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Chief Operating Officer  
Department for Work and Pensions  
Departmental Secretariat  
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18 November 2011

Dear Mr Moran

### **Universal Credits**

Councils in the South West believe that there is a strong case for a locally commissioned face-to-face offer within the Universal Credit system. The current reforms create a window of opportunity for this to be considered.

In the longer run, this approach could offer councils the flexibility that is required to ensure bespoke local solutions are devised for supporting vulnerable people and ensuring local creditors are paid – as well as considering payments within the wider context of issues such as housing needs, for which local authorities have an ongoing responsibility. However, we also recognise that Government will not make a decision about the final delivery arrangements until 2015, before implementing these in 2017, and that it makes sense for JCP to handle new claims for the first two years to avoid too many changes being made at once.

There are many occasions where web-delivery will not be sufficient and a strong customer facing presence required (estimated as between 20-50% of all contact from previous research). Local authorities have extensive experience of customer contact and are well placed to build on this. There is a general perception that JobCentre Plus already operates at too great a distance from customers, councils and the advice voluntary sector such as the Citizens Advice Bureaux. Councils such as East Devon have successfully trialled a 'total place' approach to advice which has demonstrated some success in joining up advice centres – meaning that for customers has meant that 'no door is the wrong door'. Face-to-face services could be decentralised to benefits authorities and regulated by DWP. This new approach could be particularly important in addressing access issues that already exist in poorly served rural areas.

Many councils have offered to run pilots for local commissioning and we are aware that DWP will publish a detailed transition plan to the new arrangements over the next couple of years fairly soon. A number of councils in the South West will be happy to participate in these and work hard to ensure a successful transition. Many councils in the South West have developed large shared revenue and benefits departments so it will also be important to ensure this expertise is not lost under the new system.

The development of a local commissioning approach would also allow the localisation of council tax benefit to proceed more slowly, which would be appreciated by many councils given the

problems associated with the proposed financial arithmetic and implementation of the required new ICT systems.

With the Welfare Reform Bill now progressing through Parliament and the Project gathering pace, we have set out in detail below some of our major concerns around the developing plans for implementing and delivering Universal Credits and the apparent non alignment with localisation of Council Tax Support. These were highlighted at a recent meeting of South West Chief Executives and Resource Directors.

Many councils are supportive of the overall aims of Universal Credit but have some concerns over the proposed implementation. In this light, I trust you find these comments helpful and we look forward to your response.

I am copying this letter to Stephen Aldridge and Simon Ridley at the Department for Communities and Local Government, and Stephen Jones, Paul Raynes and Howard Davis at the Local Government Association.

Yours sincerely,

Phil Norrey  
Chief Executive, Devon County Council on behalf of SW Chief Executives

## **Response from South West Councils on the Delivery Model for Universal Credits**

We have a number of major concerns about the planned delivery model for Universal Credits and the potential impact these will have in localities across the Country where Councils play a fundamental role in developing growth and enabling services for the Communities they serve.

### **Agile v Systems Thinking**

We should make it clear that we do support the plan to merge a number of key benefits in to one single assessment, but we are concerned about the use of Agile, which is a relatively untested methodology for such a large and important project. Many of us have developed extremely successful solutions that reduce cost, fraud and error at the same time as improving service delivery by adopting a system thinking approach.

### **Recommend:**

- Whilst accepting that this work is in an advanced stage, we request that local authority staff with systems thinking expertise be invited on to the project team to test the proposed solutions with the customer purpose in mind.

### **Delivery Model**

It is understood that when new claims for Universal Credits go live in October 2013, customers will have to make application online and the claim will be processed by Job Centre Plus, with telephone calls handled by HMRC and Job Centre Plus Contact Centres across the Country. This will undo a lot of good work we have done with customers that currently visit our offices for help

with housing costs. We don't just process their application for benefit; we also provide a range of services which are relevant when the event that caused the customer to turn up is discussed.

Whilst some face to face role for Councils is talked about, with particular reference to vulnerability, it is unclear what constitutes vulnerability and or what that role may be.

It is also suggested that the longer term delivery model will consider involvement from local authorities, but without clarity on funding and short term involvement it is unlikely that Councils will have any resources to participate by this stage in the process.

**Recommend:**

- Immediate discussions between local authorities and DWP to set up joint delivery plans which are appropriate in each area across the region.
- Urgent clarification of funding arrangements for the overall delivery model for the transition period and beyond, including any arrangements for TUPE or redundancy.

