

## SCRUTINY BOARD (CITIZENS AND COMMUNITIES)

### UNIVERSAL CREDIT

#### TERMS OF REFERENCE

#### 1.0 Introduction

1.1 Universal Credit is the new Department for Work and Pensions (DWP) benefit which is designed to support people who are on a low income or out of work. Universal Credit will replace six existing benefits:

- Income based Jobseekers Allowance
- Income based Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

1.2 The roll out of Universal Credit has been slower than initially planned both in terms of the geographical roll out and the types of people who can claim Universal Credit.

1.3 On 29<sup>th</sup> September 2014, the Government announced the national roll out of Universal Credit starting in early 2015 and becoming available in all parts of the country by May 2016. The national rollout will take place in “tranches” with Leeds being placed in the final tranche 4, due to take place between December 2015 to March 2016. However, the national rollout remains very limited in terms of who can claim Universal Credit and is restricted to people who are:

- Single
- Aged 18 – 60 and 6 months
- Without children and not have a child living with them some or all of the time
- Fit for work
- Have no mortgage
- Not be living in temporary accommodation or supported accommodation
- Have a bank account, building society, credit union or Post Office card account
- Be making a new claim for what would have been Jobseekers Allowance

1.4 At its July meeting, the Citizens and Communities Scrutiny Board learned that the numbers expected to move onto Universal Credit in Leeds in the first year are between 5,000 and 10,000 with many of these being non-householders and with no rent liabilities. As such, the impact of this limited rollout is not expected to be significant but still

warrants clarity of roles and resources between the Council and DWP to enable a smooth transition to Universal Credit for this particular cohort.

- 1.5 It is anticipated that future phases of the Universal Credit rollout (the 'transition' phase and 'migration' phase) will be more complex and hugely impactful on customers and services. Although the timescales linked to these future phases have not yet been confirmed, the Scrutiny Board acknowledges the need for greater understanding now of the potential impacts surrounding these particular phases so that appropriate measures can be considered and put in place beforehand. Such preparation work will assist in fully delivering this new benefit system effectively in Leeds.
- 1.6 The Scrutiny Board therefore aims to work in conjunction with the Citizens and Communities directorate in liaising directly with DWP and other key stakeholders to clarify roles and expectations; to facilitate effective information sharing; to evaluate the functionality of existing systems linked to Universal Credit and to inform early preparations for the delivery of the transition and migration phases of Universal Credit in Leeds. As part of this, the Board will also explore lessons from other local authority areas where Universal Credit is already being rolled out.

## **2.0 Scope of the inquiry**

- 2.1 The purpose of the Inquiry is to make an assessment of and, where appropriate, make recommendations on the following:
  - Clarity and understanding of impact of Universal Credit on different groups of residents (taking into account recent welfare reform announcements)
  - The level of clarity surrounding the role of DWP in delivering Universal Credit;
  - The level of clarity surrounding the expected role of the Council in line with services to be commissioned and resourced by DWP (including Personal Budgeting Support);
  - The potential impact of Universal Credit on other Council services not commissioned by DWP;
  - The functionality of existing systems (to include both automated systems and manual administration processes) in fully delivering Universal Credit in Leeds;
  - Information exchange mechanisms currently in place between DWP and local authorities and whether these are fit for purpose to help inform preparations and aid ongoing monitoring of Universal Credit;
  - The level of clarity surrounding eligibility and the administration of intended safeguarding mechanisms linked to Universal Credit for vulnerable claimants (i.e. New Claim Advance and Discretionary Housing Payments);
  - The training needs of relevant front line staff across the Council in preparation for Universal Credit;

- The engagement needs of other stakeholders in preparation for Universal Credit (with a particular focus on housing associations and landlords).

### **3.0 Desired Outcomes and Measures of Success**

3.1 It is important to consider how the Scrutiny Board will deem if their inquiry has been successful in making a difference to local people. Some measures of success may be obvious and others may become apparent as the inquiry progresses and discussions take place. The key outcomes linked to this inquiry are reflected in paragraph 1.6 above. As Universal Credit continues to be developed, this inquiry may also result in recommendations for the scope of work that could be commissioned from councils around Universal Credit.

