

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 7 MARCH 2017
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND
CULTURAL SERVICES)

UNIVERSAL CREDIT

1 Executive Summary

- 1.1 Cabinet were informed in October 2015 that Welwyn Hatfield Borough Council's benefit claimants would move over to Universal Credit from September 2015. This change only included new single people previously eligible for Jobseekers Allowance, including those with existing housing benefit and working tax credit claims. At the time the intention was to complete the roll out of Universal Credit across Great Britain by 2017, with the caseload continuing to build naturally thereafter.
- 1.2 The Department for Work & Pensions' (DWP) roll out has not progressed as planned but they have now published a timetable for the next stage of the roll out of Universal Credit across the country. The next stage of Universal Credit is scheduled to roll out to the Hatfield jobcentre in December 2017.

2 Recommendation(s)

- 2.1 That Cabinet note the contents of this report.

3 Explanation

- 3.1 Universal Credit will eventually replace the current benefit system and brings together housing benefit for working age people with other welfare benefits and tax credits. Universal Credit will be administered by the Department for Works & Pensions (DWP). Claims will normally be made online with alternative access kept to a minimum. Subsequent contact will also be online. Claimants will have access to an online account with details of their award and a facility for reporting changes of circumstances. Essentially Universal Credit eligibility rules will correspond to what a benefit claimant would previously have been entitled to and which Universal Credit replaces.
- 3.2 Universal Credit will be paid once a month in arrears, and not weekly. Maximum benefit will be paid to all those out of work with no other income. Those in work will have the maximum benefit tapered down using a single taper. The taper will reduce the amount of earnings that will be used to calculate Universal Credit entitlement at a rate of 63%, once earnings exceed the maximum Universal Credit level, plus the earnings disregard figures. This was mentioned in the Autumn Statement and will be reducing from the current taper of 65%. This means that for every £1.00 you earn, 63p will be ignored as income when calculating Universal Credit. Universal Credit will be assessed on a household basis, with the income and capital of both members of a couple being taken into account. There will be a new approach to earnings disregards, which includes maximum and minimum amounts for families in work involving a fairly complex calculation.

- 3.3 The first phase of the roll out in September 2015 was minimal and did not impact on our existing caseload. At the time our benefit caseload was 8,555, of which 321 were single claimants in receipt of jobseekers allowance, which was an indication of the small volume of new cases (not current cases) that in time would be applying for Universal Credit in the borough. Our current caseload is 8,273 of which 260 are single people in receipt of Job Seekers Allowance.
- 3.4 From December 2017, single people of working age who make a new claim for benefits will automatically receive Universal Credit and, in 2015/16, we had 57 such cases. Single working age recipients of housing benefit who have a break in their DWP benefit entitlement will also migrate onto Universal Credit. This is likely to start increasing the Universal Credit caseload but we are unable to provide the number of possible cases as this relates to data held by the DWP. The DWP has stated that all working age benefit claimants will be using the full Universal Credit service by March 2022. Existing benefit and tax credit claimants who do not have a change of circumstances will not be affected until July 2019 (up to March 2022).
- 3.5 Universal Credit in our borough will be administered by the Hatfield Jobcentre. The roll out of Universal Credit continues to be discussed internally through an officer group, made up of the Benefit Client team, the Housing and Community team and Sopra Steria. These discussions involve the work required to support claimants and what we will be required to deliver and meets regularly to discuss and plan for changes brought about by welfare reform.
- 3.6 The Council will have to provide support to Universal Credit Service Centre staff around housing cost issues that may arise. This has already been happening and will continue by:
- Identifying named points of contact.
 - Providing expertise for complex housing cost issues. This is provided by the benefit staff as part of the administration of housing benefit.
 - Responding to requests for information on Universal Credit claimants' current housing benefit claim status within 2 working days.
 - Completing and returning claimant data forms within 5 working days of receipt of the request. The non-return of the completed form may result in an incorrect Universal Credit award.
 - Providing management information on the different type of enquiries received.
- 3.7 The Council's benefit team will provide support to Universal Credit claimants with their on line claims. We will also provide them with access to a PC in our reception area should they wish to use this to complete their claim.
- 3.8 The DWP have provided us with an estimate of 5% of Universal Credit claimants will require personal budgeting support from us. If this estimate is correct on current numbers this would mean 15 claimants requiring support. Customers who request assistance with budgeting when contacting the Council are referred to the CAB. The number is minimal at this stage but this is not something we have expertise in and we have an arrangement in place to refer such cases to the CAB to provide personal budgeting support. These referrals are often made directly via the DWP. The CAB has an appointment system in place to provide support to Universal Credit referrals. There is some funding available to pay the CAB but this is very limited and will only fund ad hoc enquiries. The CAB also work out of

our reception area on an appointment basis. This has increased from two days a week to everyday.

