



**Business Overview and Scrutiny Committee  
Wednesday, 29 November 2017**

<b>REPORT TITLE:</b>	<b>UNIVERSAL CREDIT FULL SERVICE NOVEMBER 2017</b>
<b>REPORT OF:</b>	<b>MANAGING DIRECTOR FOR DELIVERY</b>

**REPORT SUMMARY**

This report sets out the move to Universal Credit Full Service (UCFS) on Wirral and is intended to update Overview and Scrutiny Committee Members on implementation locally together with support arrangements in the process of being introduced to support Wirral residents claiming Universal Credit (UC) under Full Service, effectively from 15 November 2017, as the gateway to new applications in respect of Housing Benefit closes to most residents.

The matter links to a number of Wirral's associated 20/20 Pledges, significantly and directly 'People' pledges, protecting the most vulnerable and ensuring their safety and protection through reducing poverty and preventing associated hardship.

This matter affects all Wards within the Borough.

As this report is to support Members consideration of the matter, it is not subject to the requirement of a related key decision.

**RECOMMENDATION/S**

It is recommended that a further report is delivered to Scrutiny in February 2018 following the initial implementation period. The purpose of the follow up report would be to deliver a summary of impact.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 This report is intended to support Overview and Scrutiny Members to give initial consideration to the implementation and impact of the further roll out of Universal Credit to 'Full Service' (UCFS) on Wirral effectively from 15 November 2017

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 There are no alternative options. The Council is legislatively required to support and administer the changes emerging from this Reform. UC is one of several wide-ranging Welfare Reforms introduced by the 2010-2015 Coalition Government in the Welfare Reform Act 2012. UC Live Service was introduced in Wirral in July 2014, replacing six key means-tested benefits and tax credits.

### **3.0 BACKGROUND INFORMATION – UNIVERSAL CREDIT FULL SERVICE**

- 3.1 Universal Credit is a Social Security Benefit of working age only benefit therefore not affecting those of pensionable age. The ethos of Universal Credit (UC) is that it is intended to ensure customers are better off in work than they are on benefits. The framework of Universal Credit provides support to help people prepare for work, move into work, earn more and develop income management skills. The intention is that Universal Credit simplifies the historic complexities of numerous benefits.

- 3.2 UC is a means-tested benefit which is intended to replace the following legacy benefits with a single monthly payment. The benefits and tax credits that fall within scope of the UC are:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit for working age \*

*\* Housing Benefit will remain in payment for some specific claimants, including those who occupy specialised accommodation such as hostels and supported accommodation.*

- 3.3 UC can be claimed with other remaining benefits e.g. Child Benefit, Personal Independence Payment as well as taking into account earned income and other income e.g. occupational pensions etc. UC will provide a top-up for living costs if the claimant's existing income is below a set level.

- 3.4 Fundamentally from the Council perspective UC provides help with housing costs (rent) as part of the UC claim instead of Housing Benefit for most claimants.
- 3.5 The next major phase of UC roll-out at Wirral is Universal Credit 'Full Service' and commences on 15 November 2017 for all Wirral postcodes except CH44 and CH45 (Wallasey), which follow in January 2018.
- 3.6 In contrast to UC Live Service, UC Full Service is completely digitalised. Customers are required to create an account and UC must be claimed online. Payments are made monthly and direct to the Household. There are however payment safeguarding arrangements available e.g. payments direct to landlord based on circumstances. At local One Stop Shops and Libraries, Customer Service Advisors are trained and available to customers to get online and make their claim. Jobcentre's are also able to provide access to the internet or signpost customers to local places where the internet can be used for free. If customers are unable to claim online, then face to face and telephone support is available until a customer can get access to the Internet. DWP also offer a visiting service including Customers in hospital.
- 3.7 Local Authorities continue to be funded by DWP under the annual 'Delivery Partnership Agreement' to play a crucial role in assisting with digital access and to provide individual budgeting support for those who require assistance in transitioning to a single, monthly payment or to manage debt and other financial challenges.
- 3.8 New UC Customers will experience a 'waiting period' for their first payment. The DWP recognise that this may cause hardship and have introduced an Advanced Payment facility which enable Customers to request up to 50% of their award in order to prevent damage to the claimants/ families health through help with immediate essentials - food, heating costs etc. Through Customer Access channels (OSS, Libraries and Call Centre), the council will actively promote this provision and do it's best to ensure people are aware and signposted accordingly. Officers will explain it is repayable through negotiable arrangements with DWP.
- 3.9 Through local partnership work, access to support is well established and has been since Universal Credit's original introduction on Wirral in July 2014. The development of this support will continue to ensure wider communication to the growing group of claimants. The Council and Partners have developed a media campaign to highlight what support is available within the Borough.
- 3.10 At the moment, the 'natural migration' of claimants is a gradual stepped process which occurs as peoples circumstances change and they enter the UC gateway. The 'managed/scheduled migration' of existing claimants to UC has yet to begin and is now expected to commence mid-2019, with likely completion in 2022

