

<b>REPORT TO:</b>		Cabinet	
<b>DATE:</b>		18 July 2018	
<b>PORTFOLIO:</b>		Cllr Joyce Plummer - Resources	
<b>REPORT AUTHOR:</b>		Rachael Walker, Customer Contact Manager	
<b>TITLE OF REPORT:</b>		Universal Credit Update	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>No</b>	Not applicable	
<b>KEY DECISION:</b>	<b>No</b>	If yes, date of publication:	

### 1. **Purpose of Report**

- 1.1 To update Cabinet on the implementation of Universal Credit (UC) Full Service in Hyndburn.

### 2. **Recommendations**

- 2.1 That Cabinet note the contents of the report.

### 3. **Background**

- 3.1 Universal Credit Full Service was implemented on 14<sup>th</sup> February 2018 at Accrington Job Centre Plus. Implementation was delivered by the DWP with the Council in a supporting role. Previous to Full Service was Universal Credit *Live* Service which applied many of the same assessment criteria but was not a fully digital platform.
- 3.2 The main differences between Live and Full Service Universal Credit include:
- Full Service is a fully digital platform – no letters are sent, claimants access their information and communicate with their work coach via an online journal.
  - Full Service claims are online only with exceptions made for vulnerable customers either by telephone or face to face.
  - Full Service is available to a wider range of claimants
  - Live Service was technically optional but Full Service is not – legacy benefits are now closed to most new claimants in Full Service areas.
- 3.3 Full Service implementation, or ‘closing the gateway’ means that in Hyndburn, from 14<sup>th</sup> February 2018 all new claims to Housing Benefit stopped with the following exceptions:

- Pensioners – those over the age of 65
  - Families with three or more children
  - Claimants in supported accommodation
  - From April 2018 – claimants in temporary accommodation
- 3.4 In order to ensure that residents are claiming the correct benefit from 14<sup>th</sup> February, we implemented steps to close the gateway:
- Our website has been re-written to accommodate up to date information and links to Universal Credit
  - Our e-claim and paper forms have information supplements to redirect to Universal Credit
  - Our staff have received full training and support
  - Our administration processes have been altered to identify errant claims so that the customer can be re-directed quickly
  - We have supported and attended DWP information sessions for social and private landlords, charities, support groups and members.
- 3.5 Diverting or stopping claims being made to us quickly is essential in order to prevent any delays to the claimant's Universal Credit claim.

### **Changes from the Autumn Statement**

- 3.6 Nationally, Universal Credit is evolving while being implemented. Some of the most recent changes include:
- From February 2018 the compulsory seven day waiting period was abolished and new claims for Universal Credit will begin on the date of application. This reduces the waiting time for a first payment from six to five weeks.
  - From April 2018, claimants moving from Housing Benefit to Universal Credit as a result of 'natural migration' will receive a two week transitional payment of Housing Benefit. It is intended that this payment will ease the transition to a monthly household payment and will mitigate some of the issues caused by the waiting period of five weeks for new Universal Credit claims. Entitlement to the payment is automatic and is administered by us.
  - Payments to landlords will be offered to claimants switching to Full Service if their payment of either Housing Benefit or Live Service Universal Credit was paid to their landlord.
  - Free school meal entitlements changed in April 2018 - previous entitlement to legacy benefits such as Job Seekers Allowance was transferred to Universal Credit claimants as a temporary blanket measure. However, as Universal Credit is also an in-work benefit, this entitlement transferred over to households that would not previously have received free school meals. From April 2018 this will be means tested and households with a net income of £7,400 or less after benefits will qualify.

## Future changes

- It was announced in April that 18-21 year olds will be able to claim the housing element of Universal Credit. This is a reversal of the Government's decision to restrict housing costs for 18-21 year olds, although exceptions did apply (36 of them). This is expected to be rolled out by the end of the calendar year and affects claimants in Full Service areas only. Our Council Tax Support scheme has mirrored this provision.
- From 1st February 2019, families with more than two children will be able to make a claim for Universal Credit but the two child limit will apply to their claim. Families who have been awarded Universal Credit after April 2017 and have two or fewer children but who then have a third or subsequent child will also have the two-child limit applied.
- Amongst other changes, it was announced in June 2018 that claimants in receipt of the Severe Disability Premium will remain with legacy benefits until new transitional protections can be rolled out – this will prevent the reductions in benefits seen when moving to Universal Credit for the severely disabled. Further details are expected in new regulations in autumn.

