

SUBJECT:	WELFARE REFORM AND UNIVERSAL CREDIT UPDATE
DIRECTORATE:	CHIEF EXECUTIVE
LEAD OFFICER:	ROB KAY, WELFARE REFORM AND PROJECTS OFFICER

1. Purpose of Report

- 1.1 To provide Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on Universal Credit (UC) for this particular report.

2. Executive Summary

- 2.1 This report provides Joint Committee with an update on Universal Credit to include reference to the national and local position of Universal Credit, City of Lincoln, North Kesteven and the Shared Service preparations for roll-out to Full Service, migration of customers in receipt of legacy benefits and the potential impact of migration to City of Lincoln and North Kesteven rent arrears.

3. Background

- 3.1 Future reports will provide Joint Committee with an up to date position on the following:
- National Progress
 - Full Service Preparation – City of Lincoln, North Kesteven and Shared Service Preparation
 - Impact on the Councils income (Rent, Council Tax and Overpayments)
 - Universal Support Team
 - Background Papers.

4. National Progress – Universal Credit

- 4.1 As Full Service roll-out progresses, the number and range of people claiming UC is likely to grow quickly. As of 17th July 2018, there are 403 jobcentres running the Full Service with roll-out scheduled to be completed by December 2018.
- 4.2 Latest figures published by the Department for Work and Pensions (DWP) were released on 17th July 2018, with statistics relevant to the period up to 14th June 2018.
- 980,000 households receiving UC – this is a 7% increase from May 2018
 - 360,000 (37%) were in employment.

- 4.3 It is expected managed payment figures will increase as the roll-out to Full Service gains momentum. A managed payment can be applied for by the landlord for payment of rent or rent arrears deduction. The payment of UC Housing Costs would be paid direct to the landlord. Landlords are required to complete a form requesting this.

5. Recent Universal Credit changes

5.1 Support for 18 to 21 year olds claiming Universal Credit

In the Autumn Budget 2018, Ministers have reversed a 2014 move stopping individuals under the age of 21 automatically being entitled to Universal Credit housing costs. This decision has not yet been passed through legislation, and it is likely this will not take place until Autumn 2018 as the legislation has been delayed by 6 months.

As a result, currently, 18/21 year olds are not eligible for support towards their housing costs, unless they are classed as vulnerable (as defined by DWP). Around 90% of 18-21 year olds are in these categories.

The DWP provides a programme of intensive support for all 18 to 21 year olds making a new claim to Universal Credit. This programme is being rolled-out in line with the roll-out schedule for Universal Credit. It aims to encourage and support all young people into employment, work-related training or an apprenticeship, including a programme of intensive support that's tailored to the individuals' needs and job goals. If the individual is attending training or work experience, travel and childcare costs may also be reimbursed.

5.2 Universal Credit and Supported Housing

Consultation on a new way of providing funding for supporting housing and a "sheltered rent" closed earlier this year. The new arrangements were intended to start next year and this would have reduced drastically the number of Housing Benefit claims (including for those of pension age). Instead, ring fenced funding would have been provided to local authorities to provide support for these customers.

On 9 August 2018, Government announced that all these plans have been dropped and that local authorities will therefore be maintaining Housing Benefit for all supported housing, including short-term. This reflects the particular needs of these vulnerable groups of people, and the government's commitment to protect them. The plans to introduce a sheltered rent have also gone.

6. Impact on the Councils income – Rent

- 6.1 The Welfare Reform and Project Officer has been working with City of Lincoln Housing and North Kesteven Housing colleagues to monitor the impact UC claims are currently having on rent collection.
- 6.2 The data shows that of the 421 City of Lincoln tenants in receipt of UC, as of 30th June 2018, 101 of them have had an increase in their arrears, totalling £49,619.77.

- 6.3 The same information is being gathered for North Kesteven tenants and of the 45 UC customers as of 29th June 2018 arrears have increased by £4,525.67.

7. Universal Support Team

- 7.1 The team continue to work on a rota basis and are located in Lincoln Jobcentre 9am – 12pm & 1pm – 4pm every day to be on hand to support customers. A dedicated e-mail address and telephone number are also in place, for direct access to this team.

