

Performance/Administration Cabinet Committee

Thursday, 15 November 2018

7.30 pm

Present:

Cllr Derek Shelbrooke (Chair)

Cllr John Knight (Vice-Chair)

Councillors: Brian Francis
 Rob Halpin
 Samir Jassal
 Peter Scollard
 Narinder Singh Thandi

Mike Bytheway Service Manager (Revenues & Benefits)
Jackie Baker Assistant Revenues & Benefits Manager
Ben Turner Corporate Performance Manager
Lauren Wallis Committee Services Officer (minutes)

31. Apologies

An apology for absence was received from Cllr Gary Harding.

32. To sign the minutes of the previous meeting

The minutes of the meeting held on 17 September 2018 were signed by the Chair.

33. To declare any interest Members may have in the items contained on this agenda. When declaring an interest Members should state what their interest is.

Cllr Robert Halpin made a declaration of interest in respect the item on Universal Credit as he worked in employment support.

34. To considered whether any items in Part A of the agenda should be considered in private or those (if any) in Part B in public.

None.

35. Corporate Performance Update – Quarter Two 2018-19 (July – September 2018)

The Corporate Performance Manager presented an update against the Performance Management Framework, as set out in the Council's Corporate Plan 2015-19, for Quarter 2 2018/19 (July to September 2018). The report presents a suite of performance measures

and indicators that directly relate to the Performance and Administration portfolio and the associated policy commitments detailed in the Council's adopted Corporate Plan 2015-19.

Members were advised that this was a progress report and that three Performance Measures had missed their targets for the quarter and the narrative explained the background to this. However, it was noted that the measures were all within National and County averages.

2. Quality frontline services delivered on time and to the right people.

Performance Measure 11 – Average Time taken to Process Housing Benefit/Council Tax New Claims (days)

The Service Manager (Revenues & Benefits) advised that concern had previously been expressed in relation to Performance Measures 11 and 12. However, National measures related to Housing Benefit only whereas Council statistics related to Housing and Council Tax Reduction as follows:

Housing Benefit	September	14.7 days
	October	15.2 days
	November	15.1 days

This had been a dramatic turnaround especially taking into consideration the need to train new benefits officers.

The Assistant Revenues & Benefits Manager advised that the figures shown were joint figures and Housing Benefit claims were currently being processed in 19.8days. Processes had been put in place that worked to the strengths and weaknesses of officers making the process more efficient. It was hoped that the service would achieve its targets by the fourth quarter.

The following comments were made in relation to the above and Benefits performance indicators:

- It was noted that what had been achieved by the trainees was impressive especially given the complexity of the work involved. The Apprenticeship Levy would be used to offer the trainees the possibility of undertaking an appropriate qualification.
- Members were advised that the introduction of Universal Credit had initially caused concern and some officers had left the Council. However since the delay of the migration date, the Assistant Revenues & Benefits Manager had worked to increase morale. It was also intended to train officers to provide them with skills to work on other teams.
- Councillors noted that as the housing benefits disappears existing staff with the correct knowledge would work on this whilst new staff would be trained to work on the new systems.

3. Work to maximise income collection through the robust management and recovery of debts owed to the Council.

Performance Measure 9 – Percentage of Council Tax Collected

Performance Measure 10 – Percentage of NNDR Collected

It was noted that Council Tax collection was on target but NNDR was not. However performance fluctuated from month to month and Members appreciated it was the final outturn figure that was important.

Performance Indicator 42 – Total Amount of Housing Benefit Overpayments Raised

The Service Manager (Revenues & Benefits) advised that, as previously discussed, the indicators had been changed from percentage measurement to monetary values which had proved more accurate. As a result of the introduction of Universal Credit, the Council no longer needed a Court Order to find out if an applicant was in employment. The DWP now gave local authorities this information on request.

The Chair thanked Revenues and Benefits staff for all their hard work.

