

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: Universal Credit Roll Out	
From: HEAD OF REVENUE SERVICES			
Date: 16 February 2015	Ref:- BC / PD		

## 1 Introduction

- 1.1 The Department for Works and Pensions (DWP) is introducing Universal Credit (UC) to replace the following six means tested benefits for working age households. Income Support, Job Seekers Income Based, Employment Support Allowance Income Based, Working Tax Credits, Child Tax Credits and Housing Benefit.
- 1.2 UC was initially implemented in specific pilot sites and at specific target groups. DWP are rolling out the new benefit nationally in tranches initially focusing on specific claimant groups with the eventual migration of all legacy benefits to Universal Credit planned by 2019.
- 1.3 DWP informed all Local Authorities in September 2014 that Universal Credit will be rolled out to all Jobcentres and Local Authorities in 2015/16. This phased activity is to commence in February 2015.

## 2 Roll Out For NLC Residents

- 2.1 DWP have confirmed that as part of the national roll out process, North Lanarkshire Council will be in the first tranche.
- 2.2 UC will be introduced in North Lanarkshire from 9 March 2015.
- 2.3 Initially only single claimants will be eligible to claim UC. However it will include single people with housing costs, although single people with mortgages will not claim Universal Credit.
- 2.4 Due to IT issues not all of the claimants in North Lanarkshire will be able to claim Universal Credit. DWP IT systems cannot identify or break down post codes to differentiate between addresses in a post code sub group where the code covers two local authority areas. For example any address in North Lanarkshire which has a Glasgow post code G69 7 will not be able to claim Universal Credit. Claimants in these specific post codes will be subject to UC when the benefit is rolled out to our neighbouring authorities.
- 2.5 DWP estimate the level of claims in the first year to be 5,780 as detailed below.

Month	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Claims	341	550	393	432	520	451	510	432	315	460	530	423	423

### **3 Payment of UC**

- 3.1 UC is paid in arrears. The payment received is based on the claimant's circumstances in the previous month.
- 3.2 The first payment will not be received until one month and seven days after the claim date. (One month assessment period and payment made seven days after.)
- 3.3 Claimants can make a request to DWP for a UC advance. This will be recovered from subsequent payments.

### **4 Claimant Journey**

- 4.1 Claimants are expected to apply for UC online. Only in exceptional circumstances can claims be made over the telephone or face to face.
- 4.2 The online claim is submitted to the UC Service Centre who in turn will telephone the applicant to arrange an interview at their local job centre.
- 4.3 At the Job Centre the claimant will sign their application, provide evidence to support the claim and sign up to the claimant commitment.
- 4.4 The application and evidence is returned to the service centre which will trigger the processing of the claim.
- 4.5 The claimant will be required to attend the Job Centre to undertake specific work related activity and to assess adherence to the claimant commitment.
- 4.6 Any change of circumstances in relation to the claim is reported to the UC Service Centre.

### **5 Delivery Of Universal Support**

- 5.1 Officers from the Council met with DWP on 6<sup>th</sup> January where the DWP set out their view of the Universal Support Framework.
- 5.2 The following specific areas of support are included in the proposed Delivery Partnership Agreement. Digital online support, personal budgeting support and housing costs support.
- 5.3 Digital support is sought only to the extent of enabling the claimant to make an online application. DWP estimate in the first year 289 customers will be referred for support and the support session to last on average one hour.
- 5.4 Initially it is proposed this support will be available at Motherwell, Coatbridge and Cumbernauld FSS will consist of a Benefits Officer assisting applicants make an on line claim for UC. In addition the Officer will also assist the customer in making a claim for Council Tax Reduction Scheme.
- 5.5 Current facilities in the First Stop Shop will support the number of claimants estimated to require assistance in this first tranche. However as the number of people eligible to claim UC increases there will be a higher demand on this Service and additional facilities required to meet this demand. This would need to be taken into consideration if when the DPA is renegotiated.

