



Policy and Resources Committee

23 October 2018

Title	Universal Credit roll out update
Report of	Chairman of the Policy and Resources Committee
Wards	All
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Key	None
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Summary

Universal Credit Full Service and digital service rolled out in Barnet and Hendon Jobcentres on May 16 2018. Since then many new claimants have received Universal Credit or have switched onto Universal Credit when their circumstances change.

There is a lag in information about Universal Credit claimants, but latest information from August suggests there are now over 3300 claimants in Barnet and Hendon Jobcentres.

Universal Support has been provided and has focused on signposting people to the correct benefits, verification of identity, unpicking administrative errors, managing a claim online and budgeting support.

The council and partners are monitoring a range of indicators including rent arrears. As a result of the support in place Barnet Homes have made a positive start at keeping arrears within expected levels.

Officers Recommendations

1. Committee is asked to note this update on Universal Credit roll out.

1. WHY THIS REPORT IS NEEDED

- 1.1 Universal Credit has been available in Barnet since 2015 for single, new claimants. Universal Credit Full Service and digital service was rolled out in Barnet and Hendon JobCentres on May 16 2018. Since then many new claimants have received Universal Credit or have switched onto Universal Credit when their circumstances have changed.
- 1.2 This briefing provides an update on the roll out following a request from Policy and Resources Committee on June 11 2018.
- 1.3 Background to the benefit
 - 1.3.1 Universal Credit replaces the following six working-age benefits into a single household benefit payment; Jobseeker's Allowance (income based), Employment & Support Allowance (income based), Working Tax Credit, Housing Benefit, Income Support and Child Tax Credit. The Universal Credit claim is managed online.
 - 1.3.2 Some residents will continue to claim Housing Benefit. This includes residents in temporary accommodation or supported housing and families with three or more children.
 - 1.3.3 One of the biggest changes with UC is that housing costs (previously called 'Housing Benefit') are paid directly by the Department for Work and Pensions (DWP) to a household as part of the monthly UC payment. Residents are then responsible for paying their rent to their landlord. Some residents or landlords will wish to put Alternative Payments Arrangements in place where residents struggle to pay their rent.
 - 1.3.4 Some residents may need support with budgeting or managing their online claim. Some residents may need extra financial help whilst waiting for their claim, which will usually take 5 weeks. A range of support is available.
 - 1.3.5 Claimants will need to make a separate application for Council Tax Support and Free School Meals.
- 1.4 Update on roll out in Barnet
 - 1.4.1 The roll out of Universal Credit has been done in a phased way by Jobcentre. Universal Credit Full Service was rolled out in Barnet and Hendon Jobcentres, where most Barnet residents go, on May 16 2018. Some Barnet residents go to Palmers Green Jobcentre which went live in March 2018 and some go to Harlesden Jobcentre which will go live in November 2018.

- 1.4.2 Data on gov.uk shows that at August 9 2018 there were 3315 Universal Credit claimants, of which one third went to Barnet Jobcentre and two thirds went to Hendon Jobcentre. The number has been slightly higher than anticipated, but it is difficult to predict benefit take up.
- 1.4.3 Information by Local Authority on gov.uk from June shows that three quarters of claimants in June 2018 were single, without children. One fifth of claimants had dependent children. As roll out progresses it is expected that more families will start claiming Universal Credit.
- 1.4.4 Over the summer people who were claiming Universal Credit Live Service (rather than the full digital service) transferred to Full Service.

1.5 Key indicators

- 1.5.1 The first priority of the Universal Credit Service Centre is to get claims into payment. The Jobcentre report that 80% of Barnet claimants have their Universal Credit in payment within 5 weeks and 90% within 9 weeks. This is in line with the national average.
- 1.5.2 There isn't information available from DWP about into work rates or income levels from work at this stage.
- 1.5.3 Housing providers have concerns about the impact of Universal Credit on the ability of tenants to pay their rent and the levels of tenant arrears. Barnet Homes have collected information on their tenants who are claiming Universal Credit. On 2 October 2018 3% or 321 of Barnet Homes' tenants were Universal Credit claimants. Of these tenants 85% are in arrears on their rent account and 20% of their arrears have accrued since their transfer to Universal Credit. The level of these arrears is on average £195, which is lower than expected. Barnet Homes have requested 188 Alternative Payment Arrangements because of existing arrears and vulnerabilities. One third of these are outstanding and work is underway with the Service Centre to get these put in place.
- 1.5.4 At this stage, there isn't information available about Council Tax Support applications. Universal Credit claimants will need to make a separate Council Tax Support application and there are risks that applications decline as a result. It is also too soon to monitor the impact of Universal Credit on free school meal applications but this information will be monitored and reviewed.

1.6 Key issues and support needs for Universal Credit claimants

- 1.6.1 Confusion about what benefit to claim- because of the different systems running there is some confusion about whether to claim Universal Credit or Housing Benefit. Some residents have needed support to understand which benefit they should claim.
- 1.6.2 Verification of identification- there is national recognition that there have been issues with the process for verifying identity. Where the online system doesn't work residents have needed to go through a manual process at the Jobcentre.

