

**Business Overview and Scrutiny Committee  
Wednesday, 27 November 2019**

<b>REPORT TITLE</b>	<b>Universal Credit Update</b>
<b>REPORT OF</b>	<b>Director of Finance and Investment /Head of Customer Services</b>

**REPORT SUMMARY**

This report is intended to further update Overview and Scrutiny Committee Members following the report brought to Committee in July 2018 on the Early Impact of Universal Credit and corresponding workshops. In accordance with Committee Members' request it focuses on the ongoing roll- out of Universal Credit, the ending of 'Universal Support' programme and introduction of 'Help to Claim' together with the experience of and any associated impacts upon the operational service delivery teams.

The matter links to several Wirral's associated 20/20 Pledges, particularly the People pledge, 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 understanding of the matter, it is not subject to the requirement of a related key decision.

**RECOMMENDATION/S**

The report is intended as an update and Members of the Committee should note the report.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The report is in response to the request by members of the Business Overview and Scrutiny Committee and is intended to provide an update upon the ongoing roll-out of Universal Credit both for the future *move on* of current Housing Benefit claimants and the impact upon the authorities operational services, together with Officers response to the feedback received at a workshop and Members corresponding suggested actions.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 There are no alternative options. The authority is legislatively required to support and as may be necessary, administer any changes emerging from this key reform. Universal Credit Live Service was introduced in Wirral in July 2014, replacing six means tested legacy benefits and tax credits, including Housing Benefit. Subsequently, in November 2017, Universal Credit Full Service commenced roll-out in Wirral, on a post code basis. The roll-out is amongst the working age population only.

### 3. BACKGROUND INFORMATION

- 3.1 Universal Credit Full-Service rollout was completed nationally in December 2018, at that time there were 1.3 million people claiming Universal Credit, this is expected to increase to 3 million by December 2019.
- 3.2 National *Managed Migration*, now known as *Move to Universal Cred* commenced in July 2019 for approximately 10,000 people. Each being given up to 3 months' notice to make a claim for Universal Credit. It is understood those concerned were selected from a single LA area. No further details regarding next steps are available currently.
- 3.3 A notable change occurring in the delivery of Universal Credit since Members *Early Impact of Universal Credit* report (July 2018) is the end of Universal Support delivered by local authorities upon behalf of the DWP and introduction of the new *Help to Claim* programme, delivered nationally, by the Citizens Advice Bureau.
- 3.4 *Help to Claim* replaced *Universal Support* from April 2019 and is intended for those who need help to apply for Universal Credit. This service is funded by the DWP and is scheduled for review some six months following commencement. As local authorities no longer work on the DWP's behalf, in the delivery of '*Personal Budgeting Support*' (part of Universal Support), the associated element of grant funding to local authorities was withdrawn at 31 March 2019. Funding, in respect of related back office administration remains.
- 3.5 *Help to Claim* offers support from the point of submission of the Universal Credit application to receipt of the first full payment. Help is available face-to-face, over the phone and online through webchat. This may include assistance with the online application form or help with providing evidence such as childcare costs. Locally, Officers from the Citizens Advice Bureau attend the Jobcentre at Birkenhead weekly to provide support to claimants.

- 3.6 Notwithstanding the 'ending of Universal Support and local authorities' role in supporting those wishing to claim Universal Credit, officers did anticipate, at least some initial difficulties borne out of confusion to residents who may continue to rely upon the authority to assist and advise.
- 3.7 In practice this does appear not to have been the case, with the transition being reported as generally having progressed without complication and with impact as a result of the changeover being limited.
- 3.8 Where potential Universal Credit applicants do present to One Stop Shops, or perhaps contact the Revenues and Benefits Call Centre, Customer Service staff are aware of the procedures to follow with regard to 'Help to Claim' and the nature of the service offered by the Citizens Advice Bureau advising and sign-posting accordingly.
- 3.9 The DWP continue to expect local authorities to direct claimants with debt problems and managing money issues, to the national 'Money Advice Service'; as debt and financial support is not part of the Citizens Advice Bureau contract.
- 3.10 Collaboration between Customer Service staff and their Citizens Advice Bureau colleagues is good and ensures appropriate support in accessing services where a customer may be or may appear to be particularly vulnerable.
- 3.11 Notwithstanding early observations, Customer Service managers will continue to monitor taking active note of any emerging issues with specific regard to customer need together with any impact on service delivery and / or staffing capacity.
- 3.12 In putting some context to Wirral's Benefits Service's overall experience of Universal Credit it is probably relevant to refer to Wirral Councils work with the DWP in preparing for and responding to the original introduction of Universal Credit locally. Whilst, together with our peer Local Authorities we have experienced many hurdles and it is fair to say that early collaboration, which continues, has helped mitigate operational progress and delivery of our respective services.