**Homelessness Prevention**

Much work has been done building linkages within existing Housing Benefits and Housing Advice Services. In some authorities this has included co-locating staff within the Housing Options Teams. As the customer base for both services is broadly similar and there are huge synergies in service delivery to prevent homelessness and also make best use of Discretionary Housing Payments losing this linkage will have a detrimental effect on customer service and also should the Universal Credit system not be able to deliver to customers, this could lead to increased demand for Housing Advice and Homelessness services to house homeless people and their families.. In many cases homelessness is prevented by direct contact and joint working between housing and benefits officers and if this close linkage and ability to provide a quick resolution to a housing problem due to benefit issues is lost there is a real risk of an increased number of people unnecessarily losing their accommodation and being placed in expensive temporary accommodation.

**Recommend:**

- Immediate discussions between local authorities and CLG to examine the impact of these changes on Housing Advice delivery and capacity.

**Digital By Default**

The new scheme for Universal credits clearly favours application via an online application. However, in the South West Region less than 70% of households have access to a broadband connection and due to the population distribution into largely rural areas access to these services in main towns is also inaccessible to many.

There is talk of other methods for the most vulnerable but these are not confirmed and it is clear from conversations with Job Centre staff that they are not planning to handle any face to face activity for new applications, they will be signposting people to the telephone or online solutions and even when customers contact the national contact centres they will still be expected to make application online.

**Recommend:**

- The provision of digital by default should not be the primary solution for dealing with customer applications. A joint delivery model which enables, application assessment, award and conditionality to be carried out in one meeting could be introduced and Local Authorities should have equal access to provide this service as job centres. This provision should be worked out locally.

**Alignment with Localised Council Tax Support and the Transition process**

Whilst the details of any localised scheme for council tax support remains unclear at this stage, given current knowledge it is possible that Universal Credit customers will be directed to the Job Centre for conditionality meetings, and Council Tax support customers will have to contact their local authority, which is completely against the ethos of Universal Credits.

It is also a complete waste of public funds and has huge potential for duplication.

There is also a potential for major impact on council cashflow and collection rates for council tax if the timetables for change are not aligned.

**Recommend:**

The recommendations set out in recent responses to localised council tax support should be adopted.

**Life Events**

Many local councils are now adapting their front line services around the event that has occurred to an individual and not just the specific issue they are reporting. This means that when someone loses their job or has a significant change in circumstances that impacts on their life we do not just give them an application form for benefit and leave them to resolve the other issues independently - we try and deliver a service using a 'tell us once' approach.

Unless the delivery model for universal credits embraces these solutions then the additional cost to the public purse of delivering these ancillary services is likely to be much higher.

**Recommend:**

- Enable a joint delivery model and enable learning from best practice organisations to further develop service delivery around life events and learn the lessons from the 'tell us once' programme, which is hailed by the DWP as a huge success!

**Timescales**

Localisation of Council Tax is due to be implemented in April 2013 and we are still only at the consultation stage with the many issues already highlighted yet to be resolved.

At the same time we are working on a transition for universal credits which has a number of key dates for transfer of various aspects. October 13 for new claims, October 14 for Pensioners etc... None of these take account of the impact on collection and cashflow for Councils.

There is also very limited times for councils to enter in to proper consultation with; stakeholders such as preceptors; residents; and voluntary bodies. There is even less time to then evaluate the equality impacts of any local scheme on residents.

**Recommend:**

- Align the implementation of localised council tax with universal credits, starting no earlier than April 2014 and make all major changes align with year-end timetables; i.e. all major changes effective in April

**Funding & Long Term capability**

There is major uncertainty about the funding of these new plans and how they will impact on local authority budgets, although it is clear that DWP will be making major reductions in local authority admin grants from April 13 onwards to reflect the current delivery plans for universal credits.

There has been no clarity from CLG as to what funding will be made available to local authorities for the implementation and on-going running costs for localised council tax support, but it is unlikely to reflect the true need.

The DWP suggest there may be a longer term role for councils to play in the delivery of universal credits but it has no details of what these may be and given that funding is likely to be withdrawn and staffing levels decimated it is hard to see how councils would be able to comply with a long term role without any resources.

**Recommend:**

- There is an urgent need to clarify local authority roles and funding plans as soon as possible for local authorities.

**Note:**

Recent research carried out by the DWP clearly identified that the concerns highlighted in this letter are those shared by those questioned in the qualitative research that was carried out.

Those authorities that have learnt from systems thinking can demonstrate that these proposals work, they also save a lot more money than anticipated and they improve the service to the customer.