

REPORT TO THE COMMUNITY AND CORPORATE ORGANISATION POLICY AND SCRUTINY PANEL

DATE OF MEETING: 14 MARCH 2017

SUBJECT OF REPORT: UNIVERSAL CREDIT – BENEFIT SERVICE

TOWN OR PARISH: ALL

**OFFICER/MEMBER PRESENTING: JO-ANNE BUCHAN, CLIENT SPECIALIST –
REVENUES AND BENEFITS**

KEY DECISION: NO

RECOMMENDATIONS:

The Panel are asked to receive and consider the council's preparations for the Universal Credit implementation.

1. SUMMARY OF REPORT

In May 2016 the Department for Work and Pensions (DWP) commenced roll-out of the Universal Credit Full Service for all working age claimants. It is intended that this national programme will be completed by September 2018.

North Somerset will transition to the full service in June and July 2017. The rollout is through Jobcentre area.

The report is to provide Members with an understanding of what this means to our residents and explain what is happening within the benefit service to adjust to the forthcoming changes.

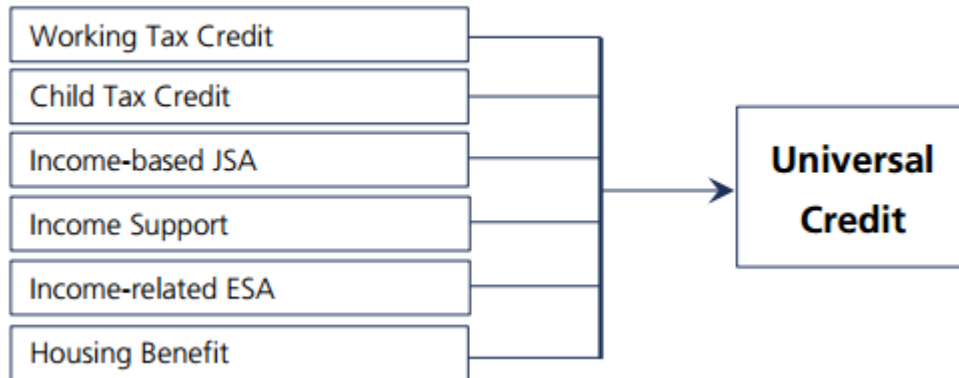
2. POLICY

- 2.1. The changes coming into effect are driven by the DWP legislation and are within the main Welfare Reform Act 2012 and subsequent regulations Universal Credit 2013.

3. DETAILS

3.1. What is Universal Credit?

'Legacy' benefits and tax credits replaced by Universal Credit



- 3.2. Universal Credit is already offered to all single jobseekers across the country. Previously our residents would have made separate claims for the legacy benefits detailed above.
- 3.3. Universal Credit is all about simplifying the benefit system combining the 6 benefits into one monthly payment.
- 3.4. Universal Credit is now being rolled out across the country to capture a full range of working age claimants and including couples and families. The roll out of the Full Service will commence in Weston Job Centre in June 2017.
- 3.5. Universal Credit has been introduced to give support to claimants who progress into work. Families who claim Universal Credit who move into work on low pay will now be able to claim back childcare costs of up to 85%, and the DWP has confirmed this will boost income by at least £13,000 a year.
- 3.6. The changes only impact on claimants who are of working age so there is no change to housing benefit recipients who are of pensionable age and they will continue to have their housing benefit administered by the council.
- 3.7. Universal Credit Roll Out will affect all new claimants who might previously have claimed housing benefit and also claimants who have a significant change in circumstances such as:
- Move from out of work to in work;
 - Move from in work to out of work;
 - Move from sick to out of work;
 - Household becomes responsible for a child for the first time;
 - Income Support lone parent with the youngest child under 5yrs reaches the age of 5.

In order to claim Universal Credit there are a number of set criteria / activities a claimant is responsible for in order to receive a payment:

- Complete at least 35 hours per week work search activities;
- Complete a tailored commitment with a Jobcentre Plus work coach;

- Claimants will receive the housing costs directly so will be responsible for paying rent and other housing costs;
- Report any changes in their circumstances through their online account;
- Budget their monthly payments.

3.8. Universal Credit is very similar to Housing Benefit in the way it is designed. There are allowances added together depending on the household circumstances and a means test is carried out accordingly.

3.8.1. A household's "maximum amount" comprises any of the following allowances and elements for which the household is eligible:

3.8.2. Standard allowance – the basic allowance for all. Amount depends on whether the claimant lives alone or has a partner. Lower rates apply for those under 25.

3.8.3. Child element – an additional 'Child Element' is paid for each child or qualifying young person. Further additions are payable for disabled and severely disabled children.

