

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

## **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 15 October 2019, with statistics relevant to the period up to 12 September 2019.
- 2,476,704 households receiving UC (this is an increase from 2,171,997 as reported at the last meeting of this Committee)
  - 809,288 were in employment. (33%) (this is an increase from 697,789 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 announcements regarding Severe Disability Premium (SDP) compensation scheme, SDP gateway closure and Pension increase since the last meeting of this Committee in September 2019.

The Welfare Reform Project Officer has undertaken a recent piece of work to identify those customers who are not currently in receipt of the SDP. In doing this, officers have been able to support customers in maximising their income, reviewing deductions due to under occupation and offering support due to other needs identified.

This was initially undertaken for City of Lincoln tenants (LA and Housing Association (HA)) affected by under occupation. A total of 67 residents were identified (56 LA and 11 HA), with a positive result for 14 customers income being maximised by a total of £45,358. The outcomes are detailed below: -

	Local Authority		Housing Association		Total	
	Number	Value (£)	Number	Value (£)	Number	Value (£)
Income maximised	13	£43,324	1	£2,034	<b>14</b>	<b>£45,358</b>
Awaiting outcome	10	N/A	10	N/A	20	N/A
No response	9	N/A	0	N/A	9	N/A
No financial gain	23	N/A	0	N/A	23	£0

As a result of the success of this work, officer then compiled a list of all customers who, based on our information could have been in receipt of the SDP. Officers identified 1,344 customers. Initially, letters were going to be issued to those customers, but, after the first 100 letters were issued, it was clear that a high percentage of customers would contact the team. The approach was adjusted and the Welfare Reform Support Team reviewed the remaining 1,244 customers themselves – using the DWP and Housing Benefit systems. This resulted in just 154 customers being entitled to the SDP.

Each of the 154 customers are currently being contacted by the team - asking customers to confirm details to ensure they are eligible for the SDP. Forms are being issued to the customers

## 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. Update – Universal Credit Support team**

- 8.1 A Universal Credit Support update report was presented to this Committee on 6 September 2019.
- 8.2 As part of this report, a verbal update was given by the Head of Service regarding the UC Advice Review which was being undertaken at City of Lincoln. The Advice Review had been undertaken to review the UC support arrangements / advice provision and potential options going forward. The review considered the number of teams within the authority who provide support to UC customers and determined whether there was potential for joint working between the teams, and what this model could look like. These teams are the Universal Credit Support team, Welfare Advice team and Housing team.
- 8.3 The key areas the review focussed on were: -
- Mapping customer journeys;
  - Considerations if arrangements were under 'one team'; and
  - Help to claim progress.
- 8.4 The outcomes of the review are currently being considered.

## **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**

## **11. Finance**

There are no direct financial implications arising as a result of this report.

### 11.1 Legal implications inc Procurement Rules:

There are no direct Legal or Procurement implications arising from this report.

### 12. Risk Implications

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

### 13. Recommendation

13.1 Joint Committee notes this report – and that an update will be presented at the next meeting of this Committee on 5 February 2020.

#### 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

#### Lead Officer:

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