

Statement by staff of Harlow Council's Revenues & Benefits Service

Date 23/2/11

This statement is being made in order to bring to Councillors attention matters that will have a direct bearing on the costs & savings associated with entering into a partnership arrangement with Uttlesford DC.

We are sure that Members of both authorities are aware of the Coalition's plans for the introduction of the Universal Credit, and the removal of the administration of housing benefit from local authorities, and this statement aims to highlight the intended rapid change. The Universal Credit Bill has been laid before Parliament this week, and this specifically provides for the abolition of Housing Benefit and Council tax benefit.

Attendance at a recent workshop & discussion with the DWP demonstrated that considerable work has been undertaken by the DWP in understanding the reducing costs associated with HB & CTB provision in LA's and a complex financial model is already under review to substantiate the business case for the introduction of Universal Credit (UC).

The programme of change will result in the following –

Reducing administration subsidy for LA's, as –

1. LA Benefit Fraud teams moved to a national fraud investigation service wef 1/4/13 – and reduction in administration subsidy to the LA
2. Abolition of council tax benefit, and resultant reduction in DWP administration subsidy wef 1/4/13. Local CTB scheme to be introduced, grant based, set at 10% less than council tax benefit awarded in 2010/11.
3. As new & existing claims move to UC, wef 1/10/13, there will be a reduction in workload and corresponding administration subsidy.

The business case being developed by the DWP indicates that an accelerated process of transfer may be required to ensure that UC operates at optimum efficiency, and an additional 80,000 claims will be required each month in addition to that identified in the business case. It is also clear from the business case that LA's will struggle to maintain services as the transfer rate increases. It is unlikely that a council service with a caseload of the size of Harlow, or of a combined caseload of Harlow & Uttlesford would survive until 2017. The DWP will shortly be writing to all Chief Executives of LA's to obtain detailed information regarding service delivery, including full potential redundancy costs. It is of increasing concern that Uttlesford revs & bens staff will be TUPE'd to HDC, with any resultant redundancy costs resulting from the abolition of CTB & HB administration being met 60 / 40 by HDC & UDC respectively. (There is no information at this time as to any funding from DWP for such costs).

It is also worth noting that the Project Manager specification for the partnership requires the Project Manager to undertake a full ICT procurement exercise in Phase 1 – the statement has to be made that for either LA to consider implementing new

ICT by May 2012, when the CTB assessment module will be obsolete on 1/4/13, followed by the HB module. It should also be noted that any benefits service will require stable ICT to implement the programme of change as required by the Coalitions spending review and Universal Credit Bill.

The table below sets out the planned timetable of change to introduce Universal Credit –

April 2013	October 2013	April 2014	Oct 2014	April 2017
Pilots for UC	All new claims made by out of work customers will be direct to UC	All new claims made by customers out of work will be direct to UC	Pensioner claims transfer to UC	Transfer complete For all LA's
	Local CTB scheme introduced, and existing CTB scheme abolished	Natural transition to UC on a change in circumstances including any tax credit award change.		

The Coalition have stated that “no one will be worse off under Universal Credit”. In order for UC to be introduced, LA's will be required to implement significant transitory schemes to protect claimants current housing benefit entitlement from 1/4/11.

The pledge that “no one will be worse off” whilst the Welfare reform changes take place means that several local schemes funded by Central Government will be required, these include Discretionary Housing Payments, Crisis Loans, the Social fund and other streams of funds made to the Housing Needs Department. There may be other transitory schemes that we are not currently aware of. To prevent Homelessness and financial hardship it will be essential that Housing Benefits and Housing needs work closely in partnership, therefore use of local knowledge to apply the discretionary funding will be vital as will be an available localised service.

We are concerned that office accommodation options may be considered and that during this process previous experience in relation to alternatives be considered to ensure any option is fully workable as an operational base.

The speed of change in the area of benefits administration and its relentlessness is the one factor that any Project Manager, no matter how well informed, cannot be expected to keep up with, and currently any report made and submitted for consultation could well be superseded by changes. The aims of welfare reform are known but the mechanics of its introduction are not. Currently Benefit Managers are talking with each other on a daily basis and plans have to be reviewed on a weekly and occasionally daily basis.

We would also like to state that staff morale during a period of uncertainty is being further affected by the lack of communication, and would ask that this is given priority going forward to ensure consistency across both council's.