

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

POLICY DEVELOPMENT GROUP - WEDNESDAY, 6 MARCH 2019

Report Title	UPDATE ON UNIVERSAL CREDIT
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Purpose of report	To highlight to PDG the impact of Universal Credit (UC) on the administration of Council Tax Support and to give a general update of the roll out of UC.
Council priorities	
Implications:	
Financial/Staff	Where UC award is insufficient, NWLDC may provide discretionary relief from other budgets / grant funding.
Link to relevant CAT	Welfare Reform CAT
Risk Management	N/A
Equalities Impact Screening	Means tested benefits may be awarded to those most vulnerable in society.
Human Rights	N/A
Transformational Government	N/A
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Revenue and Benefits Partnership Housing Services (NWDLC)

Background papers	None
Recommendations	<p>THAT THE POLICY AND DEVELOPMENT GROUP:</p> <p>1) NOTE THE CURRENT POSITION OF THE UNIVERSAL CREDIT ROLL OUT.</p> <p>2) NOTE THE OPERATIONAL IMPACTS OF THE UNIVERSAL CREDIT ROLL OUT ON NWLDC.</p> <p>2) NOTE THE ACTIVITIES UNDERTAKEN BY NWLDC TO SUPPORT RESIDENTS IN THE TRANSITION TO UNIVERSAL CREDIT.</p>

1.0. BACKGROUND

1.1. Universal Credit (UC) has now been rolled out across the district for most working age claimants within North West Leicestershire, who are making a new claim.

1.2. UC is a Department of Work and Pensions (DWP) administered, means tested benefit, which means that the policies and calculations that are used to determine the level of award are wholly set by the DWP. Unlike Housing Benefit, Local Authorities have no responsibility in its administration.

UC replaces a range of legacy benefits:

- Child Tax Credit
- Housing Benefit (HB)
- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Working Tax Credit

1.3. Key exclusions are currently those over the age of state pension entitlement and those in receipt or immediately eligible for severe disability premium. These customers continue to receive legacy benefits such as Housing Benefit (HB).

1.4. Those that are currently in receipt of UC, have been migrated because they have either made a new claim or have had a change in their circumstances. The migration has been managed by the DWP. Once a claimant has made a UC application they cannot return to the legacy benefit.

1.5. There are many claimants who are currently on legacy benefits, who will now need to be migrated to UC. The DWP currently intends on managing this roll out between 2019 and 2023 on a phased migration basis.

1.6. The government has announced that it will not begin the incorporation of Housing Benefit for pensioners into Pension Credit until the completion of the Universal Credit timetable, so NWLDC can expect to be delivering HB for pensioners for some years to come.

2.0. COUNCIL TAX SUPPORT / OPERATIONAL IMPACT

- 2.1. Council Tax Support (CTS) is not one of the legacy benefits that is encompassed into UC and as such NWLDC retain the administration and make awards based on the circumstances of the household.
- 2.2. The maximum award for a working age claimant is currently 85% of their total Council Tax liability. The Revenues and Benefits Partnership use the income details provided by the DWP to determine entitlement to CTS. The DWP provide details of UC awards via an electronic file as part of the Universal Credit Data Share arrangements (UCDS). This file contains key information around UC claims that have been made, such as income and award levels, to enable us to take the appropriate action.
- 2.3. The work required on receipt of a UCDS file requires one of the following actions:
 - The cancelling of HB as soon as we are aware a claim for UC has been made (stop notice received).
 - Identify cases where UC has been claimed and invite an application for CTS.
 - Identify cases where UC has been awarded but CTS is not in payment and if they would qualify for CTS, invite a claim.
 - Compare the information held in the file received with other evidence we may already have available and liaise with the Work Coach Team at DWP if discrepancies are found (i.e. incorrect rent figure detailed).
 - Where a customer is in receipt of Council Tax support, ensure the UC data contained within individual files is loaded correctly onto the Academy system and inform the CTS recipient of their subsequent award.
- 2.4. Since we started receiving UCDS files for North West Leicestershire (Feb 18) up to November 2018 we have received and actioned 3292 in this period. This equates to 126 per week or 25 per working day.
- 2.5. There are three full time equivalent officers allocated across the Revenue and Benefits Partnership (North West Leicestershire, Hinckley and Bosworth and Harborough) to deal with a combined average of 99 files received per day across the partnership. This figure will rise significantly when the migration to UC extends to existing HB claimants.
- 2.6. The number of UC live claims (in receipt of CTS) for the partnership is 435.

