

BT Lancashire Services

Welfare Reforms – briefing paper to WLBC Members – June 2015

West Lancashire Borough Council Revenues and Benefits Service

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Welfare Reform/Universal Credit Briefing Note

PURPOSE

This paper provides an overview of Welfare Reform and a more detailed update of Universal Credit (UC) and Single Fraud Investigation Service (SFIS) and its impact on the Borough. The document provides:

- A refresh of the key Features of Welfare Reform
- An update of Universal Credit – process and impact
- An update of Single Fraud Investigation Service (SFIS) – background and current status

1. KEY FEATURES OF WELFARE REFORM

In this part of the paper, reference is made to the key features of Welfare Reform excluding UC and SFIS – these are dealt with in some detail in sections 2 and 3.

1.1 Council Tax Support (CTS)

- From 1st April 2013, the national scheme of Council Tax Benefit was abolished and replaced with a localised Council Tax Support scheme. The Government provides a cash limited grant to Local Authorities, at a rate of 10% less than the previous cost of the national scheme - any increase in the cost of the scheme or demand for benefit therefore has to be funded directly by Local Authorities
- Facts and figures – during 2014-15 CTS impacted on 4700 local residents of working age. This number has reduced to 4600 as at May 2015. The numbers of residents at pension age are 5600 and 4800 respectively for May 2014 and May 2015.

1.2 Social Sector Size Criteria (SSSC)

- Restrictions on Housing Benefit for claimants in Social Sector tenancies took effect from 1 April 2013. These affect working age customers living in accommodation that is deemed to be too large for their needs.
- Facts and figures – during 2014-15 SSSC has impacted on 1060 local residents. This number is 970 as at May 2015.

1.3 Discretionary Housing Payments (DHP's)

- DHPs may provide Housing Benefit customers, in certain instances, with further financial assistance, in addition to any welfare benefits, when a LA considers that help with housing costs is required. The regulations covering DHPs are The Discretionary Financial Assistance Regulations 2001.
- Facts and figures – during 2014-15 DHP has impacted on 470 local residents and the total amount awarded was £174,188 against Government funding of £174,368. Funding for 2015-16 is £163,496 and as at June 2015 £42,441 has been awarded to date.
- Following Council approval to assist claimants with up to £100K towards DHP an application has been made to the Secretary of State to be allowed to proceed.

1.4 Benefit Cap

- These arrangements were introduced by Central Government from 15 July 2013. The change implemented a cap on the maximum amount of Social Security Benefits a claimant could receive, with any excess being deducted directly from their Housing Benefit entitlement.
- Facts and Figures – during 2014-15 the Benefit Cap impacted on 19 local residents

1.5 Personal Independence Payments (PIP)

- Personal Independence Payments (PIP) replaces Disability Living Allowance (DLA) for adults aged 16 to 64. This new scheme is administered by the DWP – as was the DLA scheme. With effect from June 2013 all new claims have been for PIP. The reassessment of DLA claimants for a limited group (eg. children turning 16) began in October 2013. From October 2015 the remainder of DLA claims will be re-assessed on a rolling basis with this exercise timetabled to be completed by October 2017.
- Facts and figures - administered by DWP impact on local residents not known

2 UNIVERSAL CREDIT – IMPACT AND PROCESS

- 2.1 The Welfare Reform Act 2012 introduced a number of changes which fundamentally moved towards the introduction of a single UC for working age claimants which replaces and subsumes a number of previous benefit streams into one. UC replaces Income-based Jobseeker's Allowance, income-based Employment and Support Allowance, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit. The process of replacement will be on a rolling basis: it started in 2012 and is due to be completed by 2017 although these timescales are subject to on-going review.
- 2.2 DWP is working in partnership with Councils to agree the most effective approach to UC implementation. These partnerships are working through the implementation process from mobilisation to transition through to delivery.

