

SUBJECT:	WELFARE REFORM AND UNIVERSAL CREDIT UPDATE
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
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 national Universal Credit (UC) updates for this particular report.

2. Executive Summary

- 2.1 This report provides Joint Committee with an update on national Universal Credit changes; to include reference to the national statistics and national legislation changes.

The report will also provide Joint Committee with an up to date Welfare Reform action plan.

3. Background

- 3.1 Future reports will provide Joint Committee with an up to date position on the following:
- National Progress - statistics;
 - National legislation changes; and
 - Background Papers.

4. National Progress – Statistics

- 4.1 Latest figures published by the Department for Work and Pensions (DWP) were released on 14th May 2019, with statistics relevant to the period up to 11th April 2019.
- 1,959,129 households receiving UC
 - 652,007 were in employment. (33%)

5. Update – Private Landlord Portal

- 5.1 DWP have announced that they are developing a Private Landlord Portal, whilst this is possibly better for the landlord to apply, this appears to potentially come away somewhat from the original concept of UC being paid direct to the tenant and budgeting accordingly.

6. Recent Universal Credit Changes – Autumn 2018 Budget Announcement and January 2019 Announcement

6.1 **Appendix 1** shows all recent announcements from the Autumn Budget 2018 and January 2019, along with updates as to how these will impact customers and the local authority.

6.2 National Legislation Update – Mixed Aged Couples – 15 May 2019 Change:

From 15 May 2019, mixed age couples (where one party of the couple is over Pension Credit qualifying age and the other under that age) will no longer be able to choose whether they claim Universal Credit or Pension Credit or pension age Housing Benefit. Both parties of a couple will have to reach the Pension Credit qualifying age before they can be entitled to Pension Credit and/or pension age Housing Benefit.

Protections

There is a protection for existing mixed age couples as though the changes had not come into force. This means that where a mixed age couple were entitled to the following on 14 May 2019, they will continue to be entitled on or after 15 May 2019:

- Pension age Housing Benefit
- Pension Credit or
- Both.

The protection will cease for the working age member of the couple, on any day on or after 15 May 2019, when that person is not entitled to either pension age Housing Benefit or Pension Credit as a part of the same mixed age couple.

Single Pensioner forms a Partnership

If a single pensioner forms a couple with a person below the qualifying age on or after 15 May 2019, entitlement to pension age Housing Benefit and Pension Credit will end.

6.3 Approaching Mixed Age

Couples who are under State Pension age and have an award of HB assessed under the Housing Benefit Regulations 2006 (SI 2006/213), 'working age HB', will become a mixed age couple once one member reaches pension age.

At this point rather than re-assessing the claim under the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (SI 2006/214) 'pension age HB', the couple should be advised that they need to claim Universal Credit (UC). The relevant provision is Article 6(2) (b) and (3) (a) of SI 2019/37.

Where the younger partner is in receipt of Income Support (IS), Jobseeker's Allowance (income-based) (JSA (IB)), Employment and Support Allowance (income-related) (ESA (IR)), the couple will not be required to claim UC and can continue to

receive working age HB if they have an existing claim until there is a relevant change in their circumstances which ends entitlement to those benefits. They will have to claim UC if they need further help with their housing costs.

- 6.4 The current plan in Great Britain is that DWP will begin testing the managed migration process from July 2019 to July 2020 through a pilot in Harrogate.

During this period, up to 10,000 existing legacy benefit claimants (including some tax credit claimants) will be moved across to UC through the new process.

7. Welfare Reform Strategy Action Plan

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

Updates on progress of this plan is provided at **Appendix 2** to this report. The action plan is fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

8. Strategic Priorities

- 8.1 **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.

- 8.2 **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.

9. Organisational Impacts

- 9.1 **Finance:** There are no direct financial implications arising as a result of this report.
- 9.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

10. Risk Implications

- 10.1 The Councils bear the risk of local authority rent arrears which are not fully recovered.

11. Recommendation

11.1 Joint Committee notes this report – and that an update will be presented at the next meeting of this Committee on 11th September 2019.

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 Changes – 2019
Appendix 2: Welfare Reform Action Plan

List of Background Papers: No

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