## Implementation in Hyndburn

- 3.7 Since the implementation of Full Service on 14<sup>th</sup> February 2018 in Hyndburn, the DWP last reported in May that just over 350 people were on Full Service Universal Credit in Hyndburn. This figure, as well as the 1,500 Live Service claimants includes 'people' on the claim itself and so the figure for households is lower.
- 3.8 Claims for Housing Benefit have continued to reduce as a result of Full Service and will reduce at a faster rate now that claims to Universal Credit are not optional. Since March 2018 our Housing Benefit caseload has reduced by 127, of which 116 are identified as relating to Universal Credit.
- 3.9 New claims alone however are not the only route into Universal Credit - there are a number of frequent changes which move a claimant onto Universal Credit. This includes moving on or off any of the previous legacy benefits e.g. moving in or out of work, moving on or off employment support allowance or becoming eligible for working tax or child tax credit for the first time.
- 3.10 Accrington Jobcentre plus began the transfer of claimants from Live Service to Full Service in May 2018, writing to their current 1,500 people currently claiming Live Service Universal Credit. The switching process involves making a new claim and those who do not respond will have their claims suspended and eventually cancelled. Providing that the resident responds and their claim is not cancelled, this should not affect their Council Tax Support claims if they have one.

- 3.11 The national roll out of Universal Credit Full Service is expected to be complete by December 2019. The DWP will then begin the process of migrating those on legacy benefits over to Universal Credit. It is not known how this will take place; whether it will be geographical or by legacy benefit. The process is expected to begin in July 2019 and was expected to be complete by March 2022 but this has been extended to March 2023.
- 3.12 Appendix 1 is a recent letter from Neil Couling, Director of the Universal Credit Programme outlining recent changes and confirmation of the extended roll out of Universal Credit migration. We expect further detail on this roll-out in early 2019.

### **Personal Budgeting Support**

- 3.13 As part of our Delivery Partnership Agreement with the DWP, we are responsible for either delivering or arranging the delivery of Universal Support. This includes Assisted Digital Support to up-skill those without the digital skills to make a claim to Universal Credit online and Personal Budgeting Support for those who are making the transition to a monthly payment of Universal Credit.
- 3.14 Following a successful tendering process, Assisted Digital Support is being delivered by First Call Hyndburn and Personal Budgeting Support is being delivered by Citizens' Advice Rossendale and Hyndburn. The service agreement with these local support agencies is to 31st March 2019 and although the funding is from the DWP, these contracts are managed by the Council.

### **Universal Credit and Council Tax Support**

- 3.15 We are in the process of modelling potential changes to Council Tax Support for 2020 in order to accommodate Universal Credit's frequent changes to income and monthly assessment periods which is already being felt by local authorities delivering Council Tax Support. There is potential for some claims to have 12 or 13 changes in a 12 month period as a result of Universal Credit – this is being monitored closely to ensure we implement the right scheme for Hyndburn.
- 3.16 We are working closely with local DWP colleagues to ensure that Council Tax Support is discussed and promoted for new claimants to Universal Credit.

### **Regeneration and Housing update**

- 3.17 The housing advice team has established positive working relationships with the Hyndburn Partnerships Manager at DWP. She attended both the Homeless in Hyndburn Forum and Private Landlord Forum in February to give an overview of UC Full Service and she continues to engage in multi-agency meetings. In return, housing advice attended a team meeting at Accrington Job Centre to brief staff on the Homelessness Reduction Act. As a result

housing advice now has an established route into DWP to assist in resolving operational queries and issues in relation to homelessness investigations.