- 7.2 Providing Assisted Digital Support (ADS) for customers wishing to make a claim by:
- Supporting the customer to transact with Universal Credit using a personal computer or their specific device
 - Ensuring the customer keeps log-in credentials safe
 - Setting up a personal email address if the customer doesn't already have one
 - Ensuring that the customer is able to access their email account to retrieve the email code
 - Ensuring that the customer is aware of the details they need to have to hand to safely complete their identity verification and claim Universal Credit
 - Supporting the customer to scan relevant documents to process a claim
 - Ensuring that the customer understands how to access the 'partner code' and the requirement for their partner to complete their online claim using the partner code

Helping our customers maintain their Universal Credit claim by providing assistance in:

- Managing their claim via the online Universal Credit account on whatever device they have access to
- Managing their own email account on whatever device they have access to
- Navigating the platform and clearing their personal 'To do' list
- Making journal entries
- Uploading documents including their CV and medical certificates
- Notifying a change of circumstances
- Making enquiries
- Printing documents

Provide Personal Budgeting Support (PBS) for our customers by:

- Supporting customers to manage their monthly payments and prioritise essential bills such as rent
- Supporting customers who require personal budgeting assistance to manage their Universal Credit. The support to be offered includes:
 - Identifying the appropriate channel and provider to deliver personal budgeting support and referring the customer to the right place immediately
 - Providing, or arranging, telephone or face to face personal budgeting support and follow up action as appropriate
 - Referring customers who may need an alternative payment arrangement to Jobcentre Plus
 - Referring customers to Welfare Advice for other support services such as debt advice

Resulting in claimants being able to:

- Understand their Universal Credit award and what they can claim as well as entitlement to other benefits or grants
- Work out monthly income and outgoings
- Recognise priority bills, such as rent
- Identify and cut back on non-essentials
- Complete and maintain a budgeting plan
- Convert from a Post Office card accounts/Simple payments to more appropriate banking products, including a transactional bank account
- • Set up or re-organise direct debits for prioritised payments.

7.3 The UC Support Team and Benefits Team Leaders are currently reviewing how UC claims are processed and will be putting guidance together for all processing staff. The guidance will clarify processes relating to the cessation of relevant Housing Benefit claims, processing Council Tax Support and allocating overpayments to the correct recovery method.

7.4 **Preparation for North Kesteven Full Service**

Sleaford Jobcentre go live with Universal Credit Full Service on 14 November 2018.

Officers are reviewing the objectives and outcomes of the Universal Credit Support Team based at Lincoln, to ascertain whether the positive partnership working arrangements with Jobcentre Plus and internal processes that need to be and can be replicated at the Sleaford office.

The Welfare Reform and Project Lead met with the Jobcentre Sleaford Partnership Manager on 8th August to begin building a relationship with the Jobcentre and get to know the management and staff.

Sleaford Jobcentre staff will be visiting the Universal Credit Support Team in Lincoln to meet the members of the team, to be introduced to the processes and to see how Universal Credit is working for Lincoln residents.

An Expression of Interest will be issued to all Benefits Officers within the Shared Service (based in Sleaford) at the end of September, ring fenced for Benefits Officers based at Sleaford. If the process at Lincoln is replicated, the Universal Credit Team will consist of 2 members of staff to assist with Assisted Digital Support and Personal Budgeting Support. It is anticipated to have these staff in place by 15th October 2018.

Once in place, they will spend the next month in the build up to the go live date based between Sleaford (building relationships with Sleaford Jobcentre plus) and City of Lincoln Jobcentre. This will be so that the Benefits staff can undertake job shadowing and learn how to assist customers.

The current Universal Credit Support Team are working closely with Housing and Communications teams to ensure the relationship is there to support customers and ensure the information is on hand, as well as the web team.

7.5 The UC Dashboard

The UC Dashboard has been updated with the most recent statistical information and provides, at a quick glance, key information relating to the teams outputs, along with regional and national updates. This can be seen in **Appendix 1 (City of Lincoln)** and **Appendix 2 (North Kesteven)**, and is also detailed below: --

3 April to 30 June 2018

During this period, the UC Support Team have supported: -

	Assisted Digital Support (ADS)	Personal Budgeting Support (PBS)	ADS/PBS Combination
City of Lincoln	185	93	32
North Kesteven	19	12	7

The average time to undertake an ADS/PBS is 41 minutes.

The average age of the customer requiring support is 42.

