



# Leicestershire Partnership Revenues & Benefits

## Universal Credit Rollout and Implications

## 1. PURPOSE OF THE REPORT

- 1.1 To provide an update with regard to Universal Credit Full service for each of the three partner authorities.
- 1.2 To provide an understanding of Full service for members, together with potential issues.

## 2. RECOMMENDATION

- 2.1 That the content of the report is noted.

## 3. BACKGROUND

- 3.1 The original aim for Universal Credit was for implementation fully over four years, intending to merge the six main existing means tested benefits into a single monthly payment, reduce the increasing benefit bill, simplify the system and ensure people are better off in work.

The six benefits are:

- Income-based Jobseekers Support
- Income-related Employment and Support Allowance
- Income Support,
- Working Tax Credit,
- Child Tax Credit
- Housing Benefit. (Housing Benefit is currently assessed (in part) and paid by local authorities).

It was intended there would be a controlled rollout to different groups of claimants, with those still in receipt of legacy benefits being the final group to migrate to Universal Credit.

The programme has been significantly delayed, and the rollout programme has been further amended to deliver a three stage delivery programme, seeing an accelerated programme for rollout to single claimants **only** being delivered during 2015. This is known as “live service”.

- 3.2 As part of this accelerated rollout, the jobs centres for the three partnership authorities went live with live service in 2015.

### LOCAL AUTHORITY

### DATE

Harborough District Council	23.2.15
Hinckley & Bosworth Borough Council	23.3.15
North West Leicestershire District Council.	28.9.15

Experience has now shown that whilst the three job centres are live, the impact on the authorities has been much lower than anticipated, and do not meet the predicated volumetrics supplied by the DWP. This has not been a true representation of what the live service will look like, or the impact on residents.

- 3.3 A ministerial statement in July 2016 confirmed further delays to the original programme and continuation of its successful rollout of five jobcentres a month to June 2018, followed by 55 jobcentres between October and December 2017. From February 2018 this will increase to 65 per month, finishing with the final 57 job centres in September 2018.

- 3.4 From July 2019 all remaining existing benefit claimants will migrate to the full Universal Credit service from July 2019 to be completed by March 2022. .
- 3.5 It is rumoured that LAs may take on more duties with regard to administering some of the work associated with state benefits for those over pensionable age, whilst also transferring CTS to the DWP. These are currently unconfirmed and make effective planning difficult.
- 3.6 As part of the second phase of rollout, dates have been given for HDC and HBBC to go live the service known as “**FULL**” service.

<u>LOCAL AUTHORITY</u>	<u>DATE</u>
Harborough District Council	30.11.16
Hinckley & Bosworth Borough Council	30.3.17
North West Leicestershire District Council.	TBC

At the point of authoring this document no date has been confirmed for NWLDC.

- 3.7 A brief overview of full service is detailed at appendix a.

It should be noted that it is the job centre that goes live with full service and not the local authority. The claimants postcode will determine whether they migrate to the full service and the job centre dealing with their claim. Currently only claimants who live in one of five postcodes for the Harborough Job Centre will move to the full service and accordingly from the 30 November 2016 any claimants wishing to apply for housing benefits must be directed to the relevant job centre.

HBBC are due to go live on full service on the 30 March 2017 but at the time of drafting this report we do not know which postcodes will be migrated .

- 3.8 A Delivery Partnership is in place with each of the authorities and the DWP, which details the services and assistance provided by the Council in relation to the delivery of Universal Credit support, including funding arrangements, the management information required by DWP and governance agreements for live service.

A new Delivery Partnership will be expected to be signed by each LA in advance of going live with full service; the funding now available is based on the experiences thus far from live service; when funding is claimed evidence will need to be provided to substantiate the claim. This is changing as currently a 12<sup>th</sup> of the annual amount is claimed on a monthly basis.

It should be noted that authorities that are in areas where full service is operational are reporting the funding is not enough to cover the work undertaken, and are operating at a loss in this area.

- 3.9 Council Tax Support Claims for those in receipt of Universal Credit will continue to be administered by Local Authorities, as well as Housing Benefit for claimants of pensionable age. Though pensioners in receipt of legacy benefits will transfer to pension credit when the Universal Credit programme has been completed, there is no detail available to understand the who and the how around this.

- 3.10 If a customer is currently in receipt of Universal Credit (live) they will have to make a claim to migrate to full service when requested.
- 3.11 The third phase will commence from July 2019 when all remaining working benefit claimants will migrate to the full Universal Credit service to be complete by March 2022.
- 3.12 The rollout should reduce the number of assessment staff required as the case load reduces, though experiences shared by other authorities suggest that the process is not yet refined as has a negative impact on all areas dealing with Universal Credit claims, the probability is this will not improve in the near future.
- 3.13 Currently anyone making a new claim for Universal Credit is being offered to apply for an advance payment. This is because of delays in processing occurring, which can be in the region of 7 weeks, broken down between 1 week waiting days, 4 weeks to complete assessment, 2 weeks until payment is made.  
This payment supports the claimant with emergency funds up until their first payment of Universal Credit.  
The Universal Credit advance payment is recovered from the claimants Universal Credit award over a 6 month period from the date of their first payment. Therefore, it can be up to 8 months until a claimant actually receives their monthly Universal Credit award at the correct level, due to the deductions made to clear the advance payment.

