

UNISON briefing on the Welfare Reform Bill

Second Reading in House of Lords

19th July 2011

UNISON is the leading public service union with 20,000 members working in Housing Benefit services provided by Local Authorities, Housing Associations and private contractors across the UK.

UNISON has particular concerns about how Housing Benefit services will be incorporated into the new Universal Credit, alongside other benefits, without:

- Providing a poorer service for housing benefit claimants
- Negatively impacting on existing staff numbers and morale
- Incurring considerable contract exit costs

UNISON would like to see these issues raised at Second Reading. Overall, we want to see experienced Local Authorities retain responsibility for the housing cost component of Universal Credit and work closely with DWP to deliver the best possible and efficient service.

Claimants to lose local one to one expertise?

UNISON doubts if the planned efficiency savings (and reduced staff numbers) promised by DWP to the Treasury are achievable through a shift to online delivery and call centres rather than local offices. It is important that claimants can speak in person to local housing benefit staff to ask questions and resolve issues. They can also take in original documents (such as tenancy agreements) which otherwise would have to be trusted to the post or scanned.

A recent survey by the District Council Network of the Local Government Association found that Councils had face to face contact in 25% to 80% of claims. This is part of experienced system thinking and helps reduce errors and speed up claims for vulnerable people. A single over or under payment can generate real administrative and personal difficulties for individuals. However, DWP assumes that 99% of Universal Credit claims can be dealt with by phone or online.

Many Councils with deprived wards (for example Tendring District Council in Essex) have achieved very high performance figures by national standards by prioritising effective face to face interviews and tailoring application forms.

There are also real equality challenges for those with disabilities about losing local offices and staff and many vulnerable claimants may find it more difficult to access the Universal Credit system. There is also the issue of the cost of phone calls, trusting original documents to the post and access to the internet.

Can Ministers confirm whether local housing offices will close as a result of the Bill and will there be less face to face service as a result?

What impact will this have on the efficiency of processing claims for the Housing Cost element of Universal Credit and the likelihood of under and overpayments?

Negative impact on staff numbers and morale?

Local housing benefit staff are the local experts in housing matters. There seems, however, to be no planning in the Bill for their future. It is unclear whether Local Authorities will be expected to help DWP administer the new Universal Credit, transfer their staff and resources

to DWP or even to run down the housing benefit service completely between 2013 and 2017.

Despite the importance of this to people's livelihoods the government has still yet to clarify what its plans are. Employment Minister, Chris Grayling MP was unable to explain the government thinking during Committee Stage in the Commons:

"We are still in discussion with local authorities about that. Powers are being passed to local authorities on, for example, council tax benefit as a result of the Bill. It is therefore not yet entirely clear what the work load will be for staff before and after. I make no pretence that there will not be changes. It is not our intention to transfer significant numbers of staff back to Jobcentre Plus, but we are in discussions with local authorities and the DCLG about how to do that."

(Welfare Reform Bill Committee, Eight sitting, Thursday 31st March)

It would therefore be very helpful if Ministers, during Second Reading, were asked to place on the record a statement on the future of the 20,000 Housing Benefit staff.

Will Housing Benefit staff transfer to DWP under the TUPE regulations and if so what proportion will be transferred?

Will Housing Benefit staff be made redundant and at what cost to Local Authorities, Housing Associations and private contractors?

Contracts and exit costs?

Housing Benefit services are often combined with Council Tax, Council Tax Benefit and other benefits as part of a general revenue and benefits service which in many cases has been tendered on a long contract (4-8 years) with a private company. Sometimes Housing Benefit is part of a larger strategic IT/back office/shared services outsourcing contract with a larger contractor like BT and these can be up to 20 year contracts.

A new UNISON survey in the summer of 2011 based on Freedom of Information requests to all appropriate UK local authorities revealed that **23%** have external contracts to deliver Housing Benefit that would have to be broken for a transfer to Universal Credit.

Ministers need to clarify whether they intend to end the Housing Benefit contracts already in place.

What is their estimate of the compensation to Local Authorities, Housing Associations and contractors for exiting such a contract?

The way forward

UNISON believes that the best way forward is to retain the local authority housing expertise and for DWP to harness it to administer the Housing Cost claims even if the final payment of the combined Universal Credit comes from DWP.

UNISON believes this is a viable, cost effective option which would benefit claimants, staff and the public purse. We would hope that this realistic alternative is also raised at Second Reading.

For more information – or to arrange a meeting - please contact Sampson Low in the UNISON Policy Unit on 020 7121 5484 or s.low@unison.co.uk.