



Universal Credit Update – Community Engagement Forum 09 July 2019

Key points about Universal Credit

- It is administered by The DWP not by Local Authorities.
- It will eventually replace “Legacy Benefits” (Housing Benefit, Tax Credits, JSA, ESA, and Income Support) with one single claim/payment.
- It only applies to new claims and certain changes at present so those receiving legacy benefits will remain on them unless there is a change.
- It does not apply to single claimants who are of pension age or couples where both are of pension age.
- It applies to most working age claimants and mixed age couples (where one is working age and one is pension age (please see note below).
- Claimants receiving the Severe Disability premium in their legacy benefit payments cannot move to Universal Credit yet. This is to provide protection for these claimants as they would be worse off as Universal Credit does not include the Severe Disability premium.
- It is paid monthly in arrears with the first payment usually made after 5 weeks.
- Advance payments can be made but will need to be paid back each month over 12 months.
- Eventually most Legacy Benefit claims will move to Universal Credit. This is known as “managed migration”.
- DWP are aiming to complete this “managed migration” by December 2023. A pilot will start in July 2019 at Harrogate. It is not known when Oadby and Wigston will be affected.
- Housing Benefit will still be paid for Temporary (Homeless) and Supported Accommodation.
- Council, Housing Association and Private Tenants will normally have their Housing Costs paid in with the one “lump sum” payment so it’s important they make arrangements to pay their rent.
- Direct payments can be made to landlords but only in certain circumstances (such as history of arrears, debt problems etc).
- Universal Credit does not include Council Tax Support or Free School Meals so it’s important to make sure these are claimed.

Changes to Universal Credit

- Prior to 15 May 2019 mixed age couples (where one person is pension age and the other is working age) could choose whether to claim Universal Credit or to claim Pension Credit / Housing Benefit. From 15 May 2019 they do not have the choice and must claim Universal Credit. Concerns have been raised nationally that this will make these claimants worse off. It will not affect single claimants of pension age or couples where both are pension age. Mixed age couples who currently receive Pension Credit / Housing Benefit will not be affected until they move to Universal Credit through a change in their circumstances or through “managed migration”. Couples who become mixed age will move to Universal Credit. Claimants will be contacted by the DWP if they are affected.
- On 01 April 2019 a new service called “Help to Claim” was introduced by the DWP. The service is funded by the Government and provided by Citizens Advice. It aims to provide a consistent approach nationally to help claimants to make a claim and receive payments for Universal Credit. Referrals to the service will be made by Job Centres, Local Authorities, and other organisations or by self-referral. Help will be provided on-line, by phone or face to face. More information can be found on the Citizens Advice website <https://citizensadviceleicestershire.org/> The service is not compulsory and claimants can still seek advice from other organisations.

How you can help claimants

- Help them claim Universal Credit
- Help them claim Council Tax Support and Free School meals.
- Help them claim Discretionary Housing Payments and Discretionary Council Tax Support.
- Advise them of Advance payments (but caution - it has to be paid back)
- Refer them for Managing money / debt advice where required.
- Advise them to set up standing orders or direct debits to pay regular bills such as rent and Council Tax.

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Customer Services team

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Website (which includes links to DWP / Gov.uk sites)

https://www.oadby-wigston.gov.uk/universal_credit

Number of UC claimants

- There are approximately 300 people receiving Universal Credit in Oadby and Wigston
- 175 tenants (Private, Council and Housing Associations) receiving housing costs through Universal Credit.
- Ultimately around 700 will move from Housing Benefit to Universal Credit but there will also be other people who receive legacy benefits but not housing benefit. .
- Figures are approximate and will increase month by month as new claims are made.

Moving people into work and off benefits

- The aim of Universal Credit is to move people into work and off benefits.
- There is no clear information as to whether this is effective locally although nationally the number of people in work has increased although this will include zero hour contracts and seasonal work.

Claiming Universal credit

- Making a claim is “digital by default” and this has caused problems for claimants as the process can prove complicated.
- There is also confusion as to whether UC or HB should be claimed which has been made worse by recent changes.
- In addition claims are only usually counted as made when the form is completed (this is different to HB when the “first contact” counts as the claim date.
- Assistant is available via the “Help to Claim” service by Citizens Advice or from other agencies.

Payments

- Delays to payments are a major criticism of Universal Credit.
- Advance payments have been made more available to help with this but it’s important to remember that these have to be paid back each month.

Claiming other benefits

- Universal Credit does not include Council tax Support or Free School meals so these have to be claimed separately.
- There are concerns that this will impact on take-up but we are promoting these benefits and so far there has been no significant impact.

Rent arrears

- Payments towards Housing Costs are usually paid in the “lump sum” and tenants have to make arrangements to pay their rent whereas housing benefit is normally paid direct for Housing Associations and the Council.
- This has led to more work for Housing Associations and Councils having to do more work to collect rent and support tenants and delays in payments have resulted in increased rent arrears.
- At OWBC rent arrears have increased by 30% since Universal Credit was introduced and UC claimants account for around 35% of rent arrears but only 20% of the tenants in arrears.
- Tenants are encouraged to set up direct debits to ensure payments are made on time.

Increase in use of Food banks

- In the last financial year there has been a 19% increase nationally in the use of foodbanks. Similar increases are likely locally as well.
- The Trussell trust has called for an end to the 5 week wait for Universal Credit payments.

Mixed age couples having to claim UC

- While few claimants in OWBC have been affected so far numbers will increase.
- Mixed age couples will be worse off claiming UC compared to claiming Pension Credit and Housing Benefit.

Homelessness

- The number of homelessness in OWBC and nationally has increased over the last few years.
- The reasons for homelessness are complex and concerns both locally and nationally are that Universal Credit will impact.

Increase demand for advice and support

- Advice agencies have found that there has been an increase in demand particularly for helping to claim Universal Credit and debt problems caused, or made worse by the delay in payments.
- Staff at OWBC are trained to provide help and advice for residents on Universal Credit and other benefits.
- At OWBC we have a Service Level Agreement with Citizens Advice and Helping Hands to provide advice and support for residents. This includes surgeries at our Customer service Centre.
- Advice and support is also provided by other Voluntary organisations such as Age UK.
- Residents can also access help on line or via their job centre.