3.0. THE COUNCIL TAX SUPPORT CALCULATION

- 3.1. When awarding Council Tax Support (CTS) to customers that are not in receipt of Universal Credit (UC) an applicable amount is used to assess their award. The applicable award is the amount a person needs for their day to day living (food, clothing and heating), it does not include housing costs and Council Tax liability.

The applicable amount consists of a personal allowance e.g. the personal allowance for a single person is £73.10 per week. On top of this an extra amount can be added (a premium) if the customer or their children are disabled or if they care for someone who is disabled.

- 3.2. There are three disability premiums:

- A disabled premium (working age only) of £33.55. For a claimant to qualify they would have to be in receipt of a qualifying disability benefit, normally Personal Independence Payment (PIPs) or registered blind.
- An enhanced disability premium (working age) of £16.40. For a claimant to qualify they would have to be in receipt of the enhanced level of daily living PIPs.
- A Severe disability premium (all ages) of £64.30. For a claimant to qualify they would have to be in receipt of a qualifying disability benefit and have no-one looking after them (no non-dependants living in the property or have someone outside the property receiving carers allowance for looking after them).

3.3. A single working age customer could be entitled to all three of these premiums so with their personal allowance of £73.10 their applicable amount would be $£73.10 + £33.55 + £16.40 + £64.40 = £187.45$

3.4. This is then taken into account against their income, if their income is above the applicable amount their CTS is reduced by 20p in the pound for every excess pound above the applicable amount. In summary, the customer can receive up to the applicable amount and receive full CTS (in the example up to £187.45).

3.5. UNIVERSAL CREDIT CALCULATION / IMPACT ON CTS

3.6. With UC the award is made up of a personal allowance plus “elements”. These elements include an element for children which was part of the personal allowance in the CTS applicable amount and other elements equivalent to the CTS premiums.

3.7. Among these are elements called “Limited capability for work” (LCW element) and “Limited capability for work related activity” (LCWRA element) which are the equivalent of the disabled and enhanced disability premium. There is no equivalent to the severe disability premium.

3.8. When assessing the claimant’s CTS award, the total UC award would therefore be the equivalent of the applicable amount for CTS and this is the figure that must be used. Any excess income over this amount would reduce the amount of CTS awarded.

3.9. Prior to the 16th January 2019 if a person on enhanced daily living PIPs had to migrate on to UC they would be awarded the LCW and LCWRA elements, but they would not receive a severe disability “element”. Therefore, in the example previously used they would not be able to have the severe disability premium amount allowed in their applicable amount. Therefore if the customer’s income was above £123.05 (instead of £187.45) their CTS would be reduced.

3.10. If a person migrated on to UC prior to the 16th January 2019 and was previously entitled to the severe disability premium but are working and their earned income was more than 16 hours at the national minimum wage, they would not be classed as limited capability for work and would not receive the elements.

3.11. After the 16th January 2019 anyone who is entitled to a severe disability premium will NOT have to claim UC:

- If already receiving Housing Benefit and Council Tax Support and there is a trigger to go on to UC (e.g. move to another Local Authority area) then they will remain on the legacy benefit they are in receipt of and HB/CTS

- If applying for the first time, then they will need to claim a legacy benefit along with HB/CTS.

3.12. TRANSITIONAL PROTECTION

3.13. Transitional protection for those that have lost the amount that their severe disability premium would have given them, is in the process of being put in place and awaiting approval from Parliament, though no date has been set for this.

3.14. These plans also include proposals to compensate those that have already moved on to UC and lost their severe disability premium. A process will be set up by the DWP to identify the eligible customers and pay on going equivalent monthly amounts and a lump sum for the backdated period since migrating to UC.