- 5.6 DWP advised that experience in the areas already dealing with UC has shown a low uptake of budgeting support. As such, the decision to refer a customer for support will lie with the DWP Job Coach. Initially the customer will be referred to online assistance. If this is not deemed appropriate for the particular client they will be referred to the Local Authority. DWP estimate 217 straight forward cases will be referred in the first year with support sessions lasting on average two hours and 72 more complex cases which will require on average a six hour support session.
- 5.7 DWP envisage this support to be channelled through phone contact, face to face sessions and a mix of both. The Money Advisor will determine the most appropriate channel.
- 5.8 The advice provided to customers under the DPA would include the following
- understanding key UC financial changes,
  - how to work out monthly income / outgoings,
  - completing a budget plan,
  - opening a bank account,
  - setting up direct debit
  - understanding priority bills.
- 5.9 Under the agreement the Council will be required to report the outcome of the sessions to DWP, including whether a particular customer has attended and completed the sessions. This support will be included in the claimant commitment which all UC claimants must sign up to. Failure to attend sessions potentially could lead to a sanction and loss of benefit to the claimant.
- 5.10 As part of the agreement DWP have requested assistance in relation to housing costs from NLC Housing Benefit Team. They estimate assistance will be required in 1156 cases where additional information will be required to determine UC housing costs.

## **6 Learning and Development Pack**

- 6.1 DWP have developed a Learning and Development presentation. The presentation is designed for Local Authority Staff. DWP have requested that this is jointly presented with NLC Officers. It will be presented to around 50 NLC staff.
- 6.2 The areas covered in the presentation include
- Universal Credit Overview
  - Evidence Handling
  - Personal Budgeting Support
  - Managed Payment of the Housing Element to Landlords
  - Data Share arrangements
  - Migration
  - Universal Credit advance payments.

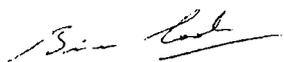
## **7 Ongoing Engagement with DWP**

- 7.1 Negotiations will continue with DWP in relation to the UC Support Delivery Partnership Agreement including the funding level.
- 7.2 Further consideration will be required around the impact and risk for LA Services out with those specified within the delivery agreement. Examples detailed below.

- 7.2.1 UC will be paid in arrears and direct to the claimant impacting on rent collections.
- 7.2.2 Other areas of concern include the ability of DWP to process alternative payment arrangements (APA) where rent is paid to the Landlord and not direct to the tenant. As UC is rolled out nationally the increase in applications may result in APA not being implemented at the point of application worsening the arrears situation for that particular tenant.
- 7.2.3 There will also be additional administrative burdens placed on Housing Services in respect of annual rental increases. Each claimant is responsible for notifying the UC Service Centre of a change of circumstances. They will be required to post a copy of rent statement to DWP. Where they fail to provide this evidence and have signed a data sharing mandate DWP will contact the Landlord for this information on a case by case basis.
- 7.2.4 The Money Advice Team will deal with referrals from DWP who will pay an agreed set fee for this service. This will not account for additional resources required if the advisor deems further assistance is required out with the 2 and 6 hours sessions deemed necessary by DWP.
- 7.2.5 As UC is rolled out the demand for money advice will increase causing resource issues for the Council and third sector partners.
- 7.2.6 First Stop Shop will see an increased footfall in relation to UC.
- 7.2.7 There will also be a potential impact on Scottish Welfare Fund due to assessment period for UC and inability of some customers to manage their UC payment.
- 7.2.8 As UC is claimed online there is the potential for an increase on the digital services within libraries from claimants who have no access to a pc.
- 7.3 As part of the recent changes to data sharing regulations DWP will notify the Council of all UC applicants who have expressed an intention to apply for CTRS.
- 7.4 All Landlords will be notified when a tenant is awarded UC. Further detail will be required in respect of the information to be passed and timing of this in respect of NLC tenants.

## **8 Recommendation**

- 8.1 The Committee is asked to note the contents of the report.



Head of Revenue Services

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Tel: - 01698 – 403929.