Implications

4 Legal Implication(s)

- 4.1 The framework for Universal Credit is set out in Part 1 of the Welfare Reform Act 2012 which became law on 8 March 2012. The details are set out in the Universal Credit Regulations 2013.

5 Financial Implication(s)

- 5.1 There is some DWP funding available to cover set up and management costs but this is limited and is expected to cover any funding requested by the Council's benefit service provider, Sopra Steria and the CAB. There should not be any further costs incurred through this latest stage of the roll out of Universal Credit. The level of potential Universal Credit funding available for 2017/18 is shown below. We are expecting this to be increased from December 2017.

Description	Maximum Entitlement	Comments
Assisted Digital (Live Service)	£911	The DWP has estimated that 5% of those seeking to claim Universal Credit will need assisted digital support.
Personal Budgeting Support (Live Service)	£543	The DWP has estimated that 5% of those seeking to claim Universal Credit will need personal budgeting support.
Assisted Digital (Full Service)	£7,011	The DWP has estimated that 6% of those seeking to claim Universal Credit will need full assisted digital support.
Personal Budgeting Support (Full Service)	£8,271	The DWP has estimated that 7.5% of those seeking to claim Universal Credit will need personal budgeting support.
<u>Universal Credit Implementation Support</u>		Universal Credit Implementation Support will be paid via New Burdens payments
Management Support (Full & Live Service)	£17,097	This is to support Universal Credit Implementation
Support for complex housing cases (Full Service)	£1,884	This is to fund Local Authorities for the clerical process of providing further information for complex housing costs to Universal Credit.
Housing Benefit Stop Notices	£9,086	This is to fund Local Authorities for the clerical process of closing down a Housing benefit claim that has since migrated to Universal Credit
Payment Deduction Programme	£3,354	This is to fund Local Authorities for the clerical process attached to claimants with historical debt who have migrated to

		Universal Credit.
Total Universal Credit Funding	£48,157	

6 Risk Management Implications

- 6.1 There is a risk of disruption to benefit claimants who are often vulnerable people in society as a result of the DWP roll out of Universal Credit. This is expected to be minimal for these initial stages. There is also a risk of the roll-out creating an incentive for people to limit their working hours in order to keep receiving benefits.
- 6.2 There is a possibility that Universal Credit and housing benefit will both be in payment for the same period if there is a backlog in processing Universal Credit claims. Recovery of housing benefit overpayments will then become more difficult as the Council Benefit team (Sopra Steria) will not be able to make deductions from ongoing housing benefit. This facility will be removed once a claimant transfers to Universal Credit. The DWP have already confirmed that they will not be recovering housing benefit overpayments on behalf of local authorities. There is also the risk of accruing rent arrears. A Universal Credit claim is expected to take 44 days to process with 7 waiting days in which Universal Credit is not payable, and housing benefit will not also not be paid.
- 6.3 The last cases to go over to Universal Credit will be the residents that are likely to need the most support. They will have relied on benefits for years without any change in their circumstances and may experience difficulties migrating to Universal Credit.

7 Security and Terrorism Implication(s)

- 7.1 There are no security and terrorism implications with the recommendation in this report.

8 Procurement Implication(s)

- 8.1 There are none.

9 Climate Change Implication(s)

- 9.1 The proposals in this report will not impact on greenhouse gas emissions.

10 Link to Corporate Priorities

- 10.1 The subject of this report is linked to the Council's Corporate Priority: Engage with our communities and provide value for money.

11 Equality and Diversity

- 11.1 An Equality Impact Assessment has been carried out by the DWP. An initial impact assessment has been carried out on the Universal Credit changes in this report and there were not any differential impacts identified.

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Date February 2017