Minutes of Universal Credit and Welfare Reform Task Group

9th September 2013

Present:

Members of the Task Group:

Councillors Mahoney (Chairman), Ms Edwards, Mrs Garcia, Mrs New and Roodhouse.

Officers:

Adam Norburn (Head of Resources), Steve Shanahan (Head of Housing), Dave Wortley (Benefits Manager), Liz Dunlop (Operational Housing Manager), Debbie Dawson (Scrutiny Officer) and Claire Waleczek (Democratic and Scrutiny Services Officer (Team Leader)).

8. Minutes

The minutes of the meeting held on 5th June 2013 were approved and signed by the Chairman.

9. Apologies

An apology for absence from the meeting was received from Councillor Helen Walton.

10. Declarations of Interest

Councillor Mrs New declared a general non-pecuniary interest by virtue of being an employee of Warwickshire County Council.

Councillor Ms Edwards declared a non-pecuniary interest by virtue of being a member of Brownsover Community Association.

11. Welfare Reform – Policy Update

The Task Group considered a briefing paper which had been circulated prior to the meeting concerning an update on policy issues relating to welfare reform.

As part of discussion at the meeting, the following points were made.

Universal Credit

• The pathfinder scheme in Rugby was due to go live on 24th November 2013.
• Certain new claimants would be signposted for Universal Credit rather than other benefits, all of which would be straightforward cases (for example single people without children and without caring responsibilities who are ‘job ready’).
• Impact on this Council would be minimal due to relatively low number of cases expected.
• A report from the National Audit Office issued last week had raised a number of concerns about the scheme.
The Council was committed to supporting claimants and signposting them to other partners for guidance. Housing and benefits staff had been trained in details of the scheme.

It was clear from the calculations that Universal Credit would reward work. However, it appeared that some claimants with children in childcare would be worse off under the scheme.

Administration of the scheme would create anomalies as Universal Credit was calculated on a monthly basis whereas some salaries were often calculated on a 4 weekly or weekly basis.

The national programme for the implementation of the scheme was now more cautious. Originally, the scheme was due to be launched in October 2013 fully with an estimated 1 million claimants by March 2014. However, at the end of August there were only 1,000 benefits claimants in receipt of Universal Credit nationally.

The financial risk implications to the Council of increasing rent arrears would be considered as part of the pathfinder pilot scheme. There were also reputational risks to be considered, and for these reasons it was considered to be important that the Council worked closely with the Department for Works and Pensions (DWP) in the early implementation of the scheme.

The software package for the scheme was currently very limited, with changes in circumstances and the calculation process not being able to be administered on-line. These details were being processed manually.

The Government had announced that local authorities would receive the full Housing Benefit administration grant in the next financial year, which was an indication of the more cautious timetable for the implementation of the Universal Credit scheme.

A member informed the group that the Local Government Association was collating feedback from the pathfinders nationally, and suggested that the Council may wish to feed into this process.

Council Tax Reduction Scheme

Work was continuing with customers to identify those affected by this scheme and those requiring extra assistance.

A national agreement for software changes had yet to be confirmed. There was no timescale for the implementation of the new software.

Benefits Cap

It was acknowledged that it was harder to manage the implications of the benefit cap on customers as the scheme had a wider impact than just relocating to a smaller property could remedy. Customers needed to find work in order to mitigate the impact of the cap.

12. IMPACT OF WELFARE REFORM IN RUGBY

The Task Group considered the latest position on the data measures it had agreed to monitor, which had been circulated prior to the meeting.

Council Tax Reduction Scheme

The anticipated reduction in collection rates for Council Tax following the implementation of the scheme had been 1% for the year, whereas the actual reduction to the end of August was 0.4%. The introduction of 12 monthly payment options had been a contributory factor to this.

The increase in the number of court summons was not considered to be significant in the context of the high numbers of customers affected by the scheme (3,800).
• The tracking of 40 affected customers showed the number of those on target with payments falling further since April. Officers were in the process of re-profiling payments to encompass arrears.