- 1.6.3 Unpicking administrative errors- some residents have needed to support to unpick and sort out errors with claims, such as incorrect housing costs.
- 1.6.4 IT literacy- around 200 residents have received support with managing their claim online since May. Common support needs include getting an email address, uploading documents, managing passwords and navigating the Universal Credit system.
- 1.6.5 Personal Budgeting Support- around 350 residents have received support with managing a monthly budget. Common support needs have been understanding income and any deductions to payments, welfare benefits advice, signposting to debt support and applications for discretionary financial support.

1.7 Universal Support

- 1.7.1 DWP have funded the Local Authority to put in place Universal Support made up of Personal Budgeting Support and Assisted Digital Support in 2018/19. The council have asked the Welfare Reform Task Force to provide this support. The Task Force have run two digital support workshops in community locations each week and had staff based in jobcentres providing budgeting support.
- 1.7.2 In addition, the council have funded Barnet Homes to put in place administrative support, additional Rental Income officers and a Welfare Benefits Advisor to support people with the transition to Universal Support.
- 1.7.3 On October 1 the Secretary of State for Work and Pensions announced a new partnership between DWP and Citizens Advice to deliver Universal Support from April 1 2019. This means that Local Authorities will not be asked to provide this support from that date.
- 1.7.4 Despite this change Barnet partners recognise the importance of maintaining a partnership support offer.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Councillors are asked to note the update.
- 2.2 Councillors are asked to consider point 4.2 which suggests how councillors can support residents through their surgeries.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The council could opt to not provide Universal Support or not monitor the impact of Universal Credit. However, these activities are considered important ways of mitigating the risk that Universal Credit claimants struggle to pay their rent, that arrears build up and there are increased risks of homelessness.

4. POST DECISION IMPLEMENTATION

- 4.1 The council will continue to work with the Universal Credit Service Centre, local jobcentre offices, Citizens Advice and housing providers to provide support to residents to manage the change to Universal Credit.
- 4.2 The council and Barnet Homes will continue to monitor and track the impact of Universal Credit on arrears levels, council tax support claims and free school meals claims.
- 4.3 Councillors can support residents by referring them to Universal Support (provided by the Welfare Reform Task Force until April 1 2019) and encouraging them to make a Council Tax Support application.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Corporate Plan sets out how the council will work with Jobcentre and other partners to successfully roll out Universal Credit.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 DWP have funded the Local Authority £94,950 to put in place Universal Support made up of Personal Budgeting Support and Assisted Digital Support in 2018/19. Half of this is guaranteed with the remainder payable on a payment by result basis. The council have asked the Welfare Reform Task Force to provide this support.
- 5.2.2 Following the recent news that Universal Support will be provided by Citizens Advice in the future the Barnet Homes Budgeting and Digital support will be reviewed and rescoped. Council teams will look to work closely with Citizens Advice.
- 5.2.3 In addition, the council have Barnet Homes to put in place administrative support, additional Rental Income officers and a Welfare Benefits Advisor to support people with the transition to Universal Support. In quarter 1 and 2 of 2018 this support has costed £140,130 and been funded from the Housing Revenue Account.

5.3 Social Value

- 5.3.1 This update doesn't have any social value implications.

5.4 Legal and Constitutional References

5.4.1 The council's constitution sets out that Policy and Resources Committee are responsible for strategic policy and also matters not specifically allocated to any other Committee.

5.5 Risk Management

5.5.1 One of the biggest changes with UC is that housing costs (previously called 'Housing Benefit') are paid directly by the Department for Work and Pensions (DWP) to a household as part of the monthly UC payment. Residents are then responsible for paying their rent to their landlord. Other local authority areas have found that some residents have struggled to pay their rent and that rent arrears have increased. In order to mitigate this risk, the council have arranged Universal Support and additional resources for Barnet Homes.

5.6 Equalities and Diversity

5.6.1 It is still early days for the roll out of Universal Credit. As a result, three quarters of claimants are still for single households, but we expect more families to claim Universal Credit over time. There are also only 69 people claiming limited work capability entitlement for reasons of poor health or disability. This is expected to change over time and particularly once the migration of current claimants of Employment and Support Allowance begins. There is an equal gender split of claimants at this stage.

5.7 Corporate Parenting

5.7.1 Jobcentre have provided a dedicated Work Coach to support care leavers with their benefit claim who is based at the Onwards and Upwards centre. This outreach model is recognised as good practice.

5.8 Consultation and Engagement

5.8.1 Partners from the council, Jobcentre, London Councils and Barnet Homes came together to discuss the roll out of Universal Credit as part of drafting this paper. A range of data and qualitative feedback was discussed and feedback from Citizens Advice, the Barnet Housing Association Liaison Group and Member's surgeries was also shared.

5.8 Insight

5.8.1 Partners are collecting information on Universal Credit claimants, Universal Support provided and the levels of arrears.

6. BACKGROUND PAPERS

6.1 There aren't any relevant background papers for this update.