

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 17 December 2019, with statistics relevant to the period up to 14 November 2019.

- 2,675,833 households receiving UC (this is an increase from 2,254,973 as reported at the last meeting of this Committee)

An update has not been provided since this date and it is expected these will be issued quarterly and not monthly – with the next update expected mid-February.

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.

Although this will not mirror the product that Social Sector uses, it will be designed to move away from private landlords having to make an email request for direct payments.

6. Universal Credit changes

- 6.1 **Appendix 1** shows all recent announcements from the Autumn Budget 2018 to January 2020, along with updates as to how these will impact customers and the local authority.

6.2 Severe Disability Premium – increase in income for 64 customers:

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 as a pilot for City of Lincoln tenants (LA and Housing Association (HA)) affected by under occupation.

As a result of the success of this work, officers 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 231 customers being contacted, with a positive result for 64 customers (so far) with income being maximised by a total of £534,427 (based on current SDP of £66.15 per week). The outcomes are detailed below: -

	Number	Value (£)
Total Income maximised	64	£534,427
Backdated award	64	£314,280
Future award per annum	64	£220,147

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.

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
Appendix 2: Welfare Reform Action Plan

List of Background Papers: No

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