

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 10 JULY 2018
REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND
CULTURAL SERVICES)

UNIVERSAL CREDIT

1 Executive Summary

- 1.1 Cabinet were informed in November 2017 about the next stage of the Universal Credit roll out, which was scheduled for the Hatfield jobcentre from 6 December 2017. The Department for Works & Pensions (DWP) has stated that all working age benefit claimants will be using the full Universal Credit service by March 2022.
- 1.2 This report seeks to update Cabinet on the scheduled roll-out, and to recommend that the Citizens Advice Bureau provide a Personal Budgeting Support Service on behalf of the Council.
- 1.3 Universal Credit is a DWP social security benefit and local councils do not have any control over the administration of the scheme, the level of Universal Credit awarded or the length of time it will take to process an application.
- 1.4 Welwyn Hatfield Borough Council's role is to advise and support our residents with completing a claim form, and signposting them to the DWP or appropriate support services. Universal Credit does not affect pensioners.

2 Recommendation(s)

- 2.1 That Cabinet note the contents of this report.
- 2.2 That Cabinet agree to provide £21,000 of DWP funding to Citizen's Advice (CAB) who will have an officer based at the Hatfield Job Centre providing personal budgeting support to Universal Credit claimants.

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. The scheme is managed by DWP and from December 2017 single people of working age who have a new claim for benefit or have had a break in their claim have received Universal Credit.
- 3.2 Universal Credit has also rolled out to new claims from working age families with up to two children and since December 2017 housing benefit claimants have migrated to Universal Credit where there has been a change of circumstances.
- 3.3 Universal Credit is paid once a month in arrears, and not weekly. Maximum Universal Credit is paid to all those out of work with no other income. Those in

work will have their Universal Credit award tapered down, with the taper directly linked to the claimant's earnings.

- 3.4 Initial reports stated that a Universal Credit claim would take 6 weeks to process including the 7 waiting days in which Universal Credit is not payable, but the 7 days waiting days has now been abolished.
- 3.5 There were also concerns raised over the length of time Universal Credit claims took to process and this has been addressed by the DWP who now offer advance payments of 100%.
- 3.6 Since the rollout of Universal Credit the Council's benefit team has provided as much advice as possible and signposted customers to the relevant agencies. The CAB advisors and Council housing officers have also raised awareness of this facility to help combat hardship and rent arrears building up. However, we have been careful with our advice on advanced payments as this is a DWP decision.
- 3.7 There has been an increase in correspondence since the December 2017 roll out of the full service. Universal Credit has generated an additional 2,301 pieces of correspondence, between 6 December 2017 and 31 March 2018, compared to the same period last year.
- 3.8 These changes we are notified of need to be reflected in the council tax support (CTS) award calculation, which involves recalculating CTS for the claimants.
- 3.9 Whilst overall, we have had less new housing benefit claims to deal with, we still receive more complex cases which take a longer time, and fewer claims which we are able to process within a couple of days. We continue to receive claims for CTS, and whilst housing benefit workloads are slowly starting to reduce, there is an increase in correspondence for CTS cases.
- 3.4 Universal Credit in the Borough will be administered by the Hatfield Jobcentre. The roll out of Universal Credit continues to be discussed regularly through an internal officer group, made up of the Benefit Client team, the Housing and Community team and Sopra Steria and CAB.
- 3.5 These discussions focus on the work required to support claimants, what we will be required to deliver, and plan for changes brought about by welfare reform. Our housing benefit staff have been advising all the residents they meet in person and on the telephone about Universal Credit changes. The council's Housing and Community team continues to facilitate the sharing of information about these changes with partners via the Community Inclusion Partnership (CIP).
- 3.6 We have been working with CAB about Universal Credit and how we can improve the resident's transition to Universal Credit by providing personal budgeting support (PBS) as well additional support for residents to set up email addresses or a bank account which are all essential conditions the resident must meet to claim Universal Credit.
- 3.7 DWP require Personal Budgeting Support to claimants referred for such support by the Jobcentre. Funding has been provided to Local authorities to facilitate this activity.

- 3.8 As the CAB already provide areas of financial support to individuals, and provide this service in other areas, temporary arrangements have been made with the CAB to have one of their officers based in the Hatfield Job Centre at least one day a week, with a further day surgery at the CAB Offices in Queensway House, Hatfield. The second day may be provided at the Jobcentre should Cab and the Jobcentre feel this is more appropriate.
- 3.9 These temporary arrangements are in place until the end of June, to allow formal award of funding by Cabinet for the full financial year. The funding received from DWP is £21k and it is proposed that this full amount be passed to CAB to provide the support service.
- 3.10 This approach will enable residents to receive PBS whilst they are in the job centre discussing their Universal Credit application, so they will not need to be separately referred by the benefit team.
- 3.11 The CAB are the experts in providing financial assistance and we need to use their expertise to assist those residents needing financial support. Between December 2017 and March 2018 we have referred 76 residents for PBS and this number is expected to rise in 2018/19. The CAB continue to work out of our reception area on an appointment basis.

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 We have received £31k Universal Credit new burdens funding to date. Additional funding of up to £48k is also available to cover management costs, but this is limited and it is expected that this will cover any additional funding requirements by the Council's benefit service provider, Sopra Steria, and the CAB.
- 5.2 Current tenant arrears levels are expected to increase, anticipated to be in excess of 50% of the current £1.14 millions arrears owed. This would push our current arrears levels up to £1.7 million.

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. 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.

- 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.
- 6.4 The migration of large numbers of housing benefit recipients to Universal Credit is likely to see an increase in rent arrears, both for Council properties and Registered Social Landlord properties. Once awarded the payment of Universal Credit in respect of housing costs will be made monthly in arrears. This waiting period could result in significant increases in applications for discretionary housing payments.
- 6.5 The council could see a rise in homeless applications as a result of the roll out, due to the delay in claimant's receiving payments, which may lead to a build of rent arrears. The teams work hard to ensure that staff are knowledgeable about the system and the help available to claimants; we also maintain a Directory of Crisis Services, including foodbanks, where we sign post customers.
- 6.6 Although Universal Credit is a DWP scheme there is a reputational risk to the Council with the roll out of the scheme and the possible delays our residents could face with receiving their Universal Credit payments.

7 Security & 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 and there were not any differential impacts identified.

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