The initial roll-out of UC involving a number of Councils including some in the North West – known as Pathfinders or Pilots – represented the initial numbers claiming UC. These numbers are currently limited due to the conditions applied to the cohort or claimant group. A further limitation is due to the fact that the initial cohort only includes 'new' claimants and not the migration of existing claimants of, for example, Housing Benefits

- 2.3 Locally transition to UC is being led by JCP District Managers and Local Government colleagues together with partners. Effective delivery is being achieved by drawing on and engaging with existing support service wherever appropriate and generally employing a holistic, joined-up approach to support services.
- 2.4 In March of last year the DWP National Project Team announced plans for further expansion and roll-out of UC in the North West beyond the existing North West-based Pathfinders/Pilots. The plan entailed the roll-out in two tranches.

In Lancashire, only Preston City Council and South Ribble District Council were included in the first tranche – and they went live with UC in June – July 2014. All other Lancashire Districts – together with all other Councils in the North West went live over the period from September to November 2014.

- 2.5 Mobilisation of UC in West Lancashire is being managed by the West Lancashire UC Task Group – membership of this group includes representation from WLBC, the local Job Centre and BTLS. The anticipated impact on Council services was expected to be very limited initially although as the **cohort** extends beyond the groups as described above, then the impact will increase.
- 2.6 UC went live in West Lancs with effect from the 15th September 2014.

2.7 Key Delivery Roles

- Provide support for DWP Service Centre – **BTLS Revenues and Benefits Services (RBS):**
- Personal Budget Support – **WLBC Housing Directorate:**
- Digital access and support – **Local Community Centres and the County Council Libraries service:**
- Overall management of the delivery of UC in West Lancs - **WLBC Housing Directorate:**

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2.8 National Impact of UC:

- An overview of the national impact of UC was provided to Members in January 2015. The data available at that time showed that some 44,000 people had made a claim for UC and almost 26,000 had started to receive UC. At that time nearly 70% of UC starters were male and almost 60% under the age of 25 years old.

2.9 Local Impact of UC:

- Total claims for Skelmersdale - 497 claims:
 - Male 18-24yr olds = 125
 - Female 18-24yr olds = 73
 - Male 25+ = 234
 - Female 25+ = 65
- Total claims for Ormskirk - 149 claims
 - Male 18-24yr olds = 49
 - Female 18-24yr olds = 24
 - Male 25+ = 59
 - Female 25+ = 17

Note – these numbers were provided by DWP on the 22nd May 2015

2.10 End to end UC claim process:

From the point of initial claim for UC through to payment of entitlement, there are a number of process steps that are the responsibility of various units within DWP – summarised as follows:

Process Step	DWP
Advice and claim	UC Help Line / On-line
Response to claim	UC Service Centre
Interview and evidence	JobCentre
UC decision	UC Service Centre
On-going work-related activity	JobCentre
Change of circumstances	UC Service Centre

In terms of the "customer journey – how the end to process works for the customer - the following is a brief summary of the steps in the "journey". This is also provided in graphical format at Appendix 1 of this paper.

Step	Who	What
Step 1	Customer	" I get information/ advice about claiming UC - I make my claim on-line. If I need help, I can phone the UC helpline for assistance"
	On-line / UC Helpline	Claims made on-line. Claimant requires assistance? - UC Helpline (+ telephone/face to face by exception)
	Community Centres and Libraries	Advice provided to assist the customer submit claim
Step 2	UC Service Centre (UCSC)	On receipt of the claim UCSC contact the Claimant by telephone to arrange an interview at the Jobcentre. A text message is sent as a reminder