Social Housing Under-occupation Charge

• In August, the total number of customers affected by the social housing under-occupation charge was 620, 341 of which were Council tenants and 279 were Housing Association tenants. There had been a slow reduction in the numbers affected.
• It was noted that, as Universal Credit was introduced, the under-occupation charge would be hidden within this and it would be necessary for the Task Group to review the impact measure to ensure effective monitoring.

Council Rent Arrears

• The increase of £7,000 on rent arrears from April to August 2013 was a slight increase on previous years but was being managed. Other local authorities were reporting a more significant impact.

Case Studies

A summary of 40 case studies of customers affected by the welfare reforms who had not been paying their rent from 1st April was circulated at the meeting. This information has been included on the Council’s website.

• 17 claimants were now paying their rent
• The number of tenants who had made no payment or who had been unable to be contacted had reduced considerably
• There had been more engagement from customers

Council Tenants wishing to move

• A large number of tenants who had expressed a desire to move to a smaller property required a 1 bedroom tenancy, which was in short supply within the Council’s housing stock.
• Although it was acknowledged that tenants with rent arrears could not move to another property under the Council’s arrears policy, officers considered that options were available to tenants in this situation to help in paying their rent. Such cases were being considered for Discretionary Housing Payments (DHP) which had been used to help some tenants reduce their rent arrears.
• Officers advised that, where a tenant was subject to a court order for rent arrears, this could not legally be transferred to another property, and this was the reason for the current arrears policy.
• The Task Group requested that rent arrears statistics be categorised to show both historic arrears and those cases affected directly by the welfare reforms.

Discretionary Awards

In addition to the statistics included in the briefing paper, the task group considered four anonymised case studies, providing examples of claims that had been accepted and rejected. These included a breakdown of income and weekly expenditure drawn from a form that applicants were asked to complete.

• Most awards made under the DHP fund to date had not related to the most recent welfare reforms.
• The current under-budget position for the Council’s fund had not been anticipated – officers are working to look at criteria to ensure the most effective use of the fund.
• Officers assessed all claims under the Council’s DHP policy, although decisions were subjective. The technical officers involved were working together to try to ensure consistency.

• The DHP criteria set by the Council sought to support those people who were “doing the right thing”.

• There were ‘industry standards’ for weekly utility amounts used in assessments.

• Claims were rejected where customer budgets indicated an amount of disposable income that was unaccounted for, or where customers had indicated they were unwilling to act to mitigate the impact of the reforms themselves.

• Members discussed the potential for sharing the intelligence gained with partner agencies, for example local health services. This was subject to strict data sharing arrangements, but it may be possible to identify emerging trends and share issues to be addressed.

13. PLANNING FOR FUTURE MEETINGS

The Task Group considered the briefing paper concerning preparations for its meetings in November 2013 and January 2014.

The Task Group supported the proposals in the briefing paper. It was agreed that the Local Welfare Assistance manager at Warwickshire County Council be invited to the November meeting, together with both the External Relationships Manager and Universal Credit Projects Officer at Job Centre Plus. It was suggested that two housing associations from the Council’s Preferred Partners list be invited.

Invitees to the November meeting would be asked to submit a written overview of measures they are currently taking to support the implementation of the welfare reforms in the borough, to be circulated with the agenda for the meeting. It was suggested that the Scrutiny Officer work with the Chairman to produce some key lines of enquiry for the meeting on the basis of the evidence received. The Task Group members were also invited to send their own suggested questions to the Scrutiny Officer. These would be considered at a pre-meeting.

Stakeholders identified to contribute to the January meeting would be invited to respond to a ‘call for evidence’, similar to that administered as part of the Housing Income Protection Task Group meeting with stakeholders.

14. REVIEW OF ONE PAGE STRATEGY

The Task Group confirmed the one page strategy as circulated with the agenda.

15. DATES OF FUTURE MEETINGS

The Task Group agreed dates and times for its next two meetings as detailed below.

Meeting with partners - Monday 25th November 2013

Pre-meeting for Task Group members 4.30pm Committee Room 2
Task Group meeting including partners 5.30pm Committee Room 1
Meeting with stakeholders – Wednesday 22\textsuperscript{nd} January 2014

Pre-meeting for Task Group members 4.30pm Committee Room 2
Task Group meeting including stakeholders 5.30pm Committee Room 1

CHAIRMAN