4. Deliver on opportunities for the sharing and selling of council services.

The Corporate Performance Manager stated that the 6% figure equated to 28 shared service posts within GBC. As part of the 'Bridging the Gap' activity MT would continue to analyse services and identify potential opportunities for services to be shared in the future. The new shared Licensing Service, led by Mark Lees – Regulatory Services Manager, and hosted by the Borough Council, was scheduled to become live on 1 January 2019 and would have a positive impact on the future outturns for PI 45 - % of posts involved in shared service arrangements.

5. Continuously review and adapt how we deliver our services to achieve financial efficiencies and improved performance.

As at budget setting 2017/18, the Council was facing a funding gap of £2.9m by 2019/20 from the reduction in central government grant. In response, the Corporate Performance Manager highlighted that the 'Bridging the Gap' strategy had been put in place to address the shortfall and that, of the total, £2.1m had already been delivered and reflected in the Council's Medium Term Financial Plan through the key activities of the strategy. Through various pressures, there was now an additional £1m at least to be saved which would see the meeting of Cabinet in November presented with a report detailing a variety of options to consider to address the budget challenge. Details of the report and what was agreed would be reported back to the next meeting of the Performance/Administration Cabinet Committee.

Resolved that the report be noted.

36. Corporate Register of Partnerships 2018/19

Members were advised of the Council's involvement in partnerships that were within the remit of the Committee.

The Service Manager (Revenues & Benefits) advised that the partnerships were reviewed annually and there were two partnerships that fell within the remit of the Committee. The Audit and Counter Fraud shared service outcomes were being achieved, costs were being reduced, with resilience and flexibility being increased. Members of the team were learning the different roles within the Team and the audit programme was being delivered despite the challenges of some long term sickness absence.

The Revenues and Benefits shared management arrangements with Tonbridge & Malling had previously been discussed by the Committee with work being undertaken to benefit both the councils involved.

Resolved that the report be noted.

37. Universal Credit - Oral Update

The Service Manager (Revenues & Benefits) circulated an update paper on Universal Credit (attached as an appendix to these minutes) and welcomed Evelyn Cook – Deputy Chief Executive Officer from Citizens Advice North and West Kent to the meeting. The Committee was informed that Gravesham had been on Universal Credit (UC) since 30 May 2018 and this meant that UC was available to all claimants with the exception of some categories.

- Following a question with regard to the mitigation with regards to direct payments to landlords, it was noted that the rules had been relaxed and applicants could request that the rent part of the UC be paid direct to a landlord. A landlord could also request this measure and consideration was based on vulnerability or risk of arrears. The Service Manager (Revenues & Benefits) had advised staff to prompt residents to ask for their rent to be paid direct at the point of claiming.
- Members were advised that the BBC Panorama programme had recently given a good overview of UC and had highlighted that the key issue was the lack of money management skills of recipients.
- The Service Manager (Revenues & Benefits) confirmed that the time from UC application submission and payment was 5 weeks.

Evelyn Cook advised that Citizens Advice (CA) provided a daily service from 10am to 2pm from Monday to Friday, to assist people who could not manage apply for UC themselves. CA also provided additional digital and personal budgeting training. She commented that the UC was paid to one member of a family. Applicants were advised, when they saw their first work coach, to ask for an advance payment when applying for UC and there had been a slight increase in the numbers of people saying they had no money. It was perceived that UC had two issues being the delay in payment and that people would be worse off than they were now as UC subjected people to more conditions and it was felt that there would be an increase in poverty to 2 to 3 years' time.