#### 4.0 CURRENT STATUS AT WIRRAL

4.1 Currently nationally available data is limited. The DWP reports as at 30 October 2017 there are 4945 people claiming Universal Credit across Wirral.

4.2 Of this total we have 1679 working age claimants are in receipt of Universal Credit and claiming Council Tax Support. This represents approximately 8.6% of the total working age Council Tax Support claimants which suggests the remainder will move to Universal Credit over the next few years. The profile of this figure is broken down below

Claimant Groups				
Single	Single with Deps	Couple	Couple with Deps	Total
747	817	16	99	1,679

With Earnings Allowance	Without Earnings Allowance
331	1348

Since the introduction of UC there has been a steady decrease in overall caseload and in particular working age claimants. This is consistent with national and local trends:

	Overall HB/CTS Caseload	Housing Benefit Claimants	CTS				
			Total CTS	Elderly split	Working Age split	UC claims	% of WA on UC
Pre July 2014	41,906	31,846	37,611	15,949	21,662	0	0
Jul-15	40,413	30,233	35,928	15,085	20,843	571	2.74%
Oct-17	36,842	26,695	33,191	13,611	19,580	1,689	8.63%

#### 5.0 WORK UNDERTAKEN TO DATE

Work undertaken to support the implementation and roll out of UC in Wirral includes a range of activities and has been ongoing since its introduction. This covers the engagement and activities across One Wirral Council (including elected member engagement), Partner & Third Sector Organisations and the Liverpool City Region.

##### 5.1 Wirral Council to date has:

- Worked with other council services across Delivery Services to capture and understand the wider impacts of UC e.g. Children's and Adult Services and Environmental Services
- Amended the Council Tax Support (CTS) Policy to enable assessment of CTS in relation to UC Customers

- UC leads and champions have been established across Customer Services
- UC procedure notes produced as procedures are constantly refined in response to rapidly changing legislative and work process changes. Clear guidance material produced for all staff to signpost UC claimants for Advanced Payments and alternative support during the 6 (possible longer) week waiting period to prevent hardship at the earliest opportunity
- IT processes implemented to manage UC workflows efficiently and to report and record relevant data effectively
- Full training has been delivered across the appropriate services
- Literature in the form of letters and leaflets produced/updated where necessary and the promotion of digital channels e.g. website review and the development of an effective Communication Strategy undertaken. Councillor.net FAQ's produced (See Appendix 3)

## 5.2 **Within the 3<sup>rd</sup> Sector it has:**

- Worked collaboratively with Private & Registered Social Landlord sectors to ensure they are fully informed of UC developments relevant to them to support them in assisting their tenants
- Delivered presentations across Wirral to all affected Partners and third parties – see list (Appendix 4)

## 5.3 **Within Liverpool City Region it has:**

- A group has been established to promote collaboration and co-operation across the Liverpool City Region with a view to developing shared understanding and approaches to common issues, sharing of best practice and positive working relationships. Specifically with regard to matters concerning Benefits and Revenues and the Council's related responsibilities
- The group initiated in 2016, works collaboratively in many aspects particularly to identify and implement improvements to performance, customer service and efficiency and to better respond to changing legislation such as Universal Credit
- The ethos behind this being that by sharing thinking and possibly jointly undertaking specific projects, authorities may be enabled not only to reduce the costs of implementing change but to better support those who are experiencing the effects of it as the process of welfare reform progresses
- With specific regard to UC the group has tabled questions to the DWP, secured response and escalation together with attendance at its forum of appropriate DWP regional leads
- The group is presently working together to rationalise intelligence around the wider welfare reform impacts and any associated anti-poverty provision it may be able to inform/support relating to complex claims and DWP legislation

## **6.0 SUPPORT CURRENTLY AVAILABLE**

### **6.1 Council Tax Support**

People in receipt of UC may still apply for and be eligible for CTS. It is important to note that this MUST be claimed separately whereas this support would previously be considered alongside a person's HB claim. Council Tax Support is a local/locally funded scheme which replaced the national Council Tax Benefit Scheme. It is means tested and reduces the amount of Council Tax payable where an award is made.