3.8.4. Childcare costs element - for working parents paying for registered childcare.

3.8.5. Limited capability for work elements; for those who satisfy a Work Capability Assessment

3.8.6. Carer element for those with regular and substantial caring responsibilities for a severely disabled person

3.8.7. Housing costs element for those who pay rent or have a mortgage

3.8.8. With the implementation of Universal Credit (UC) the council will see a change in its involvement on a day to day basis with claimants. The emphasis will be to help people back into work and support them through the process of claiming UC.

3.9. The council is currently looking at a redesign of its benefit service to take into account the changes.

3.9.1. As previously mentioned, payments of UC will be made monthly in arrears and the claimant is fully responsible for making their payments for rent, food and general living as it is for people that are in work and receive a wage. The council will continue to offer help and support to those who find it difficult and this will be through a service known as Personal Budgeting & Support (PBS). The purpose of the PBS is to support UC claimants as they transition so they can manage their money. This

assistance forms part of the Universal Support Delivered Locally strategy designed by the DWP, and the council will be funded by the DWP to provide this support.

3.9.2. The council will provide assistance with:

- How to work out monthly income and outgoings
- How to complete and maintain a budgeting plan
- How to get a bank account
- How to set up a direct debit e.g. for rent payments
- How to recognise priority bills
- How to cut back on non-essentials
- Where to get more help and support e.g. signposting to CANS or Money Advice Service.

3.9.3. The council will also be required to help with assisted digital support, as the culture of claiming UC is to shift towards a self-service claim and maintenance of their account. This means that claimants will need to register for UC via the GOV.UK website; complete a GOV.UK Verify to open their account and then ongoing will be required to update their account with their responsibilities and commitments as previously mentioned.

3.9.4. We will support claimants to access and understand the online application process through a managed service offering in our Gateways. The service will provide the following:

- Support the claimant to set up an email account;
- Help navigate through their to do lists and journals;
- Help upload documents including job search evidence;
- Help utilise the online system to report changes in circumstances.

3.10. Payment of Universal Credit

Universal Credit will introduce a new claim and payment timescale. Payments will be made around 6 weeks after the claim is made.

Universal Credit is paid in arrears and on a monthly basis in a single payment. Payment dates will vary between customers depending on the date of their claim.

If the claimant experiences financial difficulties they may be able to apply for an advance of Universal Credit from the DWP. The council will not be able to assist customers financially during this period whilst the claimant is waiting for their first payment.

Universal Credit adapts to fluctuations in the claimants earnings and the payments will adapt accordingly taking into account the change in income

3.11 Shaping the service

The council's benefit service will necessitate a change in its approach under the emerging changes and it has started the process with Liberata to identify the need for an increased resource in front line services and develop collaborative working between partner agencies such as Citizens Advice North Somerset. This resources will need to be found from within the existing service as the Housing Benefit processing requirement reduces.

- 3.12. The Job Centre Plus Clevedon will be moving into Castlewood council offices in August 2017 and we are working closely with them to identify good practice in service delivery for residents. It is at its inception stage at the time of writing the report and further details will be provided at a later date.

4. CONSULTATION

- 4.1. Not applicable

5. FINANCIAL IMPLICATIONS

The current benefit service is supported by an Administration Grant funding direct from DWP. With the implementation of Universal Credit we will see a reduction in funding taking into account the reduction in our caseload as claimants move across to the DWP for Universal Credit. The Council will receive a grant to the value of £54,005 to provide personal budgeting support and digital support.

6. RISK MANAGEMENT

- 6.1. Risks associated with the implementation of Universal Credit
- 6.1.1. Delays in processing times at DWP service centre
 - 6.1.2. Increased volume of footfall in our Gateways
 - 6.1.3. Increased pressure on the council Homeless Advice Team
 - 6.1.4. Direct payments to claimants and not to landlords which will increase rent arrears
 - 6.1.5. Discretionary Housing Payment applications increase to cover rent arrears
 - 6.1.6. Complex issues where exempt accommodations applies
 - 6.1.7. Claimants presenting themselves as homeless
 - 6.1.8. Council Tax Support claim confusion

7. EQUALITY IMPLICATIONS

- 7.1. Universal credit payments will be on a monthly basis but within the legislation there is a facility to make alternative payment arrangements to claimants who are on a low income and find it hard to budget. They will be offered a fortnightly payment until they are accustomed to all aspects of their Universal credit payment scheme. However, this is a matter for the DWP to determine.
- 7.2. Working Age claimants are affected.
- 7.3. Barriers to employment can mean some groups of claimants are out of work for longer and may have greater need to rely on the benefit system.

8. CORPORATE IMPLICATIONS

The introduction of Universal Credit will result in new pressures and the need to redesign existing services within Housing, Employment and Housing Benefits. This work is ongoing.

9. OPTIONS CONSIDERED

9.1. Not applicable

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BACKGROUND PAPERS

None.