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	Customer	" I receive a telephone call inviting me to attend an interview in the Jobcentre + a text reminder. I attend my interview and take any evidence requested. I sign my printed claim and complete the Claimant Commitment (CC)"
	JobCentre	Print the claim and obtain a signature. Additional information is gathered and the Claimant Commitment (CC) is completed. The UC Portal is updated and the claim documents + supporting evidence are sent to the Mail Opening Unit (MOU)
	USCS	The MOU scan the claim + evidence. On receipt of the task, the agent updates the UC Portal. Once all evidence has been verified, this triggers the processing of the UC claim
Step 3	RBS Team	UC notice to RBS – check for duplicate HB/UC claims. RBS will suspend all HB claims which have UC entitlement and send the customer a HB cancellation letter.
	Customer	" I receive my UC decision letter including my payment schedule if appropriate. Also advised about my on-going responsibilities"
	PBS Team – Housing	Customers require PBS or payment to be made by APA? Customer details forwarded to the WLBC PBS team
Step 4	RBS	After 32 days RBS will be informed of a UC claim which require CTS. Any required information will be requested.
	JobCentre	Claimant invited to attend the Jobcentre to undertake specific work related activity as agreed - on-going interaction at the JC
	Customer	" I attend the Jobcentre and engage in work related activity"
Step 5	Customer	"I notify the UCSC if change in my circumstances. I receive a notification that my UC has changed / ceased"
	USCS	Any change of circumstance it is reported to UCSC. Claimant is notified regarding any change to the award of UC

2.11 What's next for Universal Credit?

Over the next 6 months work is being done between DWP and HMRC around further potential expansion with 'in work' claimants ie the UC cohort group. Using the "test and learn" UC methodology they are looking at a plan to enable such an expansion.

The DWP is continuing to seek to improve the claimant's journey and also the service customers receive from both local JobCentre offices and UC Service Centre (UCSC). They are also looking to improve the service to local authorities by, for example, considering dedicated phone lines for each LA.

Also a trusted partner trial has taken place specifically looking at Local Authorities having a greater influence on the decision-making process in relation to APA's. Currently the findings from this trial are being analysed with a view to publicising findings and next steps as soon in the near future.

In addition "digital roll out" – which means that claimants have to access all processes on line including work coaches - is currently being trialled in Sutton, for all claimants. It is planned that the digital service will roll out for all single claimants by May 2016.

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In the meantime, whilst timings are not available as yet, discussions have commenced between DWP and HMRC with a view to producing a definitive strategy for migrating appropriate cases from Local Authorities to DWP.

3 SFIS – background and current status

3.1 **Introduction** - The Government announced in 2010 that they would create a Single Fraud Investigation Service (SFIS) which would bring together similar areas of work from the Department of Work and Pensions (DWP), Her Majesty's Revenues and Customs (HMRC) and Local Authorities in preparation for Universal Credit.

The Migration to SFIS commenced in July 2014 involving 9 "pilot" Councils – the roll-out to the remainder of the Councils across the UK commenced in October 2014 as part of a 22 month roll-out plan.

DWP has confirmed that the implementation date for West Lancashire Borough Council (WLBC) is 1st August 2015. In addition to a Project Implementation Team – made up of officers from BTLs-RBS and Human Resources and WLBC Human Resources - a dedicated DWP Human Resources Team is supporting the project to facilitate the transfer of affected staff into DWP.

Details including specific activity and timings during the transition period from February to August 2015 have now been provided by DWP and the transition project is mobilised. As part of the transition activity priority is given to ensuring that those staff who are potentially affected by this change receive the support they are entitled to by way of effective engagement, dialogue and communications.

Some residual Fraud-related activity and also the investigation of Local Council Tax Support fraud cases will remain with the Council. Dialogue is currently on-going to determine where within the organisation this activity should sit under the new arrangements.

3.2 **Background** - The Government announced in 2010 that they would create a Single Fraud Investigation Service (SFIS) which would bring together investigators from the Department of Work and Pensions, Her Majesty's Revenues and Customs and Local Authorities in preparation for Universal Credit. In August 2013 the DWP SFIS Programme Board recommended that SFIS be introduced within DWP during 2014/15

The implementation of the SFIS is based on the following principles:

- The investigation of HB/CTB fraud will move to SFIS
- The investigation of LCTS/Tenancy Fraud etc. will remain with LA's
- The calculation and recovery of any HB/CTB overpayments will remain with LA's
- SFIS investigators will request information and evidence from LA's to support an investigation
- SFIS will use single prosecution bodies (Crown Prosecution Service) for England and Wales & the Procurator Fiscal for Scotland.

