

**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 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 16<sup>th</sup> July 2019, with statistics relevant to the period up to 13<sup>th</sup> June 2019.

- 2,171,997 households receiving UC (this is an increase from 1,959,129 as reported at the last meeting of this Committee)
- 697,789 were in employment. (33%) (this is an increase from 652,007 as reported at the last meeting of this Committee)

## 5. Update – Private Landlord Portal

- 5.1 DWP has 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.

There have been no new announcements since the last meeting of this Committee.

## 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 26<sup>th</sup> November 2019.

**Key Decision** No

**Do the Exempt Information Categories Apply** No

**Call In and Urgency:** 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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