The following comments were made:

- It was noted that someone who had just left their job had to wait before receiving UC as they would have their wages. There were also issues when people lost their paperwork or simply did not know how the UC process worked.
- In relation to food banks, it was noted that payment delays in the old and new systems have increased the use of these facilities.
- Members were advised that Essex County Council would be closing 50 to 60% of library services. It was noted that people could access computers in libraries. However, the Committee was informed that most people now had a smart phone. If a person did not have a smart phone or a computer, Citizen's Advice directed them to the JobCentre. Applications for UC could be made over the telephone but the DWP discouraged this. Citizens Advice always asked if a person had family or friends who could help.
- The UC currently only applied to people of working age and therefore the lack of IT literacy had not yet been an issue. However, when UC managed migration was rolled out to people with disabilities in 2020 IT literacy issues may arise. It was considered that there would not be enough public computers in the Borough as the DWP asked applicants to access their accounts from once a day to once a week. The Service Manager (Revenues & Benefits) advised that the number of applications for UC was not yet very high as UC Full Service and migration had not yet started. The Service Manager (Revenues & Benefits) also highlighted the following:
 - Claimants must also claim for a Council Tax Reduction
 - Rent arrears could be caused when funds were in transit.
 - There was a UC landlord portal which trusted landlords could log into to check if a claim had been made.
- In relation to the maximum total deductions allowed from UC being reduced from 40% to 30%, it was noted that this would be bad news for legacy housing benefit overpayment recovery. The Service Manager (Revenues & Benefits) agreed stating that the HB overpayment amount outstanding of £84,143.42 would increase. The Assistant Revenues and Benefits Manager advised that attachments to housing benefits would be a low priority as recipients would have other debts reducing the amount of housing benefit the Council could recover. In addition, debt advice issued by the Finance Services Authority (FSA) ranks housing benefit overpayments as low as credit card debt.
- It was explained that when Stop Notifications were received from UC the Council gave HB claimants an extra two weeks to help with the transition to UC. They will claim any overpayments back from the landlords for this period as they are not entitled to receive it.
- Money management training was available from Citizens Advice on request. The training lasted for 5 to 6 hours and Citizens Advice funded 2 hours of the training. This was from Comic Relief funding which was ending this month. Citizens Advice was unable to pay for this training from core funding. Priority had to be given to debt

management training however it had been noted that for many debt clients were repeat offenders.

Attention was drawn to the Universal Credit Commons Select Committee Report of 26 October 2018 the recommendations for which were circulated to the Members. The Service Manager (Revenues & Benefits) highlighted the culture of denial and defensiveness and that funding had been thrown at the initiative rather than issues being addressed. There was also a heavy reliance on local authorities and Citizens Advice.

The digital system to support UC was only 50% complete and could not deal with complex cases, for example, families with more than 3 children and this had been openly admitted by the service centre in Canterbury. Many local authorities, including Gravesham, had raised their concerns regarding UC with the Government.

The Assistant Revenues & Benefits Manager stated that Borough Council services were doing their best and were working with Citizens Advice. This view was endorsed by Evelyn Cook who advised that Gravesham and Tonbridge & Malling were doing a better job than some others.

Resolved that the report be noted.

38. Any other business which by reason of special circumstances the Chair is of the opinion should be considered as a matter of urgency.

None.

Close of meeting

The meeting ended at 8.55 pm

Appendix**Universal Credit Update****Introduction**

Gravesham has now been on Universal Credit (UC) Full-Service since 30 May 2018, this means that UC is available to all claimants with the exception of some categories that are detailed within the update.

We are now beginning to see a greater impact on us as a local authority:

- Housing Benefit caseload has dropped by over 6% albeit the workload has actually increased.
- The number of notifications being received by the DWP in respect of UC alone has increased more than tenfold.
- Rent arrears are showing an increase of £155k
- Assisted Digital Support and Personal Budgeting Support has increased dramatically from 5 in Qtr 1 to 40 in Qtr 2

Experience from other LA's indicates a decrease in caseload for the first 12-18 months during natural migration then it will plateau with the stable claims who generally have no changes to their circumstances.

Following the budget managed migration will now start from January 2020 and will end in June 2024.

What is Universal Credit?