#### 4 Issues

ISSUE IDENTIFIED	MITIGATING ACTIONS
Claimants claim the wrong benefit at the wrong place at the wrong time.	All claimants that present to the local authority are checked via the postcode checker to include change of circumstances.  There is no mechanism that can be exercised for DWP staff
Activities exceed the funding available in the Delivery Partnership	Carefully manage all UC activities, and maintain a record of actual expenditure against the forecasted expenditure. Ensure there is early intervention if tolerances will be breached.  Review service delivery and amend agreement as appropriate
Increase in rent arrears.	Engage with tenants as soon as there is awareness of a UC claim.
Increase in overpayment	Continually review processes and any overpayments identified to ensure that any error in decision making doesn't sit with the authority.
Customer Services are unable to cope with increased demand for support	Maintain detailed records of interaction and ensure service contracted to deliver is that that is delivered.  Ensure decisions are adhered to, or will compromise service to other residents
Requirements for personal budget support exceed the	Robust records are maintained, and either remove this from the delivery agreement or go back to the DWP to negotiate

funding made available	additional funding.
More staff time is taken dealing with requests from the service centre than processing a claim	Robust records are maintained, and either remove this from the delivery agreement or go back to the DWP to negotiate additional funding
Inability to plan and budget for services due to the unknown factors	React as soon as any new information/intelligence is available. Where the impact is great escalate with evidence to higher officers in the DWP
Reductions to the admin grant do not reflect reductions in administration	Make representations via s151 officers to LGA, DWP etc
Inability to deliver services to other residents as staffing consumed dealing with UC claimants	Keep a continuous review of demand and services delivered and intervene early to take remedial action and decisions

### Full Service overview

Universal Credit full service will continue to transform the benefit system and brings with it a complete culture change.

DWP are transforming the benefits system by opening up work and providing more support than ever before, helping claimants live independently and keep more of what they earn.

Getting a job or becoming more self-sufficient will be the best choice for individuals and families because work will always make financial sense. It also gives people a sense of self worth and helps them fulfil their potential in society.

By sweeping away the barriers to work, Universal Credit will lift households out of poverty, encourage personal responsibility and reduce welfare. Full Service is a digital service but the term 'digital' is not used in the title as it is perceived to be a potential barrier for bringing claimants on-board.

We are now going to look at some of the key differences between the live service and full service.

The current Live Service has a number of gateway conditions that exclude claimants with certain circumstances from making a new claim this will change under full service.

There are also a number of policy differences. It is built on a different IT platform and does not have any gateway conditions.

It is a much more interactive service. Claimants may manage their claim using an internet-enabled device such as a smartphone, tablet or PC. Claimants will also be able to report changes in circumstances on-line.

The key differences are:

- It is built on a different IT platform
- Does not have any gateway conditions
- Data Hub Housing Benefit stop notices and the MGP1 process
- Verifying rental costs from the Social Rented Sector (SRS)
- Managed payments of Housing costs and rent arrears to the SRS
- Requesting information from the Service Centre for Discretionary Housing Payments (DHP)

The Live service process of e-mailing the Service Centre to request UC award details will not apply to full service. Local Authorities are advised to check the Customer Information System (CIS) to confirm UC entitlement and/or request the award details directly from the claimant. Claimants can access award and payment details via their UC online Journal.

Accommodation Data Share to the LA will not apply to full service. The Service Centre will check directly with the Social Rented Sector as part of the Housing Cost verification and HB Stop Notice process.

UC full service is intended to make welfare benefits modern and easy to use.

The online service gives customers more independence as they are able to:

- make their claims online
- submit change of circumstances
- check on the live progress of their claim and payments
- message their work coach and arrange appointments.

Customers can also use tablets & smart phones to access the digital portal so they do not need access to a computer to access their UC account.

The claim is maintained via the claimant's journal, where they can message their work coach, the service centre and upload various documents, e.g.: CVs and other work search information. Similarly the work coach or service centre will contact the claimant via the journal also.

A text or email is sent to the claimant, advising them that a message has been left on their journal. This could be to confirm an appointment, to ask for further information, or to request that a claimant to do is completed.

*Failure to carry out a to-do can have an impact on the progress of their claim.*

As postcodes expand into a UC full service area, new claims to JSA (IB), ESA (IR), IS, Housing Benefit and Tax Credits are prohibited, and claimants who would normally be advised to claim one of these benefits should be advised to make an online claim to Universal Credit at [WWW.gov.uk/universalcredit](http://WWW.gov.uk/universalcredit).

This will also include any existing benefit claimants who experience certain changes in circumstances. This is known as natural migration. It is important claimants are directed to the above website to make an online claim.

