age, although longer term it is expected to do so. UC also excludes support for people on low incomes to assist with the payment of Council Tax. A separate application has to be made direct to the Council, not the DWP.

Service Delivery and On-Going Preparation

- 3.8 The Council has implemented a Welfare Reform Delivery Plan which includes the following actions:
 - Direct phone and written contact with the 124 tenants affected by the first tranche of UC rollout; this achieved a 44% response rate.
 - A mailshot in October and November 2018 will target remaining tenants affected by the second tranche.
 - The update of the Universal Credit webpage on the Council's website with links to relevant supporting material and the Council Tax support claim form.
 - Provision of secure IT facilities in the Civic Offices to allow applications for UC to be made on line either with or without a lap-top or other mobile device.
 - Visiting Officer support will shortly be available to vulnerable UC claimants.
 - Linking the Council's website to the Citizens Advice digital map which outlines free IT/Wi-Fi provision across the District.
 - Assisted Digital Support (ADS) will be delivered by the Council's Customer Services Team on an appointment basis.
 - Personal Budgeting Support (PBS) is delivered by the Tenancy Sustainment Officer through a regular surgery.

- Housing, Customer Service and Benefit Officers have received upskilling training delivered by the DWP.
- Housing Benefit notification letters have been redesigned.
- New processes are in place for the management of rent accounts where tenants are now receiving UC; this provides for early contact with the applicant to ensure the prompt completion of claims.
- Specific monitoring of rent accounts where UC is being paid.
- The 'gateway' for new HB claims has been closed.
- Arrangements are in hand for a joint SDDC/DWP/External Partner's liaison meeting to promote the November 2018 roll-out.
- Revised performance processing monitoring to be introduced to take account of the impact of UC on Council Tax support claims.

Current Rent Arrears

- 3.9 As at 31st December 2017, average arrears across the 17 accounts in receipt of UC stood at £222.17, with the highest arrears standing at £879.51. The current position shows that the average arrears are now £315.33 across the 26 accounts affected. The highest arrears is now £1,521.90, although this claim is subject to a benefit backdate request which may reduce the arrears. The overall rent arrears position is £4,209.79 better than at the same point last year.
- 3.10 Whilst the number of UC claimants is relatively small and has not risen by the expected amount, although the average level of rent arrears in these cases has risen. In 12 cases the arrears have actually decreased and in 2 cases, the account balance has remained the same, with a further 6 cases having moved their accounts into a credit rather than an arrears position.
- 3.11 Given the relatively small number of cases and the mixed outcomes so far, it is considered too early to reach firm conclusions with regard to the impact of UC on existing Council tenants.

Working in Partnership and Further Support

- 3.12 The increase in average rent arrears and the possibility of increased financial hardship amongst Council and other tenants, will continue to be considered by the District-wide Welfare Reform Group.
- 3.13 This Group continues to have high attendance from a wide variety of agencies from across the District. The group reviews and monitors the Welfare Reform Delivery Plan.
- 3.14 Strong links have been made with Swadlincote Jobcentre Plus and meetings are held every four weeks. Furthermore, the DWP plays an active role in the

monthly Welfare Reform Group adding key insight to issues raised by partners.

3.15 The Council, in partnership with the local CVS has been successful in the initial submission of a bid for £650,000 to the European Social Fund. The application had previously been approved by the Finance and Management Committee.

3.16 The bid will deliver a project which will aim to raise employment across the District, thereby reducing the strain on the welfare system as the new changes continue to be implemented. The aim is to reduce potential rent arrears and raise aspirations across the District meaning a stronger local economy.

4.0 Financial Implications

4.1 The Housing Revenue Account's (HRA's) Financial Plan has made additional provision for a greater level of rent arrears once UC is implemented. This will be kept under review. No additional provision has been made for Council Tax arrears at present.

5.0 Corporate Implications

As detailed in the report. This work links to the Corporate Plan aims of "*Maintaining Financial Health*" together with "*protecting and supporting the most vulnerable including those affected by financial challenges*".

6.0 Community Implications

6.1 As above.

7.0 Background Papers

7.1 Reports to Overview and Scrutiny Committee on 8th February 2018.