3.3 **Engagement** - The formal engagement process between DWP and the Council was initiated by the DWP HR Team in February 2015 ie 6 months prior to the August 2015 West Lancashire roll out date. In advance of the formal engagement, it was considered prudent to commence the process of planning, preparation and engagement without delay to:

- Identify potentially affected staff
- Consider the local HR implications for staff affected
- Commence informal local staff consultation

3.4 WLBC mobilisation and roll-out –

- Confirmed go-live 1ST August 2015
- Regional Implementation Manager appointed whose primary role is to support Fraud staff through transition and deal with queries
- A dedicated DWP HR Team has been assigned – the team is working with the WLBC nominated Single Point Of Contact– Sharon Lewis. In the meantime staff potentially

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affected by this change have access to a DWP Q&A Knowledge Hub which provides details of key issues that have been raised together with the DWP responses.

- DWP have proposed SLA's relating to the services to be provided to them by BTLS RBS – these SLA's are currently under review. .
- Migration of cases at the time of transfer to DWP - any movement of data from BTLS to DWP will be encrypted and will commence 4 weeks in advance of go-live – a named representative from the Council will be required to approve the movement of data. During this 4 week period, no further investigation work will be done by Councils – any cases arising will be passed to the DWP.
- A high level plan of activity has been produced by DWP for the transition of the work – this is provided at Appendix 2 of this paper.

3.5 **Residual Fraud-related activity and Council Tax Support (CTS) Fraud**

As stated above WLBC HB Fraud staff will transfer to SFIS from the 1st August 2015. Based on recent dialogue with the DWP Transition Team it is evident that there will remain significant residual fraud-related activity post transfer. In addition there remains the question of CTS fraud and both these issues are currently subject to on-going discussions between BTLS RBS and the Council.

4 **Conclusion**

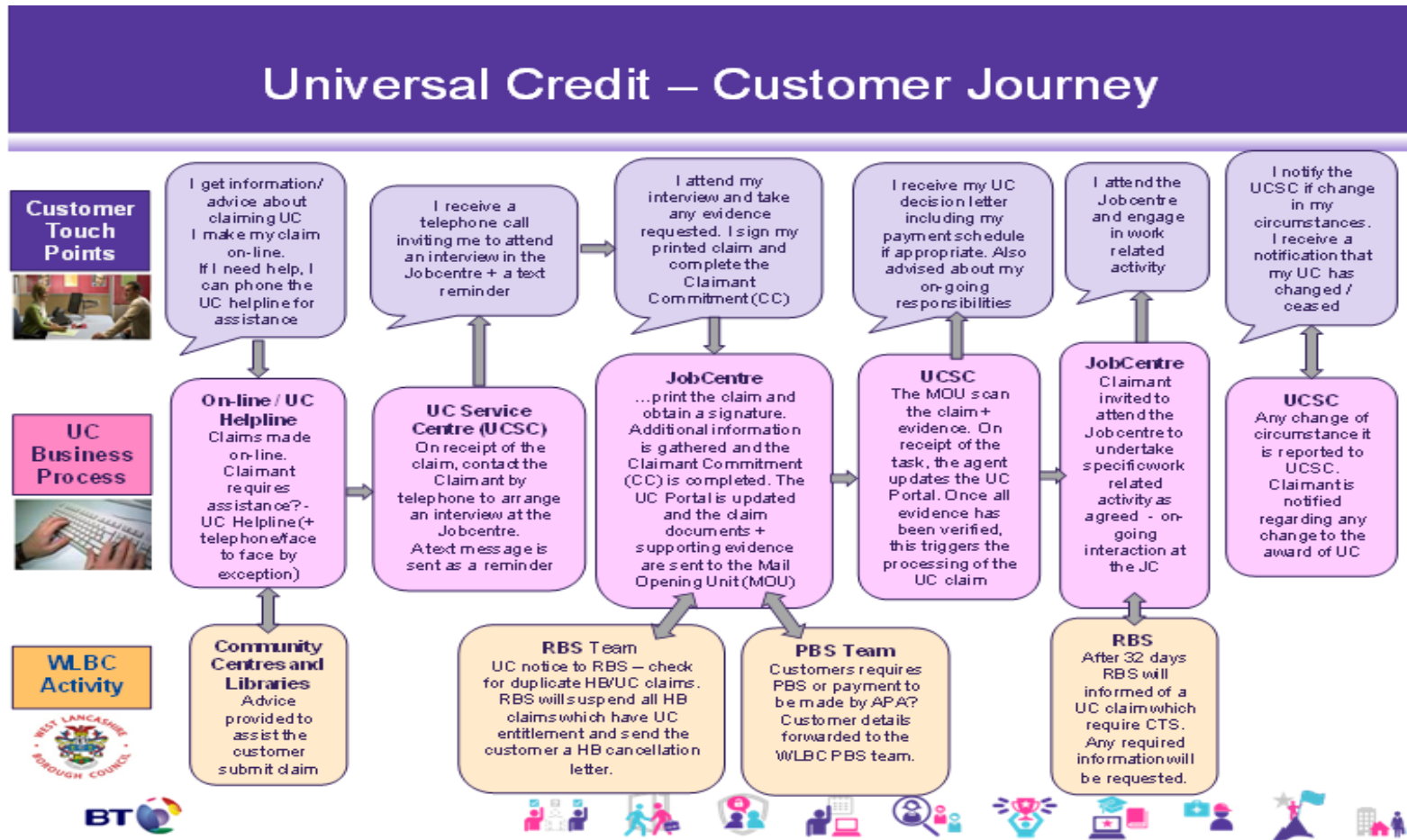
Members are asked to note the contents of this paper. It is proposed that updates to this paper are provided every 6 months.

