



Report Reference Number: PR/18/3

To: Policy and Review Committee
Date: 11 September 2018
Status: Non-Key Decision
Ward(s) Affected: All
Author: Drew Fussey, Customer, Business and Revenue Service Manager
Lead Executive Member: Councillor Chris Pearson, Lead Executive Member for Housing, Health and Culture
Lead Officer: June Rothwell, Head of Operational Services

Title: Universal Credit Update

Summary:

Universal Credit Full Service (UCFS) went live at Selby Job Centre (which covers the majority of postcodes in the district) on 30 May 2018. To date, due to it only being new working age people that are required to claim Universal Credit (UC) the volume of claimants is very low. As a result the impact on Council services, partners and the community and voluntary sector is negligible after the first two months of going live.

Recommendations:

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

Reasons for recommendation

That Councillors note the impact of UCFS since going live on the 30 May 2018.

1. Introduction and background

- 1.1** The Council's 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 have influenced and informed the Council's approach to support residents and tenants to claim and manage their Universal Credit (UC) entitlement.
- 1.2** A full explanation of UC and how the Council will "Make Every Contact Count" to reduce the risk of hardship for those needing to claim UC, and mitigating the likely rise in HRA arrears was presented to committee on the 17 April 2018 (available as a background document).

1.3 This report will provide Councillors with an update on the impact of UC on Council services, partners and the community and voluntary sector following going UCFS on 30 May 2018.

2. The impact of Universal Credit Full Service; the first 2 months

2.1 Feedback from the Department for Work and Pensions (DWP) reports Selby Jobcentre has 336 UC claimants up to the 1st August. The transition from the Legacy benefits is going as expected. With only a few teething issues the DWP are happy and have reported that SDCs approach to the UCFS rollout, working closely with the DWP and partners, has ensured a smooth, supportive path for new UC claimants.

2.2 Feedback from Selby District Council (SDC) Services:

2.3 *SDC Housing Support Team* (responsible for collecting rent) is currently not experiencing any delays with UC claims being processed with the DWP keeping to their timescales. As a trusted DWP partner the team can use the DWP landlord portal to access housing verification forms and request payments for the customers rent element and/or arrears payments which is working well. Unfortunately, at this time, it is not possible to produce reports for differentiating UC claimants rent arrears from other arrears. The Council's Data & Systems team are working on resolving the technical issues.

2.4 *SDC Neighbourhood Officer Team* report no significant issues. There have been some isolated cases that have caused complications, for example a tenant who did not want to take the tenancy due to moving on to Universal Credit. This was a good example of 'make every contact count' with all Neighbourhood Officer's trained the Officer was able to explain the general process and signpost to the Contact Centre for further support. The tenant has now moved in. A more complex example was a housing application from a Horton Housing managed caravan site - Housing Benefit used to pay contributions for both pitch and caravan but now UC will only pay for the pitch. This is a concern as potentially it could become a homeless situation if the UC claimant is unable to afford all the site fees.

2.5 *SDC Housing Options Team* have not seen any change in those presenting as potentially homeless or homeless at this early stage. Over the coming months the team will monitor all presentations so they are able to identify any impact as a result of UC. Currently the team is focused on implementing the Homeless Reduction Act, introduced in April this year ensuring they respond to customers' needs correctly as defined by the new legislation.

2.6 *SDC Customer Contact Centre (CCC)* has received 12 referrals from Selby Job Centre for Digital Support and Budgeting Support in the first two months. 4 Referrals in June and 8 in July demonstrate the expected growth in referrals. In addition the CCC has supported customers who need a little help on the public machines. This work is in addition to the CCC normal workload and is currently being managed within capacity and maintaining KPIs. The Customer Services

Manager will continue to monitor the referrals and impact to ensure the right resource is in place to maintain overall customer standards and experience.

