

<b>Subject:</b>	Universal Credit
<b>Reason for briefing note:</b>	Introduction of Universal Credit (Full Service)
<b>Responsible officer(s):</b>	Louise Freeth, Head of Revenues and Benefits
<b>Senior leader sponsor:</b>	Andy Jeffs, Executive Director
<b>Date:</b>	15 January 2018

www.rbwm.gov.uk



## SUMMARY:

1. Universal Credit (Full Service) continues to roll out nationally. The purpose of this briefing note is to update Cabinet on several changes, to Universal Credit, announced in the Autumn Budget. The changes mean that the majority of Royal Borough residents will not now be impacted by the roll-out in February 2018 but in May 2018.
2. Other changes announced will mean that the transition to Universal Credit for customers will be much easier financially.
3. The overall timeline for **all** working age customers to transfer across to this new benefit remains unchanged. This means that the gradual take-on of new working age claims is set to continue until at least July 2019 at which point the remaining customers will be considered for managed migration. Details on this are still not yet confirmed but it is suggested that this will again be by JC+ area and concluded by March 2022.

## 1. BACKGROUND

- 1.1 Universal Credit (UC) remains the Government's flagship welfare reform. It replaces 6 of the main benefits, currently available to help those on a low income, with a single household payment and can be claimed whether in or out of work.
- 1.2 The primary aim of UC is to ensure that customers realise their full employment potential, whether this is commencing a new job or increasing existing hours/rates of pay.
- 1.3 However, concerns have been raised regarding the impact of moving onto UC for customers which led to several changes being announced in the Autumn Budget on the 23 November 2017.
- 1.4 Some of the changes will require amendments to legislation and full details are not yet available for all of those announced.

## 2. SUMMARY OF CHANGES

### 2.1 Delayed roll-out.

A decision has been made to slow down the roll-out of UC (Full Service). This now means that the majority of customers, within the Royal Borough, will not be impacted until May 2018 rather than February 2018.

Revised figures have not been provided by the Department for Work and Pensions (DWP), in respect of anticipated UC customers, but it is estimated that these will be in the region of 500 based on the previous figure of 665 for the full year 2018/19.

## **2.2 Alternative Payment Arrangements to Landlords – December 2017.**

DWP plan to issue new guidance to UC staff to allow customers to have their housing costs paid directly to their private sector landlord, from the start of the UC claim if the Housing Benefit (HB) was previously paid directly to the landlord. This is currently only available to social sector tenants. Local Authorities will be expected to provide this information to the UC teams via amended data exchange forms.

## **2.3 UC re-profiling – due to the changes announced above, there will be a further pause in UC which means that:**

- From 1<sup>st</sup> January 2018 – May 2018 single customers who need to make a new claim for help in the Royal Borough will be able to claim the original benefits i.e. Housing Benefit, Income Support, Jobseekers Allowance, Employment Support Allowance and Tax Credits rather than having to claim Universal Credit
- Customers with more than 2 children, who need help, will still be able to claim their old benefits, rather than Universal Credit, up until January 2019. This date has been extended from October 2018.

## **2.4 Free Helpline – December 2017.**

All DWP UC helplines are now free. New numbers have been publicised and anyone calling the old, chargeable numbers, will hear a message informing them of the changes and the new number to call. By the end of 2017, all numbers will be switched over to the free numbers.

## **2.5 Increased Advances – January 2018.**

Currently, customers are only able to ask for an Advance of up to 50% of their estimated entitlement, while awaiting their first full payment. This must be repaid over a period of up to 6 months and deductions are made directly from their UC payment in order to recover this. The proposal is to increase the advance from 50% to 100% of their estimated entitlement and to extend the repayment period to up to 12 months. Requests for advances will also be able to be made on line rather than in person or by telephone.

## **2.6 Abolishing waiting days – February 2018.**

The initial 7 day waiting period for new UC customers will be abolished reducing the time taken to for customers to wait to receive their first full payment. It is estimated that this will assist an estimated 750,000 customers who will be better off by £160 on average.

## **2.7 Support with Housing Costs - April 2018.**

Customers transferring to UC, who previously received Housing Benefit (HB), will receive an extra 2 weeks support with their housing costs via HB in addition to their UC award. This will be unrecoverable, automatic and received early on in the assessment period. The payment will be made by Local Authorities. It is estimated that 2.3 million claimants will benefit from this.

## **2.8 Temporary Accommodation Housing Support – April 2018.**

Any new UC customers will have their housing costs met through HB, rather than UC. This should assist councils who have seen significant issues with funding shortfalls.

## 2.9 **Budgeting help.**

In addition to requesting local authorities to provide budgeting support for UC customers, the DWP are exploring with CAB the scope for greater collaborative work, at a national level. There is currently no date provided for this proposal nor any further detail about the shape this may take.

### **For the Council**

- 2.10 UC does already exist within the Royal Borough. However this form of UC is referred to as being Universal Credit (Live Service). It limits entitlement to the new benefit to single people only and has been available in the Royal Borough's area since September 2015. There are currently 399 people in receipt of UC in the area. Not all of these would previously have been claiming Housing Benefit as they could be living with parents or be owner occupiers.
- 2.11 UC (Full Service) opens up entitlement to couples and those with children, therefore numbers will increase. It is rolled out, not by local authority area, but by Jobcentre Plus (JC+) area. The Royal Borough is therefore affected by 5 JC+ areas which see the new service offered from May 2018 (exact date to be confirmed) in Maidenhead JC+.
- 2.12 Based on the previous forecast, provided by the DWP, that approximately 665 new UC customers will make claims under the Full Service if the original go-live date of February were adhered to, we estimate that approximately 500 new UC claims will be made between May 2018 and 31 March 2019.
- 2.13 We do not yet know any details regarding the effect on funding, either in respect of the main Administration Grant provided by the DWP for processing Housing Benefit or any new burdens associated with UC.