Ensuring uptake of Council Tax Support is maximised is a key part of the work ongoing to support those moving to UC as it is evident people fail to claim, or make a late claim with arrears that may have otherwise been avoided, or at least minimised accruing. This is being done in a number of ways and it is expected this work will evolve at UC roll-out gathers momentum.

#### **Personal Budgeting Support**

Customer Service Advisors have been delivering Personal Budget Support (PBS) and debt advice for Customers in receipt of UC since July 2014. As with DHP & LWA, there is an expected increase in the number of Customers accessing this service. The council's role in delivering PBS is intrinsic to the supported roll out of UC.

#### **UC Advance Payment**

The council will actively promote this provision to ensure vulnerable customers are aware and correctly signposted to apply for this. Officers will explain that this payment is repayable and it is intended to prevent damage to the claimants/families health, for immediate essentials – food, heating costs, clothing etc. It is similar to Wirral's own Local Welfare Assistance Scheme although it is apparent the benchmark is set higher and the means test is stringent.

#### **Wirral's LWA**

Since 1 April 2013 Wirral has offered this locally based support provision. Whilst this is a discretionary scheme it is offered by the vast majority of Councils, initially funded through ring-fenced DWP grant. Each council tailors the scope of their scheme to support local need in order to provide a safety net in disaster or emergency, or to enable independent living in the community. Wirral's LWA Policy requires that support is available to people who do not have alternative means of paying for what they need. They are intended to meet more immediate, one off needs rather than on going expenses. Application is on-line through Wirral's website: - 'Benefits & Money'. Customer service advisors are able to support those who may have difficulty in navigating the application, or no personal access to the internet.

#### **DHP**

Discretionary Housing payments (DHP) are payments which can be paid in addition to Housing Benefit and to the Housing Element of Universal

Credit as a 'top up' to meet rent costs. They cannot cover any ineligible services.

The amount and duration of the award is at the discretion of council and each case is considered on individual merits.

DHP is funded from an annual grant from DWP, which can be topped up locally up to a maximum amount by the council should they wish to do so.

People claiming Universal Credit can apply and once it is established they receive help towards their housing costs in their Universal Credit payment a DHP can be considered to cover any shortfall. Payments in these cases can be made either directly to the claimant or to their landlord if there are rent arrears or circumstances exist which mean it is in the claimant's interest to pay their landlord. This two way method of assisting those who claim Universal Credit, with their rent, can be confusing for some claimants. Social landlords often assist tenants to make a DHP claim and Private landlords have been made aware since July 2014 of the process for their tenants to receive this extra help.

*For detail of award/expenditure for both LWA and DHP see Appendix 1*

### **Foodbank**

Given the intrinsic and recognised role of 'Foodbanks' the council could give consideration to supporting the local provision with a financial award – given the move to UC Full Service, it is highly publicised that Foodbanks nationwide are concerned that supplies will be exhausted in the lead up to the Xmas period with demand linked to immediate hardship caused by UC first time payment delays.

### **Benefits maximisation/take-up activity/campaigns**

Operational planning is underway to more widely promote both LWA and DHP. Work is in progress to better understand who the hard to reach groups may be to ensure accessibility. Wirral's Welfare Rights Unit Team is situated within the Customer Service division, Benefit's and the advisors work closely with service managers across the council to advise and support planning, this scope is invaluable given their expertise and experience in their capacity as advocates.

## **7.0 NEXT STEPS**

Work post UCFS implementation will continue to ensure collaborative working across all council departments, Partners and third sector organisations to monitor and provide support to customers impacted by the changes brought about by UCFS.

### **7.1 The council will:**

- Produce and deliver Member Awareness Sessions in conjunction with DWP and CAB to enhance their understanding of the

impacts if UC on their constituents enabling them to support and signpost

- Continue to maximise and promote the support mechanisms available to all UC Customers
- Ensure easily accessed support provisions are maintained across multiple channels for vulnerable customers
- Consistently review our procedures and work processes to ensure they are inclusive and effective
- Monitor the effectiveness of the Communication Strategy to ensure we are reaching the appropriate audiences
- Build a suite of management information reports using reliable and factual statistical data to ensure a true reflection and understanding of UC captured
- Continue to provide updates and guidance communications such as Councillor.net, web pages, leaflets, fact sheet (see Appendix 3)
- Continue to work with our colleagues across the Liverpool City Region and neighbouring councils as part of a collective forum
- Work closely with software providers to develop automated functionality specifically built for UC
- Commit to carry out a full review of Wirral's Council Tax Support Scheme to consider and implement any agreed changes in 2019/2020 following the required consultation

