

# Sandwell Metropolitan Borough Council

## Action Taken Under Delegated Powers

### Universal Credit Local Authority Grant Funding Agreement

#### 1 Summary Statement

- 1.1 The roll out of Universal Credit (UC) commenced in Sandwell on 16 November 2015.
- 1.2 UC is currently being rolled out across the UK. In most areas the roll out is very controlled and restricted to only new claims from single claimants who are non-householders. However once a single non-householder claimant starts to receive UC they will continue to receive it if their circumstances change. For example if they move address and become liable for rent, their UC will be reassessed include the housing costs element and they will not have to make a claim for and receive separate payments of HB.
- 1.3 The DWP have confirmed that Sandwell Jobcentres will commence roll out of full Universal Credit 'live service' in July 2018.
- 1.4 The DWP recognises that LAs have an important role in the delivery of UC. When migration is complete a national Grant Funding Agreement will be introduced which will define the role of LAs and other agencies in the delivery of UC. Until the national framework is in place the role of the LA is agreed locally.
- 1.5 Under the terms of the agreement Sandwell are required to provide the following support to customers claiming UC.
  - Support for customers to make a UC claim online
  - Personal budgeting support (PBS)
- 1.6 The DWP has now provided details of the agreement covering the period 01 April 2017 to 31 March 2018.

#### Funding and Volumes

- 1.7 The DWP have estimated the likely numbers Sandwell will receive for each type of support request during the period 01 April 2017 to 31 March 2018. They have confirmed that the estimates calculated for last 2 years were much higher than actual numbers of requests received. The DWP have therefore adjusted their estimates for 2017/18 accordingly.

- 1.8 Funding is based on the volumes and hours estimated by the DWP and an hourly rate of approximately £25.66 is applied.
- 1.9 Upon signing the Grant Funding Agreement for 2017/18 Sandwell would be entitled to the funding of between £12,238 and £15,053 dependant upon levels of referrals received.
- 1.10 Management information would be provided to the DWP on a quarterly basis to confirm the actual numbers of UC customers supported.

### **The Support Agreement**

- 1.15 Sandwell's Grant Funding Agreement covers the period 01 April 2017 to 31 March 2018.
- 1.16 We will meet regularly with the DWP throughout 2017/18 to discuss and monitor the agreement and UC roll out. In February and March 2018 we will negotiate and consider whether we sign an agreement for the next 12-month period.
- 1.17 We will continue to meet regularly with the Voluntary Sector, Financial Services Hub and CAB to brief them on the progress of UC roll out who have indicated that they have the skills and capacity to assist with PBS should this be required when volumes increase.

## **2 Recommendation**

- 2.1 It is highly probable that UC customers requiring PBS will have arrears of rent and/or council tax and will therefore present at Sandwell's offices. We would naturally offer support to these customers regardless of whether a delivery partnership agreement exists.
- 2.2 Signing the agreement provides us with an opportunity to understand the levels of support customers require when they move onto UC and the wider impact of this for the Council.
- 2.3 It is therefore recommended that Sandwell signs the Grant Funding Agreement for the period 01 April 2017 to 31 March 2018.

In accordance with the authority delegated to Directors to act on matters within the authority delegated to them under Part 3 of the Council's Constitution, I intend to take the action(s) recommended above.

I ~~do~~/do not have an interest to declare in this matter



**Daren Carter**  
**Executive Director of Resources**

**Date:** 19-4-2017

If the Constitution requires the decision to be taken in consultation with a Cabinet Member, the following signature box should also be included. If a dispensation has been granted to the member a copy should be provided to the Democratic Services Unit with the signed copy of the document.

I confirm that I have been consulted on the above proposals and have no objection to their proceeding.

I ~~do~~/do not have an interest to declare in this matter.



Councillor Steve Trow  
**Cabinet Member for Core Services:**

**Date:** 13 APRIL 2017

**Contact Officer:** Sue Knowles – ICT and Revenues and Benefits  
Service Manager

**Universal Credit Local Authority Grant Funding Agreement**

### **3. Background Details**

- 3.1 The roll out of Universal Credit (UC) commenced in Sandwell on 16 November 2015. UC is a new type of benefit designed to support people who are on a low income or out of work. It will replace six existing benefits: -
- Income-based Jobseeker's Allowance
  - Income-related Employment and Support Allowance
  - Income Support
  - Child Tax Credit
  - Working Tax Credit
  - Housing Benefit (HB)
- 3.2 Claims for UC have to be made online and this is currently the case for Jobseeker's Allowance.
- 3.3 The new system is based on a single monthly payment, transferred directly into the claimant's bank account.
- 3.4 The single monthly payment approach attempts to mirror how wages are paid in order to make the transition into work smoother. However as this is very different to how benefits are currently paid, vulnerable customers may need assistance initially to help them manage their UC payment.
- 3.5 The DWP recognise the need to work with Local Authorities to support UC claimants and have developed the Delivery Partnership Agreement to formalise these joint working arrangements.
- 3.6 The DWP worked with the Local Government Associations to build the Delivery Partnership Agreement.
- 3.7 A date has not yet been set for full implementation of UC which will be when all cases are transferred from existing benefits. This is referred to as "Migration". Recent information from the Department for Work and Pensions (DWP) indicates that migration will not be complete until 2022.

Source Documents – N/A