## **3. PROPOSAL FOR MANAGING THE CHANGE**

- 3.1 The DWP has recognised that local authorities are best placed to support customers through the transition to Universal Credit and have therefore requested that they agree to sign up to provide two new services: Personal Budgeting Support (PBS) and Assisted Digital Service (ADS).
- 3.2 The Royal Borough has agreed to do this for the current year, 2017/18 and, in exchange received £6,074 in recognition of this.
- 3.3 The funding details for the year 2018/19, in respect of Universal Credit, are not yet known.
- 3.4 In addition, in order to retain the new funding associated with Universal Credit, council's have to provide the DWP with quarterly MI confirming the volumes of customers they have assisted with PBS or ADS. Where volumes are not as forecast, funding will be lowered, therefore this cannot be relied upon.
- 3.5 In outlining what the DWP expect council's to provide, they are very clear where the appropriate cut off points exist. They have outlined what shape PBS and ADS provision should take within authorities.
- 3.6 Local Authority PBS provision should consist of supporting customers to know:
- How to apply for Alternative Payments Arrangements, including Advance Payments
  - How to work out monthly income and outgoings

- How to complete and maintain a budget plan
- How to get a bank account
- How to set up a direct debit
- How to recognise priority bills
- How to cut back on essentials
- Where to get more help and support

3.7 Local Authority ADS provision should consist of:

- Supporting customers to access/navigate and understand the information required to complete an on-line claim
- Use an online account securely
- Manage their email account
- Navigate and update “to dos” and journals
- Upload documents including CV’s, medical evidence etc
- Notify changes in circumstances and use the online enquiry facility
- Support digital inclusion and identify need to access more intensive Digital Up-skilling to use the internet

3.8 For both services, where more in-depth advice is required, above and beyond that which RBWM staff have the knowledge to provide, it is clear that they should signpost customers to other appropriate organisations, such as CAB.

3.9 However, many of the customers who require this initial assistance will approach RBWM Revenues and Benefits staff in the first instance. This could be simply because they are confused about the new regime that they need to claim CTR, apply for Discretionary Housing Payments or discuss Council Tax arrears. The DWP pilots which examined how best to provide assistance to these customers recognised that a hand off to an external agency meant that customers were lost as they frequently did not follow through with appointments. It is therefore best to ensure that we can provide an appropriate service for them at the first point of contact rather than referring them elsewhere unless absolutely necessary.

3.10 Although estimates suggest 500 new claims being made to UC from May 2018 – March 2019, the DWP funding model assumes that not all of them will require assistance. They believe that 6% of them may require ADS and 7.5% PBS. Even if taken separately, this would mean that there would only be an additional 68 customers seeking assistance as a result of making a UC claim in 2018/19. This equates to less than 2 per week. In reality, some of these 68 customers will require both forms of assistance therefore the actual numbers of new customers will be less.

3.11 Furthermore, experience nationally suggests that the DWP have in fact overstated these figures.

3.12 The council will continue to work closely with the CAB during both the roll-out and on-going in ensuring residents are provided with the support they need.

#### **4. RISKS**

4.1 The Royal Borough is supportive of this welfare reform but recognises the concerns associated with the roll-out of the UC (Full Service) particularly for vulnerable residents requiring immediate financial assistance. In addition to the risk to customers, there is also a risk for the Royal Borough if it does not support those customers. While there is a

recognised risk to the Housing Benefit budget, the longer term effects of failing to address customer's issues could put pressure on other budgets within the Royal Borough's including housing/homelessness, the Local Welfare Provision Fund, collection rates for Council Tax, Discretionary Housing Payments and S17 payments for Children.

4.2 A joined up approach to service provision is therefore essential, with each party recognising their role in this.

## **5. NEXT STEPS**

5.1 Engagement with the DWP continues, although this has slowed in light of the delay to the roll-out. The planned events for partners and Registered Social Landlords set for November were postponed and will be rescheduled closer to May 2018.

5.2 Further details are awaited from the DWP regarding the exact go-live date in May 2018. Once received, the implementation plan for support can be finalised.

5.3 Meanwhile, work continues to pinpoint existing provision within the Royal Borough. There are existing services which could be utilised to assist customers and avoid duplication. Examples of this include:

- Volunteer support in the library. A volunteer has already attended UC training at the JC+ and provides customers with assistance making UC claims on line for 1 day per week.
- The GROW team provides an employment service for residents aged over 25 as well as the STRIVE initiative for new businesses and CLASS Community Based Learning and Skills.
- Other, external, partners are also able to assist in the provision of assistance for customers impacted by UC such as CAB, Radian and Housing Solutions who provide specific tenancy support and sustainment services. Housing providers recognise the risk to their revenue UC provides and are therefore, nationally, expanding services.

5.4 Training will be provided to staff across the Revenues and Benefits team as well as the Library and Resident Services team in order to better assist vulnerable customers. This will be via the service hubs in Maidenhead, Windsor, Ascot and throughout the community libraries where required. In addition, the website will be updated to ensure customers have access to information 24/7.

5.5 A briefing session, to which all members will be invited, will be arranged for the New Year in order to raise awareness of how UC may affect residents in the Royal Borough.