## **8.0 OPTIONS FOR CONSIDERATION**

- 8.1 Review of the existing LWA & DHP policies to accommodate the impacts and demands of the wider UC roll out. A consideration may be a change in the application and award process (criteria/number of awards within a set period) and/or increased local contribution to the funds. (See Appendix 2 for current policies)
- 8.2 Council Tax Enforcement Procedures – consider an easement by aligning recovery procedures to UC ‘waiting period’ Many Registered Housing Providers are proposing to be flexible in debt recovery if a person is awaiting a claim decision however will expect rent to be paid in line with any benefit awards.
- 8.3 Ensure Fair Debt Policy is fit for purpose and consider “Can’t Pay v’s Won’t Pay” when considering individual cases.
- 8.4 Ensure the council has a Digital Inclusion Policy to capture and support the specific digital requirements/support including the needs of Wirral UC customers.

## **9.0 FINANCIAL IMPLICATIONS**

- 9.1 There are no known immediate financial implications as the administration is supported through the DWP administration grant awarded to the Local Authority, together with in year funding.



- 9.2 Potential impact could be as a result of increasing the local schemes which currently require council contribution – LWA & DHP.
- 9.3 An indirect financial implication can be associated with collection rates of council tax – this is also noted as a risk.

## **10 LEGAL**

- 10.1 The council must ensure full legislative compliance in accordance with the DWP UC regulations. Ensure all local schemes reflect the changes brought about by UC.

## **11 RESOURCE IMPLICATIONS; STAFFING, ICT AND ASSETS**

- 11.1 Factors that will influence a smooth transition to UC 'Full Service', alongside the continued development and delivery of the core benefit service are:

- The process of administering claims moving away from Housing Benefit, to UC and/or to Council Tax Support with UC is cumbersome and resource intensive
- Notifications received via the DWP Data Hub will incrementally increase. This in turn will increase work volumes to be processed. This is consistent with the experience of neighbouring councils across the region but cannot be quantified at this stage
- DWP potential failure in providing timely and accurate UC notifications that can lead to incorrect assessments of cases resulting in increased resource requirements to correct
- DWP do not always inform the Council when a customer moves over to UC which can result in avoidable customer contact and potential loss of benefit causing further vulnerability

To address the above effects, councils are working with their software providers and DWP Partners in order to make better use of automation to limit the impact on customers and service delivery.

The council must ensure it is sufficiently equipped and resourced to meet the requirements, impact and demand as a result of UC Full Service.

This will require close monitoring and reporting on an ongoing basis to assess needs of the service.

## **12 RELEVANT RISKS**

- 12.1 Failure to deliver in accordance with the terms of DWP Delivery Partnership Agreement.
- 12.2 Presentation of wider poverty issues through increased demand in access to free life essentials food, energy, clothing etc. as a result of uncontrolled or unavoidable alternative spend.

- 12.3 Increased demand on services for children and families resulting from financial hardship imposed by UC, specifically the waiting period for an individual to receive UC. The potential for increased evictions and homelessness will also have a direct impact on social care needs for those families involved.
- 12.4 An increase in social care needs presents a linked increased risk to the council potentially failing to meet its statutory obligation to ensure the provision of Adult/Children's social care.
- 12.5 Presentation of homelessness as a result of UC presents a linked increased risk to the council potentially failing to meet its statutory obligation to ensure the provision of adequate housing.
- 12.6 Potential reputational damage due to failure to respond and support change imposed as a result of UCFS rollout.

### **13 ENGAGEMENT/CONSULTATION**

- 13.1 No formal requirements to consult

### **14 EQUALITY IMPLICATIONS**

- 14.1 Ensure full adherence to Equality Impact Assessments requirements including a revised EIA in respect of all local schemes. This is currently underway for UC and will remain ongoing as changes evolve.

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#### **APPENDICES**

Appendix 1 – Breakdown of DHP & LWA spend

Appendix 2 – DHP & LWA current Policies

Appendix 3 – Councillor.net FAQ & UC Leaflets

Appendix 4 – Details of Presentation audiences

#### **REFERENCE MATERIAL**

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/652897/universal-credit-statistics-to-14-sept-2017.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652897/universal-credit-statistics-to-14-sept-2017.pdf)

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
NA	