#### **4.0 Present operational practice and observations**

- 4.1 On a day to day basis, Wirral Council will notify claimants of any errors identified with their UC award and encourage the claimant to make direct contact with the DWP. This in practice has operated with reasonable efficiency in terms of assisting the claimant secure resolution, particularly as any other form of intervention necessary otherwise requires explicit consent at the DWP contact centres and a need for Wirral 's Benefit service officers to take up each case individually, which is not practical and for which it is simply not resourced.
- 4.2 For particularly difficult matters, or perhaps where the service user may be vulnerable, a locally established 'escalation process' is in place, whereby local authority staff and other partner organisations are able to contact the DWP's Local Work Coach Team Leader assigned to the Universal Credit claimant. In such cases, explicit consent is required. This invariably resolves issues where other communication channels have failed or have been significantly delayed securing a response. Alternatively, where officers may require specialist advice in order to progress a matter, then in-house Welfare Rights Specialists are available to advise.

- 4.3 One related noted typically problematic issue concerned Corporate Appointees which impacted Council Officers acting as Appointees. Broadly this was an outcome of the DWP's requirement for an individual email address for each claimant. More recently the process has improved in that telephone claims may be made for Universal Credit, negating the need for individual email accounts.
- 4.4 Officers continue to share areas of concern with the DWP partnership manager in respect of any apparent widespread anomalies with procedures/ policy implemented by the DWP. This in the main concerns unreasonable time limits for advising local government on policy changes.
- 5.0 Specific examples of UC development which has presented challenges to operational services and those seeking to access UC, and/or other means of support.**
- 5.1 Mixed Age Couples -Issues occurred with DWP policy changes linked to gateway conditions for "mixed aged couples" (working and pension age) wanting to claim Housing Benefit or having to claim Universal Credit. Several DWP advisory bulletins were issued as it was unclear what the criteria was, due to discrepancies in respect of who could remain entitled to Housing Benefit, or who would have to claim Universal Credit for couples were one partner reaches pensionable age.
- 5.2 A linked impact for mixed aged couples who move to Universal Credit, is that of entitlement to local Council Tax Support. Under Wirral's current Local Council Tax Support Scheme, they are subject to a reduced support award with a maximum starting point of 78% entitlement; as opposed to being treated as a pensioner couple with a 100% starting point for support entitlement. There is a corresponding operational impact for officers regarding collection of council tax.
- 5.3 Housing costs in respect of Sheltered and Specified Accommodation are not met through Universal Credit and so residents must continue to apply for Housing Benefit. This has presented 'gateway issues'; for primarily vulnerable service users who need care and support. The DWP's website is misleading in this matter, as a result of which there is continued dialogue between the local authority contact and the DWP Partnership Manager, who acknowledge the website has misleading information relating to the claim process for Housing Benefit and the Universal Credit on line application. Suggestions have been made to amend their website and Universal Credit online application. In the meantime, Officers have developed local arrangements to help address gateway issues.
- 5.4 Recent case law resulted in the introduction of Transitional Protection in relation to a DWP policy change which impacted people originally receiving Employment and Support Allowance together with the severe disability premium. In moving to Universal Credit, the premium was lost. Transactional Protection Payments are additional lump-sum payments made, to covering the period since they moved to Universal Credit.
- 5.5 Issues impacting officers' ability to determine applications in respect of Council Tax Support (which have been shared with the Partnership Manager) concern the standard

and/or level of information in UC notification of award letters received from the DWP which present the most challenge on a daily basis.