- 2.7** With regards to general enquires, the CCC report more calls than anticipated regarding UC. Advisors have been able to guide customers to either UC or HB using training tools developed by the CCC team with great success. The whole team are very mindful that no one slips through the net so are checking postcodes, double checking with colleagues and benefit specialists if unsure. Again demonstrating the 'one team Selby' approach to 'make every contact count'.
- 2.8** *SDC Benefits and Taxation Team* have started to see a reduction in caseload. In July 2018 our Housing Benefit caseload had reduced by 242 claims (6.6%) compared to August 2017. The combined Housing Benefit/ Council Tax Support (CTS) caseload had reduced by 192 claims (3.9%). The combined caseload reduction is lower because many UC claimants will still be entitled to CTS if they have a liability to pay Council Tax.
- 2.9** However, as expected, the workload generated by UC has increased. From 13/09/17 to 29/05/18 on average 26 UC documents required action from the team. From 30/05/18 this has increased to an average of 83 documents per week, an increase of 319%. This will keep rising with the number of people going onto UC as reported by Ryedale, Harrogate and Richmondshire that have all had increases of over 1000% having been UCFS for over a year.
- 2.10** More positively the changes in UC legislation introduced in the 2017 autumn statement have now been implemented. Claimants who move from Housing Benefit to UC now receive an extra 2 weeks Housing Benefit payable at the maximum award rate. This has no impact on workload and supports tenants in their migration to UC, reducing the likelihood of rent arrears. Also temporary accommodation has been taken out of UC so Housing Benefit is still administered by the team. This is positive because the Council will receive direct payments of Housing Benefit for its temporary accommodation.
- 2.11** Feedback from the community and voluntary sector:
- 2.12** *Selby Big Local* are working with Community First Credit Union to give residents in Selby the opportunity to access local financial support. A credit union worker is being funded to do 17.5 hours a week in the Big Local area. This initiative is just starting so the impact regarding UC is unknown.
- 2.13** *Citizens Advice* have seen little impact as a direct result of UCFS in the district but expect this will change as more people start having to claim UC over the coming months.
- 2.14** Selby & District Foodbank report a marked increase of Clients with vouchers stating they are having delays with their benefits. When talking with the Clients, it appears some of this is due to a changeover from the legacy benefits to UCFS resulting at least a three week delay in receiving any money during the transition. There should be an improvement once this transition period has taken place and

all existing Clients on benefits migrate to UCFS. The issue identified by the foodbank is, in addition to the hardship caused by the migration, is the mental strain on the clients of the uncertainty whilst they wait for their UCFS to start.

3. Future Implications of UC

- 3.1** Looking ahead for the next 12 - 18 months; on 1st August DWP started to transfer the 221Live UC Service customers to Full Service. Unfortunately, Claimants have to resubmit a new claim. This will require Operational Services to re-verify customers housing costs. Whilst this doesn't affect many of our tenants it may cause some disruption in rent payments until all their new claims are processed and payments are received. The full migration to UC is expected to start in 2019 and be completed by 2023 but nothing has been confirmed by the DWP.
- 3.2** The UC working group will meet quarterly to monitor UC rollout. This will ensure any issues are identified early and action taken to mitigate the impact on Council services whilst helping to reduce hardship, sustain tenancies and safeguard its reputation helping make Selby district a great place to live.

4. Legal Implications

Not applicable.

5. Financial Implications

- 5.1** Although there is an expectation that HRA arrears will rise there is little evidence of UC impacting on rent arrears at this time. As the migration to UC increases it is anticipated arrears will increase but the impact may not be as significant as predicted due to the changes made to UC in the 2017 autumn statement. (see background paper)
- 5.2** As a trusted DWP partner the Housing Support team is able to use the DWP landlord portal. This helps speed up access to housing verification forms and allows the team to request direct payments for the customers rent element of UC and/or arrears payments which is working well.

6. Policy and Risk Implications

Not applicable.

7. Corporate Plan Implications

- 7.1** The coordinated partnership approach 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.

8. Resource Implications

- 8.1** The impact of UCFS will be monitored quarterly via the UC working group. The group was established in January 2018 to ensure Council services, in conjunction with relevant partners, are coordinated to reduce the well documented risks that have been identified as UC has been rolled out nationally.
- 8.2** Any resource implications identified will be reported to senior management along with proposals to mitigate any pressure where possible from existing resources. If additional funding is required normal operational procedures will be followed but such a request is not anticipated.

9. Other Implications

Not applicable.

10 Equalities Impact Assessment

- 10.1** The Impact assessment about Universal Credit introduced under the Welfare Reform Act 2012 was published in December 2012. It is available on the government website: <https://www.gov.uk/government/publications/universal-credit-impact-assessment>

11. Conclusion

- 11.1** The long term impact of UCFS on the District is difficult to predict, especially in light of the Autumn Statement changes. However, this report has used the latest information available taken from a number of sources to try to provide an update following two months of UCFS. As predicted, the transition to UC is slow, incrementally building over the months ahead. The UC working group will continue to meet quarterly to enable services areas to monitor progress and coordinate a response, with partners, if issues arise.

12. Background Documents

17 April 2018; Policy Review Committee report: The Council's approach to support residents and tenants to claim and manage their Universal Credit (UC) entitlement.

13. Appendices

None.

Contact Officer:

Drew Fussey
Customer Business and Revenue Service Manager
Selby District Council
Ext: 42151
dfussey@selby.gov.uk