3.15. There are significant differences between entitlement under HB and UC.

- Non-dependant deductions will be replaced by Housing Cost Contributions (HCC)
 - There is only one rate of HCC unlike different rates of non-dependant deductions in HB which depended on gross income of the non-dependant.
 - Those under 21 years of age will not have to pay a HCC.
 - All those over 21 years of age will have to pay HCC, including students.
 - The contribution for all those over 21 years of age is around £73 per month.
- There is no 13-week protection in UC. Under HB full rent could be paid for 13 weeks if the customer had not claimed HB in the past 52 weeks and could not afford rent.
- Bereavement protection reduced to 13 weeks for UC rather than 52 for HB. If the partner had passed away rent would not be reduced for 52 weeks for HB.
- Households where there is a room kept for a student while away studying will still NOT be deemed as under occupying but only for 6 months under UC if they intend to return within that time. (52 weeks if on HB).
- There is no payment on two homes for unavoidable overlapping liability for UC. This is where the customer must move in order not to lose their home and rent is still due on their old home. There was overlapping liability for HB.
- No extended payment on UC. Under HB the customer could receive 4 weeks payment when moving off benefits into work.

4.0. DISCRETIONARY RELIEF

4.1. Where customers find themselves in severe hardship, either through UC or other factors, the Council offers two discretionary funds to support them.

Discretionary Discount Fund

4.2. A Discretionary Discount scheme was introduced to ensure that the most vulnerable members of the community are protected, in line with the requirements of the Government's localisation of benefits, which has replaced the previous Council Tax Benefits system from 1 April 2013.

4.3. The scheme reduces the amount of Council Tax payable after considering eligibility for any national benefits, discounts, reliefs and exemptions, up to 100% of the remaining

Council Tax liability. This is in addition to Council Tax Support, which for working age claimants in NWL pays a maximum of 85% of the bill, or 100% for pensioners.

- 4.4. It should be noted that the precepting authorities have withdrawn their financial support (totalling £34,172) to the Discretionary Discount Fund from April 2019. It is the intention of NWLDC to maintain the Fund at its current level of £40,000 in 2019/20 by identifying £34,172 from unallocated reserves for this purpose. This will be the subject of a Cabinet report in April 2019.

Discretionary Housing Payment

- 4.5. Discretionary Housing Payments (DHPs) provide extra help to claimants in receipt of Housing Benefit who need further financial assistance with housing rent. This will usually be because there is a shortfall between the amount of housing benefit or universal credit that they receive and their rent liability.
- 4.6. A separate report on Discretionary Housing Payments and their administration will be presented to Cabinet in March 2019.
- 4.7. To qualify claimants, need to meet certain conditions:
- Must be receiving Housing Benefit or in receipt of Universal Credit that includes a housing element.
 - There must be a shortfall between the amount of (HB) / Housing Element of UC that they receive and their rent liability.
 - Must demonstrate that they need extra help to meet their housing costs.

5.0. FURTHER SUPPORT TO CLAIMANTS

- 5.1. Though a DWP led benefit, NWLDC does provide support to customers and tenants, in managing the impact of UC and more generally welfare reform.

Joint working

- 5.2. Several Key Officers from NWLDC work closely with partner authorities within the Revenue and Benefits Partnership, to take an active role in a welfare reform working group. This is through the Welfare Reform (Corporate Action Team) working group with the DWP and the CAB, to highlight impacts, understand changes and plans, and gain any technical advice needed.

Customer Services and Revenue / Benefits Partnership

- 5.3. Though direct advice cannot be given around specific UC claims or entitlements, officers within these teams take a proactive role in sign posting customers to the DWP, CAB or other advice and support agencies. Equally, hardship, when identified is supported by invitation to apply for the discretionary relief funds as applicable.

NWLDC Housing

- 5.4. The Tenancy Support Service within Housing Management was created in April 2014, and the role of Support Officer for Universal Credit was added to the team in November 2015, initially funded by DWP grant.