## **Maundy Relief**

- 3.18 Maundy's advice service sees an increasing number of those on UC with 20 clients (out of 82 clients in period 14/12/18 to date) presenting with UC as the main reason for the enquiry. However, these numbers have not increased as significantly as expected since February, possibly because initial enquiries at the drop-in concerning UC sanctions can be dealt with straight away using guided self-help. They do expect these numbers to rise over the next few months as more people are transferred over to UC from legacy benefits.
- 3.19 The Key scheme has noticed reluctance of landlords to accept those on UC with two of the landlords the scheme works with declining to accept UC tenants altogether. Key scheme staff are still able to write in support of payments being made direct to landlords and are usually successful in this. However if the payment is suspended or interrupted for any reasons it is no longer possible to phone Housing Benefit to ask that the payments be resumed direct to landlord. One current tenant has recently started to be paid direct to herself and has not paid rent to landlord and is now facing eviction.
- 3.20 Jays hostel in Blackburn has informed Maundy that they will not accept clients on UC.
- 3.21 Since 14th February of a total of 236 food parcels that were given out by Maundy, nearly a third (78) have been for UC reasons, either 'awaiting payment' or 'sanction'. 25 food parcels went to families. Common problems are the long wait for the benefit, reduced initial payment if moving from work to UC and reduction in payment amount for some of those moving from ESA to UC.

## **4. Alternative Options considered and Reasons for Rejection**

4.1 n/a

## **5. Consultations**

5.1 n/a

## **6. Implications**

<b>Financial implications (including any future financial commitments for the Council)</b>	Universal Credit has potential to impact on collection rates for Council Tax and this is being monitored in order to design the right CTS scheme for Hyndburn.
<b>Legal and human rights implications</b>	None

<b>Assessment of risk</b>	A full assessment of risk in relation to our CTS scheme will be considered when designing a new CTS scheme.
<b>Equality and diversity implications</b> <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	Not required for this report. Full analysis will accompany any changes to CTS proposals in the future.

**7. Local Government (Access to Information) Act 1985:  
List of Background Papers**

7.1 Not applicable as the report is for update and information only.

## Appendix 1



Department  
for Work &  
Pensions

[www.dwp.gov.uk](http://www.dwp.gov.uk)

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7 June 2018

For the attention of:  
Chief Executives,  
Revenue and Benefits Managers  
GB Local Authorities

*Dear Colleagues*

Today the Secretary of State made a Written Statement about Universal Credit. The statement highlights the increased pace of Universal Credit rollout and the changes we are making for the people we move on to Universal Credit.

The full statement can be found here:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-07/HCWS745/>

The main changes we are making are:

- Claimants in receipt of Severe Disability Premium will remain on legacy benefits until we move them as part of our managed migration plans, even if they experience a change in circumstances. At this point, they will qualify for transitional protection if their legacy entitlement is more than their Universal Credit payment. We will consider retrospective protection to any cases that have already moved to Universal Credit
- We will strengthen incentives for parents to take up short-term or temporary work by making sure receipt of childcare costs does not erode transitional protection
- We will make sure short-term increase in earnings don't end transitional protection. This includes claimants whose pay cycles or wages temporarily lift them out of Universal Credit entitlement. It is unfair that people should lose transitional protection, simply because they earn more. Therefore the



claimant's transitional protection will be re-awarded if they make a new claim within 3 months of when they received the additional payment.

- Finally, we will disregard capital over £16,000 for claimants we move from tax credits to Universal Credit for twelve months. After this time, the normal rules will apply and we will expect claimants with a high level of personal resources to fund themselves.

In order to implement these changes, we will now complete migration of all claimants to Universal Credit in March 2023.

As I explained in my letter 20 July 2016, the Government will begin incorporation of Housing Benefit for pensioners into Pension Credit once the Universal Credit timetable is completed. This means Local Authorities can expect to deliver Housing Benefit for pensioners into the next Parliament, beyond 2022.

Today we have also published the summary of the Universal Credit Full Business Case. This shows that Universal Credit will deliver £34bn benefit to the UK economy over ten years from a £2bn investment; and get an additional 200,000 people into work. The summary shows why implementing Universal Credit is so important.


The Business Case summary can be found here:

<https://www.gov.uk/government/publications/universal-credit-programme-full-business-case-summary>

We continue to plan the most effective way to move legacy claimants on to Universal Credit and will share details with you as soon as they are available.

I hope you agree these announcements show Universal Credit is delivering at scale and we soon expect to reach the point where there are 1 million people on the UC caseload.

Local Authorities have played an important part in making this happen and I am grateful for continued support. I look forward to working with you as we head towards completing rollout at the end of this year.

Yours Sincerely  


Neil Couling  
Director General, Universal Credit Programme