Universal Credit is a means-tested benefit for people of working-age who are on a low income and it is administered by Jobcentre Plus.

It replaces six existing means-tested benefits (legacy benefits):

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Housing Benefit
- Child Tax Credit
- Working Tax Credit

Universal Credit is intended to be simpler than the current system of benefits and tax credits.

The number of people on Universal Credit as at 13 September 2018 was 1.2 million. Of these people, 430,000 (35%) were in employment.

Gravesham Borough Council implemented Universal Credit 'Live Service' from May 2015 which only dealt with simple single claims however **Universal Credit 'Full**

Service' was introduced from May 2018 which deals with all types of claims including singles, couples and families.

Universal Credit Full Service is a digital solution requiring claims to be completed on line.

Universal Credit is paid on a monthly basis. Entitlement is worked out by comparing the claimant's basic financial needs that the government says they need to live on with their financial resources.

In most cases, the claimant will have to claim Universal Credit online (<https://www.gov.uk/apply-universal-credit>) and then attend an interview in person. The claim process takes a minimum of 5 weeks

Claimants can now apply for an advance on line. The amount they can borrow will be the same as their first estimated UC monthly payment and needs to be paid back over a 12 month period.

If the claimant does not have internet access, they may be able to use a computer at their local Jobcentre.

Assisted Digital Support and Personal Budgeting Support

Citizens Advice (CA) Gravesham is working with Revenues and Benefits to provide Assisted Digital Support and Personal Budgeting Support

CA is working with the Gateway to provide a daily service to assist with digital claims. The UC claim date starts from pressing the "submit" button, CA are geared up to provide same day claims process 5 days per week. The claims process takes 40 – 90 minutes, but verification of identity often fails.

This includes setting claimants up with an email address and helping them to set up an online account. CA is advising clients to use the Civic Centre and Library PC's. The UC online account needs to be frequently checked, daily if job searching, weekly otherwise and updating with income changes etc.

They will provide help with drawing up and maintaining budgets for clients who struggle to manage their money however customers need stable, private internet access. Customers budgeting skills need to be better, ensuring rent is paid, coping with varying income and managing any backdated amounts

The payment method, all to one account, may put vulnerable partners at risk alternative payment methods are available and CA will assist with this.

What is the Universal Credit housing costs element?

This money is to help the claimant with their housing costs.

It can help with rent and some service charges if they are a tenant.

For tenants the housing costs element will be paid as part of their Universal Credit payment and will go straight into the bank account or other account nominated by

each household.

The claimant is then expected to pay this money direct to their landlord. The intention is that the claimant will pay their rent by direct debit / standing order to their landlord.

What changes in circumstances might trigger a move to Universal Credit

There are 2 types of Migration:- Natural and Managed

The current plan is that existing benefit claimants will be moved over to Universal Credit at some point between July 2019 and March 2022/23, as part of its 'managed migration'.

However natural migration could be triggered if entitlement to a current legacy benefit ends, prompting a need to claim a new benefit, or becoming entitled to a different or extra benefit. Migration should not happen when there is a change to benefits that are received.

It is best that advice is sought for any claimant who decides to switch from legacy benefits to Universal Credit as some of the rules are different, including the frequency of payments and the commitments the claimant needs to agree to in order to remain eligible.

Once a claim for Universal Credit has been made there is usually no going back to their previous benefits so the claimant must seek advice before claiming however no one should be worse off.

The types of triggers include:

- A change in employment status
- A change in family circumstances
- A partner leaving or joining the household
- Starting or stopping being a carer
- Starting or stopping a claim based on disability
- Renewing or making small changes to tax credits
- Moving home and taking up a new tenancy outside the area

What impact is Universal Credit having upon the Council?