- 5.6 Local Welfare Assistance – a notable change in Universal Credit claimants requesting further financial help, even though up to 100% of an advance Universal Credit award can be paid when a Universal Credit claim is made, furthermore more than one advance can be made.

**The table below shows Wirral’s Local Welfare Assistance expenditure year to date. The data clearly demonstrates the demand for support through this hardship provision and the impact this is having upon the funds capacity**

2019/2020																		
	Apps	Clothing/Bedding		Expenses		Food		Furniture		Other		Utilities		White Goods		Total Aw	Monthly Tot	Ongoing Tot
		Awards	Total	Awards	Total	Awards	Total	Awards	Total	Awards	Total	Awards	Total	Awards	Total			
Apr	515	40	£2,110.00	1	£15.00	167	£9,610.26	58	£6,001.80	0	£0.00	192	£3,455.66	53	£4,715.65	511	£25,908.37	£25,908.37
May	540	27	£1,400.50	0	£0.00	135	£7,542.60	36	£3,790.24	1	£10.00	155	£2,702.50	39	£3,716.01	393	£19,161.85	£45,070.22
Jun	582	51	£2,240.27	0	£0.00	168	£9,407.00	75	£7,979.36	1	£8.36	188	£3,162.50	97	£9,290.49	580	£32,087.98	£77,158.20
Jul	556	26	£1,373.00	1	£5.00	152	£7,993.31	34	£4,441.02	2	£14.54	150	£2,495.60	40	£2,833.10	405	£19,155.57	£96,313.77
Aug	508	19	£805.00	1	£20.00	106	£5,834.20	40	£3,692.00	0	£0.00	130	£2,285.00	58	£4,592.18	354	£17,228.38	£113,542.15
Sep	528	29	£1,433.00	1	£60.00	123	£7,258.00	49	£5,183.05	4	£66.01	149	£2,572.50	65	£6,400.24	420	£22,972.80	£136,514.95
Oct	503	34	£1,388.00	0	£0.00	139	£7,853.49	56	£6,234.15	1	£10.75	189	£2,920.00	53	£4,572.46	472	£22,978.85	£159,493.80
Nov																0	£0.00	£159,493.80
Dec																0	£0.00	£159,493.80
Jan																0	£0.00	£159,493.80
Feb																0	£0.00	£159,493.80
Mar																0	£0.00	£159,493.80
	3732	226	£10,749.77	4	£100.00	990	£55,498.86	348	£37,321.62	9	£109.66	1153	£19,593.76	405	£36,120.13	3135		

- 6.0 Discretionary Housing Payments (DHP) - applications and expenditure in respect of help meeting rent are cumulatively increasing from Universal Credit recipients, this is to be expected, yet makes overall management of the cash limited Discretionary Housing Payment fund challenging. **The table below shows Wirral’s Discretionary Housing Payment expenditure year to date. The data clearly demonstrates the incremental increase of DHP expenditure in relation to Universal Credit recipients.**

DHP fund spend on UC DHPs

2018/19		
Date	Total paid	monthly increase
01/05/2018	£10,558.93	£10,558.93
01/06/2018	£34,032.58	£23,473.65
01/07/2018	£50,321.88	£16,289.30
01/08/2018	£69,197.10	£18,875.22
01/09/2018	£92,472.56	£23,275.46
01/10/2018	£109,323.16	£16,850.60
01/11/2018	£137,995.24	£28,672.08
01/12/2018	£160,732.57	£22,737.33
01/01/2019	£175,857.39	£15,124.82
01/02/2019	£209,552.48	£33,695.09
01/03/2019	£249,849.23	£40,296.75
01/04/2019	£322,390.84	£72,541.61

2019/20		
Date	Total paid	monthly increase
01/05/2019	£20,075.23	£20,075.23
03/06/2019	£54,454.66	£34,379.43
01/07/2019	£78,078.75	£23,624.09
05/08/2019	£115,261.96	£37,183.21
02/09/2019	£141,248.48	£25,986.52
30/09/2019	£166,402.23	£25,153.75
01/11/2019	£201,053.90	£34,651.67
		-£201,053.90

In short it is paramount to ensure staff are briefed and fully understanding of any changes and their corresponding impact on operational procedures and / or advice to service users. Operational software procedures and gateway aides are routinely updated for customer service and operational delivery assessment staff.