Assisted Digital Support Provided for all shared service UC customers as at 30 June 2018

Type of Support	Number of customers supported
New claim UC	237
Council Tax Support	74
Change of circumstances for UC	30
Password	15
Email	68
Updating journal	48
Logging in	11
Uploading	9
Booking interview	126
Collecting documents	3

Personal Budgeting Support Provided for all shared service UC customers as at 30 June 2018

Type of Support	Number of customers supported
Advance payment	66
DHP	57
Direct Debits	24
Income and Expenditure (budgeting)	44
Debt referral	10
Other benefits	15
Alternative Payment Arrangement	46
Council Tax Support arrears	6
Housing Solution referrals	10
UC Calculation	22
Food voucher	15
Referral other depts.	33
Bank account	10
Attending interview with customer	1

Universal Credit information documents

- 5,582 UC documents have been received from the period 1 April to 30 June 2018. These documents are issued by the Department for Work and Pensions and relate to Universal Credit changes in circumstances.

7.6 Case Studies

Case Study 1 – Mrs A

Mrs A was referred to the UC support team for Personal Budgeting Support on the 11 April 2018. Mrs A was very distressed and upset, so the UC Support Officer a private 2 hour appointment for the 16 April 2018 to go through income and expenditure and to help increase income. The following actions were undertaken: -

- Universal Credit application completed
- Email address set up
- Council Tax Reduction application completed
- Discretionary Housing Payment application completed
- Food voucher issued
- First identification interview Universal Credit claim booked. The UC Support Officers attended this with Mrs A
- Discussed advance loan and the repayments of these and helped work out whether Mrs A could afford to repay these back
- Quick calculation completed to give indication of entitlement
- Budgeting advice given

Mrs A contacted the UC Support Team again in regards to her landlord and her Universal Credit payment, again she was very upset and distressed, and as a result, a second 2 hour appointment was booked. During this appointment, the following actions were undertaken: -

- UC Support Officer contacted the landlord and advised, with permission, that Mrs A had applied for Universal Credit, when her first payment would be and that Mrs A had requested a managed payment for UC to be paid to the landlord.
- Notified Child Tax Credits that Mrs A had applied for Universal credit
- Arranged for Mrs A to attend the Citizens Advice Bureau on 24 April 2018 to discuss her debts

Mrs A contacted the UC Support Team on 23 May 2018 stating she had no Housing Element included in her UC payment. The following actions were undertaken: -

- UC Support Officer met Mrs A and they attended the DWP offices in City Hall.
- Mrs A logged into her online UC account and contacted the UC Service Centre to discuss what was happening with this payment.
- The landlord had not verified her rent, so the UC Support Officer contacted the landlord to chase this information
- Once the landlord had sent the information, the DWP verified the rent and this was included in the next payment

The above case study shows the complexity of UC claim making, along with the additional support required. The total time the UC Support Officer spent with Mrs A was 5 hours over a total of 4 days.

8. Welfare Reform Strategy Action Plan

- 8.1 Progress with our shared service's 'high level' Welfare Reform Strategy Action Plan and Universal Credit Preparation Plan is to be monitored by Joint Committee, on a quarterly basis.

Updates on progress of both plans are provided at **Appendix 3** to this report. The action plan is fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

9. Strategic Priorities

- 9.1 **City of Lincoln: Let's drive economic growth and North Kesteven: Our economy and Our Community:** An understanding of Universal Credit and its wider impacts on City of Lincoln residents and arrears levels is important when reducing poverty and driving economic growth across the City. The aim of Universal Credit is to provide a simplified means tested benefits system, with the objective of avoiding the poverty trap, where there is a disincentive to work longer hours because of the loss of benefits and higher taxes.

9.2 **City of Lincoln: Let's drive economic growth and North Kesteven: Our economy and Our Community:** - A key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. There are strategic priorities when engaging with those in receipt of Welfare Benefits, Digital Inclusion, Channel Shift/ Customer Experience, Financial Inclusion and Partnership Working are all key priorities as part of this report.

10. Organisational Impacts

10.1 **Finance:** There could be significant financial implications to City of Lincoln Council as set out in previous updates of this report.

10.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

11. Risk Implications

11.1 The Council bears the risk of any rent arrears which are not fully recovered

12. Recommendation

12.1 Joint Committee notes this report – and that an update will be presented at the next meeting of this Committee, on 27th November 2018.

Key Decision No

Do the Exempt Information Categories Apply No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? Yes

If Yes, how many Appendices? Appendix 1: Universal Credit Dashboard – City of Lincoln
Appendix 2: Universal Credit Dashboard – North Kesteven
Appendix 3: Welfare Reform Action Plan

List of Background Papers: No

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