Universal Credit is replacing Housing Benefit for **working age** customers however there are certain situations when they will still claim Housing Benefit;

- People with three children or more until 31 January 2019
- People who receive a severe disablement premium
- People living in exempt/specified accommodation
- People living in temporary accommodation provided by the local authority to prevent homelessness
- People who are over pension age

On Housing

Housing currently has 306 accounts that are live on the UC Landlord portal. UC adds time to processes so Housing are spending more time on a case than they would have previously – reducing the number of cases that can be dealt with over the same period. They are also getting to understand things more as they come across them. Housing often have a team discussion about a case with the “is it UC or is it HB” question being the most common.

The portal itself is useful in that it lets Housing know who has claimed UC and can verify the information for them. This enables Housing to make an educated guess on the timeframe for the first expected payment. Housing is sending a letter to claimants to ensure they understand their responsibilities etc. The aim of the letter is to negate the impacts as far as possible.

The portal allows Housing to know who is on UC and confirm the tenancy, rent etc.

It would be useful for Housing to be able to see more information (even if it is just confirmation of the payment date) on the portal so that they can help support tenants to avoid getting into rent arrears. The other useful part of the portal is applying for Alternative Payment Arrangements and arrears payments. This is good but it does not give any idea of how much will be paid direct – Housing know they will be getting something but do not know how much.

Housing had created a letter to send to tenants asking them to put notes on their journal to allow them to discuss cases with the service centre in more detail.

In terms of rent arrears Housing have seen an impact since the end of July. The arrears are approximately £155k more than if they had remained on HB. Some of this is down to “cash in transit” as payments are on the way but it takes so long for the UC Service Centre to process claims.

The migration of the live cases to the full service has also started so Housing are spending time dealing with those cases, cases they have already dealt with so not a great use of time. Fortunately there were only about 100 cases so they will get through them as quickly as possible.

On Housing Benefits

Since April 2018 the HB caseload has dropped by 420, for the period April to end of June it was only by 56 then from 1 July onwards it has dropped by 364 cases. The number of new claims being processed has also dropped dramatically; in April to end of June 413 claims were processed whereas from 1 July only 253 claims have been processed. Therefore you can see the impact of UC Full Service.

Since 30 May 2018 the HB Section had received 582 HB stop notifications from the UC Service Centre. Only 248 relate to live HB claims (112 Council claims, 129 Private tenant claims and 7 relate to claimants that fall into an exemption i.e. Temporary Accommodation/Specified Accommodation and HB is still paid).

In the whole of last year (2017/18) the HB Section cancelled HB for 8 Council tenants and 8 Private tenants. In total under UC live service (i.e. since 18 May 2015) HB for

40 Council tenants and 37 Private tenants had been cancelled.

3,355 items have been received from the Universal Credit Service Centre (including the HB Stop notices) from 31 May 2018 to 16 October 2018. Since the start of the year the number of items the HB Section have received from the UC Service Centre is as follows:

January 2018	137
February 2018	112
March 2018	132
April 2018	120
May 2018	167
June 2018	350
July 2018	604
August 2018	870
September 2018	927
October 2018	597

On HB Overpayments

Universal Credit claims that had an outstanding overpayment.

Please see below a breakdown of the cases

<u>Year</u>	<u>Number of claims</u>	<u>Overpayment mount outstanding</u>
2015	29	£38,557.89
2016	20	£24,084.45
2017	7	£21,501.08
Total	56	£84,143.42

If these claims had remained on Housing Benefit the overpayments would have been recovering from ongoing entitlement at the rate of £11.10 plus any appropriate disregard.

They have all been issued as invoices for GBC to try and recover by other methods.

The HB Overpayment team has tried to attach cases to Universal Credit for them to recover on GBC's behalf but with very little success. The HB Overpayment team has tried to query these cases but DWP Debt Management are unable to give GBC any information on Universal Credit cases and when the HB Overpayment team telephone Universal Credit they don't appear to have any knowledge about deductions.

Earlier this year the HB Overpayment team made the decision not to refer any cases that are claiming Universal Credit and to cancel any deductions that had been unsuccessfully applied for.