- 5.5. The Tenancy Support Service is for tenants who are most in need of intensive housing management, providing direct access to information and guidance as well as a bridge to other support providers in the public and third sectors.
- 5.6. Since November 2015 the service has provided intense support for UC claimants, to access Universal Credit (UC). This ranges from assistance with setting up an e-mail address to enable a UC claim to be made, to financial advice known as personal budgeting support. They also provide advice in relation to any aspect of independent living such as claims for essential household items such as a cooker.
- 5.7. The service complements the work of the Supporting Leicestershire Families (SLF) team, although it is important to note that families with complex needs would be referred to the Early Help Hub for consideration for the SLF team to become involved.
- 5.8. To access the Council's support service, a referral is made in one of two ways:
 - Via the Job Centre where the Work Coach has identified a claimant requires support
 - Via an officer of the council

Between April 2018 and December 2018 there have been 223 referrals to the service and of those 134 were from the job centre.

Upon initial contact the Support Officer undertakes a face to face assessment with the resident to ascertain what their needs are. Our desired outcome of any referral would be for the resident to be able to access further support and help them to become more confident in approaching the Council in matters which may affect their tenancy. This will also improve their ability to become financially and socially independent in moving towards routes for employment and training.

- 5.9. Objectives are agreed in conjunction with the resident, so the Support Officer can measure success. On average assessments are undertaken within a week of referral.
- 5.10. Originally the service capacity for each officer was set at 25 and this has increased to 30 but remains flexible due to the varying complexities of each tenant requiring support. A waiting list has also been established which is triaged with the help of the referrer.
- 5.11. The Support Service is also intended to provide a pathway to other support agencies and/or services which will be able to continue the work which has been established by the service. There is no prescribed timeframe for "successful" delivery of a Support Service by the officer, but some guidelines are worked towards and discussed at one to ones that assist the Team Leader in effectively managing and accessing the levels of work and quality of service offered.

These targets are:

- At least 85% of tenants who, upon case closure, are satisfied with the support received by the Support Officer
- Cases will look to be closed within 90 days of being opened (multiple issues)
- Cases will look to be closed within 14 days of being opened (single issue)
- 30 cases (full referrals) will be managed by the Support Officer at any one time

- 5.12. The outcomes for the first 6 months of 2018/19 are:
 - 100% of customers rated the service as good or very good.

- 49 out of the 185 cases closed from April 18 were due to the tenant not engaging with the service
- 4/4 one off requests for service were completed within 14 days of the date case logged.

5.13. The Support Officer service has assisted with the financial independence of tenants and has accessed funding from a variety of different sources including Welfare Provisions and the Severn Trent Trust Fund. The service has contributed to accessing the following sums over its first 6 months of operation:

£41,076.18 of payments to rent accounts either through Housing Benefit or Discretionary Housing Payment.

£35,700.20 backdated Council Tax Benefit, Leicestershire Welfare Provision or grants direct to the tenant, for example, funeral grant.

£76,776.38 TOTAL

5.14 With effect from 1 April 2019 the DWP grant funding previously paid to NWLDC and used to fund the support officer provision has ceased, as DWP have commissioned the Citizens Advice Bureau (CAB) to provide this service at a national level. Locally this will reduce the capacity available to support people on UC, so the post has been funded from HRA resources as part of the 2019/20 budget. This will mean council tenants can still call upon this service, releasing capacity within the CAB contract to focus on supporting other UC claimants.

6.0. NEXT STEPS

6.1. As the UC migration rolls out across the district, we will continue to support and assist our customers in this transition. Several recent changes have been made to both the migration timetable and the administration of UC.

- A further 12-month delay in the timetable for the roll-out and managed migration of universal credit until the end of 2023. The managed migration process will start in July 2019 but on a very small scale involving around 10,000 claims. Volumes will increase during 2020 but large-scale managed migration will not commence until 2021 and the process is not now expected to be complete until December 2023.
- The current two-week housing benefit run-on will be extended to the other income related benefits (JSA/IS/ESA) for those transferred to universal credit under both the managed and natural migration process from July 2020.
- The minimum notice period for notifying the requirement to make a migration claim is increased from one month to three months.
- The maximum rate for deductions from universal credit for repayment of debts and loans will be reduced from 40% to 30% from October 2019 and the period for recovery of advance payments will be extended from 12 to 16 months from October 2021. A letter from the Minister of Employment to the Chair of the Work and Pensions confirmed that 55% of UC claimants are having deductions taken from their award in respect of debts.