The only time a working age person in a UC full service area can claim HB is when:

- The person is living in Specified Accommodation, OR
- The persons partner is of state Pension Credit Age ([Pension Age Calculator](#))

For Universal Credit if someone over the upper age limit forms a partnership with someone on Universal credit, the UC claimant can chose either to remain on UC or claim State Pension Credit & HB as a couple.

Please note: If a claimant is in receipt of any Tax Credits and does not claim another existing Legacy benefit they will not move onto UC full service.

*If a customer does not book their appointment within 7 days of making their UC claim online, the claim will be cancelled and they will need to reapply again online.*

Universal Credit will be paid in a different way to current benefits, it will be paid on a monthly basis, per single household and the claimant will pay their rent to the landlord themselves. This means that the claimants will have to manage their money in a different way.

If the claimant receives help with their rent this money will be included in their monthly payment and the claimant will be responsible for paying this money direct to the landlord.

Where the tenancy is Social Rented Sector or Local Authority Rented, the landlord will be contacted and asked to verify the claimant's housing costs directly. This also acts as notification that their tenant has made a claim for Universal Credit and will allow the landlord to offer additional support to their tenant from the start of their claim.

All claimants will be asked the PBS initial filter questions when the claimant attends their new claim interview or at any other appropriate point during their claim.

Claimants who need Money Advice but can help themselves will be given a Money Advice Service (MAS) leaflet with a telephone number and website address and encouraged to contact them

Claimants who need more intense Money Advice will be asked further PBS questions by their Work Coach.

The PBS questions will identify if the claimant needs an Alternative Payment Arrangement (APA) and whether to refer them to the Local Authority for Money Advice.

Some claimants will get APA and Money Advice.

Some claimants will just get Money Advice.

To refer to the LA for Money Advice, the Work Coach will:

- Contact LA to make an appointment with the claimant present
- Inform the claimant what to do next.
- Record it on the claimant commitment.

The money advice process filters claimants to direct them to the most suitable service and channel in the most efficient way.

Money Advice will be offered to claimants who need it.

Personal Budgeting Support questions:

Claimants would be asked as part of the Personal Budgeting Support process if they need help with managing their money because of the Universal Credit financial changes, they will be asked if they are in any arrears with rent or mortgage and whether they normally fall behind with paying bills or have recently been refused credit.

The work coach may refer a claimant for PBS to be provided by the LA or external provider, eg: Citizens Advice Bureau.

When deciding whether an Alternative Payment Arrangement is appropriate the Universal Credit Decision Maker will consider all the evidence and financial factors. The following list indicates the circumstances that will be considered when determining if an APA is appropriate.

Does (or is) the claimant:

- have drug / alcohol issues or have other addiction problems for example gambling
- have learning difficulties including problems with literacy and/or numeracy
- have severe / multiple debt problems
- homeless
- have domestic violence / abuse issues
- have current (and /or a history of) rent arrears / threat of eviction / repossession
- young, either 16-17 years old or a care leaver

NB: This list is not exhaustive

All claimants who have been considered for an Alternative Payment Arrangement (APA) will be referred to the Local Authority for Money Advice. We expect most Universal Credit claimants will receive the single monthly payment, taking responsibility for paying their own household bills including their rent on time.

It is recognised that some claimants will need extra support and so alternative payment arrangements including a managed payment of the UC housing cost to the landlord can be considered in some cases to help protect tenancies.

Managed payments will be considered on a case-by-case basis and can be requested by landlords as well as claimants. They can be considered on request from the start of the claim or during the claim if the claimant has accumulated rent arrears which will put their tenancy at risk.

*What are the key elements to consider?*



When a claimant has accumulated one month's rent arrears due to persistent underpayment, we will review the financial support they need and, if requested by the claimant or landlord, will consider making managed payments to their landlord if appropriate.

If a claimant has accrued two month's rent arrears, we will, if requested, pay the UC housing costs direct to the landlord and take steps to recover the rent arrears through deductions from their remaining UC payment.

Good practice for LAs to make small changes to their website to reflect current UC postcodes within their LA

If the claimant applies on line for HB and their postcode falls within the Full Service postcodes (the LA agent having checked either desk aids, gov.uk/universal-credit website, or their own updated website), they will need to be signposted to UC.

If a claimant presents to the LA face to face, or by phone and states they are unable to make a UC claim online, the LA will have to determine the reason why.

If the reason is because the claimant is socially vulnerable, eg: does not have a computer, smart phone or tablet, then the claimant can be signposted to attend a job centre and make their claim that way.

If they do not have the necessary skills to fully complete a claim online, telephone support can be given to the claimant by the UC service centre agent.

If the claimant is unable to leave their property, eg: is disabled or has caring responsibilities; the service centre agent may arrange a visit to make the claim within the claimant's home.

If the claimant is digitally vulnerable and does not have the skills necessary to make an online claim independently, then they will be asked if friends/family would be able to assist. If the claimant has no means of support then the agent will signpost for support from the LA and/or external support agencies that can provide assistance.