Key Budget Announcements

- Two weeks after managed migration was extended by a further year, a new 6 month contingency period has been added to bring the new proposed end date to June 2024. This is now the 18th separate delay.
- From January 2019, claimants in receipt of a severe disability premium will not be able to move to Universal Credit (until managed migration).
- Those of pension age will not be able to get their housing costs from pension credit (instead of from housing benefit) until at least 2023.
- Job Seekers Allowance, Employment Support Allowance and Income Support will follow Housing Benefit by paying an additional two weeks when a claimant moves to UC but this will not start until July 2020.
- UC work allowances will be increased to £1,000 from April 2019.
- The maximum total deductions allowed from UC will be reduced from 40 per cent to 30 per cent. Good news for claimants but very bad news for legacy HB overpayment recovery.
- A longer grace period for newly self-employed UC claimants, before the Minimum Income Floor applies, but this won't really affect many until September 2020

Universal Credit – Commons Select Committee Report - 26.10.18

1. The Department's systemic culture of denial and defensiveness in the face of any adverse evidence presented by others is a significant risk to the programme.

Recommendation: As a matter of urgency the Department needs to identify specific measures that demonstrate a step change in its attitude to listening and responding to feedback and evidence from its partners. We will hold the Department to account for its progress when we next meet and will expect frontline organisations to report that they have seen a tangible difference.

2. Universal Credit causes financial hardship for claimants including increased debt and rent arrears, and forces people to use foodbanks.

Recommendation: In order to mitigate financial hardship for claimants, the Department must:

- establish methods for measuring hardship;
- identify the specific challenges faced by people with different needs;
- create, test and put in place solutions which provide a safety net for all;
- and significantly improve the proportion of claimants it pays in full and on time.

3. The Department is failing vulnerable claimants because it places too much reliance on the discretion of its work coaches to identify and manage the needs of people requiring extra support.

Recommendation: In its response to this report, the Department must set out, what more it will do to ensure that work coaches are well equipped to provide the right support packages for claimants including those with health needs and other vulnerabilities, and how it will measure and ensure this is happening in practice.

4. The package of support to help claimants adjust to Universal Credit is not fit for purpose.

Recommendation: The Department must work with others to reassess precisely what support claimants need, and how this can be best provided. It should demonstrate what impact this support is having. The Department must update us in six months on what it has done and learnt and how it will measure whether there is sufficient support in future.

5. Universal Credit is pushing costs onto the local organisations that support claimants - including local authorities, housing associations, and foodbanks.

Recommendation: The Department should set out what it will do to understand and measure the additional costs and burdens for local organisations and what it will do to ensure organisations can cope as the

number of claimants on Universal Credit increase.

6. The Department is unable to measure its objective of getting 200,000 more people into work.

Recommendation: In future the Department must make sure that all claims for Universal Credit are supported by empirical evidence rather than theoretical models.

7. We are seriously concerned about the Department's ability to transfer around 4 million people from existing welfare benefits to Universal Credit without causing further hardship to claimants.

Recommendation: We will be challenging the Department again on its preparedness for managed migration. It is more important that the Department gets migration right than it unthinkingly sticks to its timetable. Before it goes ahead it must be transparent about:

- the criteria it must meet before going ahead;
- how it will demonstrate that this will not result in a deterioration of service quality or the creation of further hardship for claimants;
- what metrics it will use to assess whether the migration is working; and
- how it will maintain quality throughout migration and have clear criteria to slowdown, pause or stop migration for certain groups if performance deteriorates.

8. Since our evidence session, the Secretary of State for Work & Pensions has announced that the roll-out of Universal Credit will be delayed once again.

Recommendation: Given the Secretary of State has acknowledged that some claimants will be worse off on Universal Credit, we expect the Department to take on board our recommendations as part of this new approach and accept the hardship its previous approach has caused.