

Update on Universal Credit

Purpose of report

For decision and direction.

Summary

This paper briefly updates Members on the overall progress of the Universal Credit Programme and the local authority face-to-face pilots. Sir Merrick Cockell, LGA Chairman, is meeting Lord Freud, Welfare Reform Minister, on 2 May and officers will report back to Members on the outcomes of that meeting at the Panel.

Recommendations

That the Finance Panel:

1. note the update on overall progress of the Universal Credit programme and the local authority face-to-face pilots; and
2. give a further steer on actions following feedback from the LGA Chairman's meeting with Lord Freud.

Action

Officers to take forward, as directed by Members.

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Update on Universal Credit

Background

1. The statutory framework for Universal Credit (UC) will progressively remove local government's role in benefits processing for working-age claimants. LGA members have always considered benefit claimants will still be people to whom councils have a range of inescapable legal and moral duties.
2. As a result of much work by the LGA family and partners over the past 18 months, the Department for Work and Pensions (DWP) has begun to recognise that there will be a potential role for local government in the delivery of frontline support for UC. This has resulted in the establishment of the face- to-face pilots programme and the Local Support Services Task Force.

UC Pathfinders

3. On 29 April the first UC pathfinder went live in Ashton-under-Lyne Jobcentre (Tameside). The other three job centres - in Wigan, Warrington and Oldham – who were due to start at the same time, will not now start processing UC claims until July, to allow “safe and controlled” testing. The first claimants of UC will be single jobseekers. Around 7,000 people are expected to receive UC during the pathfinder period, which runs from now until October on DWP's current plan. The LGA is closely following the early experience of Tameside Council and officers will update members on latest developments at the Panel.

Local Support Services Framework

4. The LGA has set out a position on the future role of councils in Universal Credit in response to the Local Support Services Framework, which was developed by a joint DWP/LGA task group, and describes the sort of support services councils might need to provide or commission for UC claimants, and how those services might be paid for and managed.
5. Our response (**Appendix A**) was informed by an LGA Conference and discussions at the LGA Executive and the Finance Panel. In a covering letter to Lord Freud, Sir Merrick Cockell and Councillor Sharon Taylor emphasised that supporting UC clients is inevitably a core part of local government's mission, but we need to get the deal right and it needs to recognise local government's role in managing the face-to-face elements of UC.
6. As DWP works with us to develop the next iteration of the framework, the key issues for councils, which we are taking forward, are:
 - 6.1. Clarity on the timetable and geography of transition.

Item 1

- 6.2. Agreement that UC support services should be commissioned through local partnerships, with councils accountable for outcomes achieved with funding allocated by DWP centrally.
 - 6.3. A joint process between local government and DWP, in accordance with the new burdens doctrine, to agree the right amount of funding for UC.
 - 6.4. A joint local government / DWP approach to managing staffing implications of UC.
 - 6.5. Making the case for flexibility over investing in the housing stock to enable councils and ALMOS, working in partnership with Housing Associations, to transform existing housing stock and invest in new build to help meet the acute shortage of smaller properties.
7. The Welfare Reform Deep Dive on 7 May will bring together decision-makers and experts to shape our thinking further on the impact of welfare reform on housing and employment, but also the relationship between the citizen and the state; behaviour change, and issues around economic development, social geography and the influences and pressures on living costs.

Local authority-led face-to-face pilots

8. The establishment of the local authority-led face-to-face pilots recognised our shared understanding with DWP that many of those who are affected by the changes will continue to look to councils and the voluntary sector as their principal source of advice and support.
9. The pilots are helping to identify the significant challenges that councils and partners will face when implementing UC, and most importantly, developing practical solutions that other councils can learn from – including innovative tools to help claimants manage their finances and supporting claimants to develop digital skills. The LGA is working with the pilots to capture and share the learning widely through a programme of events and Knowledge-Hub.
10. The latest update from the 8 English pilots is attached at **Appendix B**. The pilots are due to finish at the end of September and we have received strong feedback that they want to continue. The LGA has urged DWP to fund and support all pilots who wish to extend. It would make no sense to wind the pilots up after everybody has put in a year of effort to develop the local partnerships that are now yielding rich learning and when their work will soon be needed to support the live running of UC.

Conclusion and next steps

11. Sir Merrick Cockell, LGA Chairman, is meeting Lord Freud, Welfare Reform Minister, on 2 May and officers will report back to members on the outcomes of that meeting at the Panel. Following this, members may wish to give officers a further steer.

Financial Implications

12. This is core LGA work and there are no additional financial implications.