- 6.1 Looking ahead, the primary known gateway change is confirmed as being effective from January 2021 and will see those entitled to a severe disability premium within their income moved to Universal Credit, when a change in their circumstances occurs. Operational readiness will be required for any volume impact relating to enquiries for service users and for customer service advisors and back office staff. The authority's website information will need to be agreed, informative and clear to ensure clarity for service users.
- 6.2 In advance of this, on 1 November 2019 the Secretary of State Therese Coffey announced a £10 million Universal Credit 'Transition Fund' for outreach programmes to help vulnerable people make Universal Credit claims. It is understood the fund will be available to partner organisations from April 2020. It will aim to help vulnerable people, including disabled people, care leavers and those with mental health issues, claim Universal Credit as a route into work. It will support innovative ideas for engaging with vulnerable people early, helping them to make timely claims to the new benefit. The £10 million funding was allocated to DWP as part of the 2019 Spending Round process.

## 7.0 CASELOAD DATA

- 7.1 The data below confirms the incremental reduction in Housing Benefit claims as the number of people on Wirral claiming UC increases.

### **DWP statistics Wirral area August 2019 - Universal Credit all claim types- householder, private renters and non-dependants**

	UC	% increase
Birkenhead	9806	+2.2%
Bromborough	3180	+3.3%
Upton	3724	+2.9%
Total Wirral	16,710	Overall +2.5%

## **Remaining DWP legacy benefit case count for Wirral August 2019**

	ESA	% drop	Income Support	% drop	JSA	%drop
Birkenhead	7099	-0.1%	1529	-2.8%	380	-3.5%
Bromborough	2365	-1.3%	358	-4.1%	146	-2.1%
Upton	2037	-0.6%	500	-2.0%	153	-0.7%
Total Wirral	11501	Overall -0.5%	2387	Overall -2.8%	679	Overall -1.7%

### **Wirral's Benefit case count**

	Total cases I	Private Tenants	Council Tax Support
August 2019	32,990	20,588	30,906
August 2018	35,316	23,783	32,123
August 2017	37,103	27,350	33,401

## **7.0 DWP Collaboration with LA**

Our regular contact with DWP Partnership Manager advises they are focusing on improving support within the community, outreach work, Wirral Ways, Registered Social Landlords, McMillan nurses to maximise benefits and currently working with Foster Care team. This noted there is an opportunity for joint working, attending community events to support ongoing Universal Credit transition for service customers.

## **8.0 FINANCIAL IMPLICATIONS**

There are no known immediate financial implications connected with this report. The administration of Housing Benefit is, in part, supported through the Department for Work and Pensions administration grant awarded to the authority, together with supplementary, in-year funding. This grant is incrementally reducing.

## **9.0 LEGAL IMPLICATIONS**

There are no legal implications emerging out of this report.

## **10.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

It is increasingly difficult to forecast the pace at which the working age Housing Benefit Caseload will reduce given the absence of a clear schedule leading to conversion of all remaining Housing Benefit cases. Best estimates, purely based on recent developments such as the Severe Disability Premium gateway, the introduction of Mixed Aged Couples together with the likelihood of changes circumstance triggering the move of those in receipt of Child Tax Credits and Working Tax Credit to Universal Credit suggests a time line of between 2023 and 2025.

For this reason, as Universal Credit Full Service continues to roll-out and evolve, any corresponding impact on the services capacity must continue to be both closely monitored and understood. Whilst increased data matching has affected improved working practice, the incrementally increasing volumes challenge resource. It is

imperative the authority continues to ensure it is sufficiently equipped and resourced to meet requirements emerging out of Full Service.

## **11. RELEVANT RISKS**

As the authority is no longer required to provide Universal Support, risks in terms of any failure to deliver against the associated Delivery Partnership Agreement with the DWP are removed. