

Update on Reference from the Performance and Finance Scrutiny Committee – Review of the Impact of Benefits Reforms on Surrey Heath Borough Council and Borough Residents

Summary

At the Executive Meeting in January 2018 the Executive considered a number of recommendations from the Performance and Finance Scrutiny Committee in relation to the introduction of Universal Credit. This report provides members with an update on those recommendations.

Portfolio - Finance

Date Portfolio Holder consulted: 3 October 2019

Wards Affected

All

Recommendation

The Executive is advised to NOTE and COMMENT on the Report

1. Resource Implications

- 1.1 There are no direct resource implications arising from this report. However should the Council wish to supply additional services and facilities to support residents in receipt of Universal Credit then this may have direct resource implications.

2. Background

- 2.1 After several delays Universal Credit was introduced for some new claimants in Surrey Heath in April 2017 until a temporary freeze from November 2017. The Universal Credit Full Service then started from 28 November 2018 for Surrey Heath residents and since that date new Universal Credit claimants have had to claim their rental costs from UC. In addition claimants have also been transferring to Universal Credit.
- 2.2 Universal Credit will eventually replace Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. Universal Credit is administered by the Department of Work and Pensions (DWP). Claimants are expected to manage their claims on line and also, as would be the case if they were in employment, manage their finances and budget for expenses such as rent etc. rather than having these paid directly as is the case with say Housing Benefit.
- 2.3 At the moment 454 residents are in receipt of Universal Credit in the borough. Those that were in receipt of Housing Benefit have transferred to receiving the help with their rent within their Universal

Credit payment rather than as a separate payment from Surrey Heath Borough Council. Surrey Heath Borough Council have received 165 Universal Credit Stop Notices in respect of current Housing Benefit claimants transferring to Universal Credit. This notice entitles the claimant to a two week overlap of Housing Benefit whilst their Universal Credit claim is finalised. These 165 have therefore left the Council's management.

- 2.4 The Housing Benefit live caseload has reduced by 8 from April 2018 to November 2018. Between November 2018 and June 2019 the caseload has reduced by 277 to 2,388. This reduction is clearly partly due to the "floating" off of current claimants to Universal Credit and because we no longer accept new claims for Housing Benefit from the majority of applicants. It is anticipated that over the next 12 months a minimum of a further 500 will transfer to Universal credit as the roll out continues.
- 2.5 Surrey Heath Borough Council will continue to accept new claims for housing costs from persons who have obtained the qualifying age for Pension Credit and for those working age claimants who are in temporary, emergency, supported or sheltered housing.
- 2.6 Surrey Heath also retains responsibility for Discretionary Housing Payments which can be applied for by Universal Credit claimants if their Universal Credit payment is not enough to pay their rent. The grant received by Surrey Heath for this from Government has reduced from £111,416 in 2017/18 to £85,140 in 2019/20.
- 2.7 Universal Credit is a new national benefit that applies to the whole of England. It is therefore it is primarily the responsibility of Government to ensure that its introduction does not cause undue hardship to residents. The Council has a responsibility to assist with the transition where it can and to bring to the attention of Ministers any local issues that are impacting on residents so that they can be considered and policy changed as appropriate

3. Previous Recommendations

- 3.1 Following a couple of meetings in 2017 the Performance and Finance Scrutiny Committee made the following recommendations to the Executive:
 - a. The Department of Work and Pensions (DWP) be urged to work more closely with the Council to:
 - i. Mitigate the impact of the benefit reforms on residents of the Borough;
 - ii. Ensure that there is adequate provision of computer facilities and internet access and advisors across the Borough to support the wider introduction of Universal Credit and other changes to the welfare system

- b. In relation of computer facilities, internet access and advisor support, that:
 - i. The list of sites will be refreshed and widely publicised to the relevant audience
 - ii. The exercise be repeated on a six monthly basis
 - iii. In the event that there is a shortage of available sites and personnel, alternative options including the involvement and closer collaboration with local charities in the relevant sectors be considered
- c. The work done by Surrey Credit union and Surrey Heath Job Club in supporting residents in the Borough be noted and supported;
- d. The closer working relationship and joint working initiatives between the Camberley job club and the Council be noted and supported;
- e. The Local Plan working Group be asked to take full account of the indicated increased need for one bedroom properties when developing the plan.

4. Update on Recommendations

- 4.1 Surrey Heath Borough Council continues to work closely with the DWP and staff from both organisations have attended joint national workshops to share good practice regarding the handling of full service go live. Benefits staff continue to liaise with Local UC staff when needed to ensure claimants receive the correct advice and support. Having the DWP based in Surrey Heath House has assisted greatly with this and indeed Benefits and housing staff meet regularly with DWP staff to try and resolve issues.
- 4.2 Computer facilities are available in the DWP area for claimants to use. 5 “Wider Access Devices” are provided by the DWP in their area and these have been sufficient to meet demand. DWP staff are also on hand to assist with any problems. In addition CASH also assist claimants with access to computer facilities and advice – this is also more accessible now that it is based in Surrey Heath House.
- 4.3 The list of publically available internet sites was refreshed in November 2018. Most of the provision is in Surrey County Council Libraries based on Bagshot, Camberley, Frimley Green and Lightwater. Given the small number of claimants access to computer facilities does not appear to be an issue at the moment. We will consider approaching Parish Councils to see whether they would be prepared to provide facilities in the more rural areas of the borough.

- 4.4 The DWP and Benefits team have sufficient resources to deal with the current workload and so no additional resources appear to be required at the moment
- 4.5 The Benefits department continue to refer residents to Boom (the Surrey credit union) where appropriate. In combination with 2 other boroughs a leaflet on the service was issued to all residents in receipt of Council Tax support with their 2019/20 bills. As a result of this 3 applications were received from Surrey Heath residents.
- 4.6 The job club continues to support residents looking for work and indeed recently benefited from a community fund grant to purchase equipment. The Council has provided the club with £7,000 a year to support their costs since 1st April 2016. In addition a further community fund grant was given to enable them to purchase equipment when the club started
- 4.7 The Local Plan work is ongoing and the Housing Needs Assessment we have commissioned will address the one bed property issue. In addition the introduction of the Homelessness Reduction Act means the DWP now has a duty to refer claimants at risk of homelessness to the Council. This is working well on both the formal referrals and also in day to day interaction between the job centre staff and housing case officers.

5. Options

- 5.1 The Executive and accept, reject or amend to recommendation

6. Proposals

- 6.1 The Executive is advised to NOTE and COMMENT on the Report

7. Policy Framework

- 7.1 The Government sets the policy for the transition to and introduction of Universal credit

8. Legal Issues

- 8.1 The Council has no statutory obligation in respect of administering Universal Credit

9. Risk Management

- 9.1 None – however the responsibility and therefore the risks around the introduction of Universal Credit rest with the Government and not the Council. The Council however may have to deal with the impact this policy may have

10. Equalities Impact

10.1 The Government is under an obligation to ensure that Universal Credit does not adversely impact any projected groups

11. Officer Comments

11.1 Compared to some areas the administration of UC in Surrey Heath has gone quite smoothly, however this may be due to the small number of residents that are in receipt of this benefit

11.2 However what is becoming clear is that the Borough is beginning to feel the impacts the Government's wider benefit reforms. These include the benefits cap, spare room subsidy, insufficient rate of housing allowance in local rental market, reluctance of landlords to take UC tenants due to uncertainty over rent payments. Whilst the Council and its partners such as CASH amongst others cannot change Government policy the Housing and Benefit Teams are increasingly being called upon to deal with the consequences. A report on the impact of these reforms will be brought to a future Executive.

Annexes	None
Background Papers	None
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