### **4.0 Comments of the relevant Director and Executive Member**

4.1 In line with Scrutiny Board Procedure Rule 12.1 where a Scrutiny Board undertakes an Inquiry the Scrutiny Board shall consult with any relevant Director and Executive Member on the terms of reference.

### **5.0 Timetable for the inquiry**

5.1 The Inquiry will take place over a number of sessions. These sessions will also involve working group meetings with stakeholders, which will provide flexibility for the Board to gather and consider evidence.

5.2 The length of the Inquiry is subject to change. However it is anticipated that a final report will be produced in January 2016.

### **6.0 Submission of evidence**

#### **6.1 Session one – October 2015**

To consider and evaluate the following:

- Clarity and understanding of impact of Universal Credit on different groups of residents (taking into account recent welfare reform announcements)
- The level of clarity surrounding the role of DWP in delivering Universal Credit;
- The level of clarity surrounding the expected role of the Council in line with services to be commissioned and resourced by DWP (including Personal Budgeting Support);
- The potential impact of Universal Credit on other Council services not commissioned by DWP.

## 6.2 **Session two – October 2015**

To consider the engagement needs of other stakeholders in preparation for Universal Credit (with a particular focus on housing associations and landlords).

## 6.3 **Session three – November 2015**

To consider and evaluate the following:

- The level of clarity surrounding eligibility and the administration of intended safeguarding mechanisms linked to Universal Credit for vulnerable claimants (i.e. New Claim Advance and Discretionary Housing Payments);
- The training needs of relevant front line staff across the Council in preparation for Universal Credit.

## 6.4 **Session four – November 2015**

To consider and evaluate the following:

- The functionality of existing systems (to include both automated systems and manual administration processes) in fully delivering Universal Credit in Leeds;
- Information exchange mechanisms currently in place between DWP and local authorities and whether these are fit for purpose to help inform preparations and aid ongoing monitoring of Universal Credit.

## 6.5 **Session five – December 2015**

To consider the findings and potential recommendations arising from this inquiry.

## 7.0 **Witnesses**

7.1 The following have been identified as possible contributors to the inquiry, however others may be identified during the course of the inquiry:

- Assistant Chief Executive (Citizens and Communities)
- Chief Officer Welfare and Benefits
- Executive Board Member for Communities
- Childrens Services Directorate representation
- Adult Social Care Directorate representation
- Environment and Housing Directorate representation
- Jobcentre Plus representation
- Leeds Citizens Advice Bureau representation
- Tameside Citizens Advice Bureau representation
- Leeds Landlords Accreditation Scheme representation
- National Landlords Association (North West region) representation

## **8.0 Equality and Diversity / Cohesion and Integration**

- 8.1 The Equality Improvement Priorities have been developed to ensure our legal duties are met under the Equality Act 2010. The priorities will help the council to achieve it's ambition to be the best City in the UK and ensure that as a city work takes place to reduce disadvantage, discrimination and inequalities of opportunity.
- 8.2 Equality and diversity will be a consideration throughout the Scrutiny Inquiry and due regard will be given to equality through the use of evidence, written and verbal, outcomes from consultation and engagement activities.
- 8.3 The Scrutiny Board may engage and involve interested groups and individuals (both internal and external to the council) to inform recommendations.
- 8.4 Where an impact has been identified this will be reflected in the final inquiry report, post inquiry. Where a Scrutiny Board recommendation is agreed the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, conducting impact assessments where it is deemed appropriate.

## **9.0 Post inquiry report monitoring arrangements**

- 9.1 Following the completion of the Scrutiny inquiry and the publication of the final inquiry report and recommendations, the implementation of the agreed recommendations will be monitored.
- 9.2 The final inquiry report will include information on the detailed arrangements for how the implementation of recommendations will be monitored.