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June 2015

Appendix 1 – UC – the customer journey



Appendix 2 – SFIS Transition and Implementation Plan

SFS: Transfer timeline – Phase 2

Transfer Minus 7 Months	Arrange face to face Workshop with HR LA SPOCs			
Transfer Minus 6 Months	Deliver face to face workshop with project	Issue commission to LA HR SPOCs - T&Cs comparison template; - request proposition for transfer; - request relevant Job Descriptions		
Transfer Minus 5 Months	HR LA SPOCs return T&Cs Comparison Template; proposition and Job Descriptions	Update Project Team (Ann Adam) on propositions	Confirm initial propositions with HR LA SPOCs and Request Detailed propositions + Reasonable adjustments	Undertake comparison of LA/DWP T&Cs
Transfer Minus 4 Months	Develop Measures	Issue proposed measures to HR LA SPOCs for LA consultation	Receive confirmation from HR LA SPOCs that consultation on proposed measures is underway	Assess Job Descriptions and allocate DWP grade
Transfer Minus 3 Months	Receive detailed propositions from HR LA SPOCs	Receive responses from HR LA SPOCs on proposed measures consultation	Commission HR LA SPOCs to provide employees personal data to start RM build (SS and pension spreadsheets)	Confirm final propositions with FLDT
Transfer Minus 2 Months	Agree measures and communicate final measures to HR LA SPOCs	Confirm detailed propositions with HR LA SPOCs/Instruct to serve notice	HR LA SPOCs to serve notice of transfer to employees in scope (at start of month 5, no later than 28 days ahead of transfer)	Issue assignment letter to LA Employees (LM, grade and location details)
Transfer Minus 2 months	Receive completed personal data/pensions spreadsheets from HR LA SPOCs	DBS checks completed and notified to HR Employee Transfer Team by SSCL		
Transfer Minus 1 Month	Issue Line Manager Guidance to DWP Line Manager	Issue commission to LA SPOCs for Tax Data		

REGULAR LA HR SPOC CONFERENCE CALLS