

To: City Executive Board
Date: 17 March 2016
Report of: Executive Director of Organisational Development & Corporate Services
Title of Report: Universal Credit Delivery Partnership Agreement

Summary and recommendations	
Purpose of report:	To authorise the Executive Director Organisational Development and Corporate Services to approve the Delivery Partnership Agreement with the Department of Work and Pensions for the provision of services required for 2016 and in subsequent years as a consequence of the roll out of Universal Credit.
Key decision:	Yes
Executive Board Member:	Councillor Susan Brown, Board Member for Customer & Corporate Services
Corporate Priority:	None
Policy Framework:	Corporate Plan Priority Vibrant and Sustainable Communities
Recommendation(s): That the City Executive Board resolves to:	
1. Authorise the Executive Director for Organisational Development and Corporate Services to enter into arrangements with the Department of Work and Pensions for the provision of services for the delivery of Universal Credit in 2016 and in subsequent years, provided that (s)he is satisfied that the full terms of the agreement are acceptable and properly reflect the principles set out in the report.	
Appendices	
Appendix 1	Risk Register

Introduction

1. On 16 February 2015, the national rollout of Universal Credit began. Universal Credit is a new benefit which amalgamates Jobseekers Allowance, Income Support, Employment & Support Allowance, Working Tax Credits, Child Tax Credits and Housing Benefit. The Government's aim in rolling out Universal Credit is to simplify the benefits system and improve work incentives.
2. The Department of Work & Pensions (DWP) have committed to working with local authorities until 2020 to deliver Universal Credit. DWP will be administering Universal Credit from its regional service centres and supporting claimants to get into work through the Jobcentre Plus (JCP) network. Local authorities (LAs) have been asked to help support more vulnerable claimants with their claims, although this is not a statutory duty.
3. Where local authorities choose to provide support, DWP requires local JCP offices and LAs to enter into local Delivery Partnership Agreements (DPAs). These set out the respective roles of the organisations in delivering Universal Credit and provide for payments to be made to LA's in respect of the activities they carry out to support the DPA. On 2 April 2015, the City Executive Board authorised the Executive Director for ODCS to enter into an agreement with the DWP for 2015/16. This report is seeking delegated authority for the Executive Director for ODCS to enter into new agreement(s) for 2016/17 and subsequent years.

Rollout

4. Universal Credit was first announced in November 2010, and was intended to be rolled out nationally from October 2013. Difficulties in delivering an IT system which links Her Majesty's Revenue and Customs earnings information with a new DWP infrastructure has led to a much slower rollout than originally planned.
5. Universal Credit was introduced in Oxford on 20 April 2015 for single claimants without children. The trigger for applying for Universal Credit is the need to make a claim for Jobseekers Allowance, i.e. where someone loses their job, or leaves the education system. As such most applicants for Universal Credit are under the age of 25.
6. From May 2016, Universal Credit will be extended to all household and claim types. The roll out will be on a phased basis and extended to 5 Jobcentre areas per month until the end of the year, from which point it will be extended to 50 Jobcentres per month. We don't yet know when Universal Credit will be extended in Oxford. DWP have stated that LAs will be notified six months in advance of the extension.
7. According to the DWP's statistical release on 20 January 2016, there were 397 Universal Credit claimants in Oxford. Of these 179 have housing costs and 38 of these are Council tenants

Provision of Services

8. Schedule 1 of the current Delivery Partnership Agreement (DPA) outlines the responsibilities of the City Council. DWP are not yet able to release the template for the 16/17 agreement, but have stated that there will be little change. This is the reason for requesting delegation to agree the new DPA. The main responsibilities for the Council are currently as follows:
 - Providing support to the Universal Credit Service Centre on housing cost issues
 - Supporting customers to make claims online
 - Providing personal budgeting support to customers identified as having a need for it
 - Manually processing claims for Council Tax Reduction (until DWP have developed the facility to transmit this information electronically) by providing Universal Credit income information in a manual format until October 2015
 - Supporting social landlords to prepare for Universal Credit
 - Providing Management Information to DWP
 - Supporting DWP with the evaluation of the first phase of national rollout
9. The Council has fulfilled all its obligations under the 2015/16 DPA, and as such has received the payments for this work agreed with DWP at the start of the year.
10. The Council's Welfare Reform Team is responsible for providing personal budgeting support and helping people make their claim online. However, only four referrals for personal budgeting support have been received from Jobcentre Plus (JCP) since Universal Credit was introduced in Oxford on 20 April 2015. This is a concern as a high proportion of people moving onto Universal Credit are accruing rent arrears. Partnership work is being undertaken with JCP to increase the number of referrals.
11. The Council is well prepared to support customers migrating to Universal Credit following its involvement in two Universal Credit pilots. Learning from this work has informed the development of the services which are required under the Delivery Partnership Agreement.
12. A project team was assembled to manage the implementation of Universal Credit prior to rollout in Oxford. This has ensured that teams dealing with Universal Credit customers have developed new processes, staff are adequately trained, and that communication of this work has been managed both internally and externally. Work on the migration to Universal Credit is overseen by an Officer Board.

Financial implications

13. The Council will receive payments for undertaking the activity outlined in the Delivery Partnership Agreement. The amount for 2016/17 is subject to negotiation with DWP during February and March.
14. For 2015/16 the Council will receive £50,426 from the DWP for providing support for Universal Credit. This figure was based on work volumes provided by DWP, and included set up costs of £12,000.

15. The ongoing costs to provide support for Universal Credit are £30,500 per annum. Of these £5,500 are already budgeted for, and relate to work carried out by the Welfare Reform Team (as one of the objectives of setting up this team was to support customers transitioning to Universal Credit). The remaining £25,000 relates to additional work created for the Benefits and Rents Teams. The income from the DWP is available to backfill staff in these teams carrying out Universal Credit work.

Legal issues

16. As stated above, the provision of the services under the DPA do not constitute a statutory obligation on the City Council.

Level of risk

17. An evaluation of the risks associated with the implementation of Universal Credit has been carried out. A detailed Risk Register is attached at Appendix 1.

Equalities impact

18. An equalities impact is not required as the Council has no control over the demographic make-up of customers who will migrate to Universal Credit.

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Background Papers: None