



Service Delivery Committee	Tuesday, 03 September 2019	Matter for Information
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Report Title:

Universal Credit Update (Q1 2019/20)

Report Author(s):

Mick Bullock (Revenues and Benefits Manager)

Purpose of Report:	To provide members with an update on the implementation of Universal Credit and its impact on Oadby and Wigston Borough Council, its residents and other stakeholders.
Report Summary:	The number of new claims to Universal Credit continues to increase. A pilot is being carried out in Harrogate to test the transfer of existing benefit claims to Universal Credit. Universal Credit has led to an increase in rent arrears and demand for advice and support. Recent changes means some mixed age couples (one pension age one working age) will need to claim Universal Credit. A new "Help to Claim" service has been introduced which is operated by Citizens Advice. The principal concerns relate to waiting times for first payments.
Recommendation(s):	That the contents of the report be noted.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Stephen Hinds (Deputy Chief Executive) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Chris Raymakers (Head of Finance, Revenues and Benefits) (0116) 257 2891 chris.raymakers@oadby-wigston.gov.uk</p> <p>Mick Bullock (Revenues & Benefits Manager) (0116) 257 2713 mick.bullock@oadby-wigston.gov.uk</p>
Corporate Objectives:	Building, Protecting and Empowering Communities (CO1) Providing Excellent Services (CO3)
Vision and Values:	Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	There are no implications arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Increased Fraud (CR10)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable
Human Rights:	There are no implications arising from this report.

Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	None.

1. Activity

- 1.1. Universal Credit related activity continues to increase as more residents claim. There are approximately 300 people receiving UC in Oadby and Wigston with 175 tenants (Private, Council and Housing Associations) receiving housing costs through Universal Credit.
- 1.2. Ultimately around 700 claimants will move from Housing Benefit to Universal Credit but there will also be other people who receive legacy benefits but not housing benefit.

Activity	April	May	June	Q1 total
Housing Benefit Stop notices	82	43	39	164
Universal Credit Enquiries	175	201	181	557
UC notifications for CTS	334	118	280	832
Rent Verifications Requests	4	14	16	34

2. Rent Arrears

- 2.1. There is a lot of evidence to suggest that once a tenant migrates from Housing Benefit onto Universal Credit, they are more likely to fall into arrears because of the nature of Universal Credit, which is paid in arrears directly to the claimant.
- 2.2. At the end of quarter 1 outstanding current tenant rent arrears stood at £200,191. This is an increase of £31,239.90 (18%) since last year when Universal Credit was rolled out for all new claims.
- 2.3. Of the £200,191 rent arrears, £62,064.93 (31%) is related to Universal Credit claimants.
- 2.4. The Council is pro-active in assisting claimants in arrears and can request payment to be made direct to the Council, as landlord. Of the 122 tenants who currently receive Universal Credit, 104 are having their rent paid by this method.

Tenant Activity	April	May	June
No of Tenants Claiming Universal Credit	109	115	122
No of Claimants > than one month in arrears	17	8	4
No of Claimants > than two months in arrears	46	35	32

3. Mixed Age Couples

- 3.1. 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.
- 3.2. 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.
- 3.3. 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.

4. Moving existing claimants to Universal Credit (Managed migration)

- 4.1. The managed migration of existing working age "legacy" benefit claimants (including housing benefit) is scheduled to take place between 2020 and 2023 but there are no firm dates when this would affect Oadby and Wigston Borough Council.
- 4.2. A pilot is being carried out in Harrogate from July 2019 and the results of the pilot will inform the process and timetable for managed migration nationally.
- 4.3. This will be a massive task and is likely to have significant impact, particularly on rent collection.

5. Advice and Support for Residents

- 5.1. 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.
- 5.2. Staff at OWBC are trained to provide help and advice for residents on Universal Credit and other benefits.
- 5.3. OWBC has a Service Level Agreement with Citizens Advice and Helping Hands to provide advice and support for residents. This includes surgeries at the Customer Service Centre.
- 5.4. Advice and support is also provided by other Voluntary organisations such as Age UK. Residents can also access help online or via their job centre.
- 5.5. In the last financial year there has been a 19% increase nationally in the use of food banks. The Trussell Trust has called for an end to the 5 week wait for Universal Credit payments.

6. Making a claim for Universal Credit

- 6.1. Making a claim is "digital by default" and this has caused problems for some claimants as the process can prove complicated. There can also be confusion as to whether Universal Credit or Housing Benefit should be claimed which has been made worse by recent changes.
- 6.2. 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 make a claim and receive payments for Universal Credit.
- 6.3. Referrals to the service can be made by Job Centres, Local Authorities, and other organisations or by self-referral. Help is provided on-line, by phone or face to face.
- 6.4. The service is not compulsory and claimants can still seek advice from other organisations or claim on-line themselves. The Council does not have any information yet regarding take up levels.
- 6.5. 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 the Council is promoting these benefits and so far there has been no significant impact.
- 6.6. Delays in making payments are a major criticism of Universal Credit. To help address this, DWP have made advance payments more widely available but these do have to be paid back each month.

7. Homelessness

- 7.1 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.