



Report Reference Number: PR/20/8

To: Policy Review Committee
Date: 12 January 2021
Status: Non-key Decision
Ward(s) Affected: All
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Lead Executive Member: Councillor C Lunn, Lead Councillor for Finance and Resources
Lead Officer: June Rothwell, Head of Operational Services

Title: Universal Credit Update

Summary:

Universal Credit Full Service was introduced in the Selby District in May 2018. Claim numbers have continued to rise in the District due to the natural migration of customers onto the benefit. The Council continues to support customers who transition onto Universal Credit. This report provides an update on Universal Credit in the District and any changes relating to ongoing COVID-19 situation.

Recommendations:

The Committee are asked to consider the content of the report, note any changes, and make any comments on Universal Credit.

Reasons for recommendation:

That Councillors note the impact of Universal Credit and consider if this should be the last update now this benefit has become well established and embedded in daily working practices.

1. Introduction and background

- 1.1 Universal Credit (UC) is a single monthly payment that replaces six existing working age ('legacy') benefits: Housing Benefit, Child Tax Credit, Working Tax Credit, Income Support, Income-based Job Seeker's Allowance (JSA), Income-related Employment and Support Allowance (ESA).
- 1.2 Universal Credit Full Service was rolled out across the country by the end of 2018 and all new claimants, and existing benefit claimants who have had a

change of circumstances are now required to make a claim for UC. All remaining residents on 'legacy benefits' were expected to be transitioned onto UC by the end of 2024. A Department for Work and Pensions pilot on this process started in July 2019 in Harrogate but it was suspended due to the COVID-19 crisis and it is not yet known if it will restart. It is likely to be some time before the government progresses any further with the managed migration.

- 1.3 As UC is now the only option for any working-age individual or family wishing to apply for a means-tested benefit the numbers have continued to rise nationally, particularly since the COVID-19 crisis. Nationally the numbers of claimants to UC was approx. 3 million in March 2020 and latest figures show there are over 6 million claimants of UC now.

2. Universal Credit policy updates

- 2.1 There have been some changes to UC policy over the recent months, some were pre-planned, and others have been in response to the COVID-19 crisis and national lockdown.
- 2.2 In late 2019 the Government announced that working-age benefits such as UC and Jobseekers Allowance would rise by 1.7% from April 2020, this ended a 4-year benefit freeze on working age benefits.
- 2.3 From July 2020, Income Support, Jobseeker's Allowance (Income-Based), and Employment and Support Allowance (Income-Related) claimants now receive a two-week run-on of those benefits during their transition to Universal Credit. This means the benefit is paid for an additional two-week period beyond the actual end date that the benefit ends, and they move to Universal Credit. The two-week run-on of Housing Benefits for claimants who naturally migrate to UC has been in place since April 2018.
- 2.4 Some additional measures were announced by the government at the start of lockdown to help mitigate the financial impacts of COVID-19. The standard rate for Universal Credit and Tax Credits was further increased by £20 a week for one year from 6 April 2020 in response to COVID-19, it is not yet known if this increase will continue beyond April 2021.
- 2.5 From 1 April 2020 Local Housing Allowance figures increased to cover at least 30 per cent of market rent in local areas. The Local Housing Allowance rates are used to calculate Housing Benefit or the Housing Costs part of UC for tenants renting from private landlords.

2. The impact of Universal Credit in the Selby District

- 2.1 UC has a significant impact on the residents of the District and the national rise in numbers can also be seen in Selby. In October 2019 there were 1936 recipients of UC in the Selby Jobcentre Plus area, in October 2020 the latest figures show 4131 claimants in receipt of UC.

- 2.2 These increased numbers can be seen in claims for Council Tax Support (CTS) to help residents with their Council Tax cost. In October 2019, the caseload for CTS was 4364 and in October 2020 the caseload was 4705 claims.
- 2.3 As part of the measures to help with the economic impacts of COVID-19 the Council received a £535,000.00 Hardship fund to provide an additional £150.00 rebate on the Council Tax charge for those of working age in receipt of CTS, so far this has been used for assistance for 2254 claimants with £315,000 of the funding used. The £150.00 will continue to be given to new claimants up until March 2021.
- 2.4 Council tenants who claim UC will receive the housing element automatically to themselves within the UC payment. The Rents team work quickly to identify those tenants in arrears in receipt of UC and can request a Alternative Payment Arrangement (APA), this means the housing element of the UC is paid directly to the Council as the landlord. This process is done through an online portal and recovery of arrears then become easier for the team to manage.
- 2.5 The Councils Housing Options team describe some difficulties with individuals who transition from legacy benefits such as housing benefit to UC, with increased timescales in getting decisions made, no ability to speak to decision makers and refusal to pay housing elements in certain circumstances which have led to increased homelessness situations with some customers.
- 2.6 The Help to Claim Service, which helps customers make an application for UC and up to receipt of their first payment is still provided locally by Citizens Advice and they have continued to support residents through a telephone based service through the COVID-19 restrictions. They also continue to provide a dedicated line for debt advice to residents. The Selby District AVS continues to do a lot of activity supporting people to move into work and maintains strong links to the Jobcentre Plus who refer clients to them.

3. Implications

3.1 Legal Implications

Not applicable.

3.2 Financial Implications

Not applicable.

3.3 Policy and Risk Implications

Not applicable.

3.4 Corporate Plan Implications

- 3.4.1 The continued partnership approach to supporting UC claimants is contributing to delivery of the Corporate Plan priorities to 'make a difference' and 'enjoy life' combined with the Council's values to be customer focused, forward thinking and work as one team Selby.

3.5 Equalities Impact Assessment

- 3.5.1 The Impact assessment about Universal Credit introduced under the Welfare Reform Act 2012 was published in December 2012.

4. Conclusion

- 4.1 Universal Credit and the wider benefits system will be part of the Government's overall policy response to prevent financial hardship and support for people back into employment as part of the economic recovery and the authority will continue to assist its residents with this.

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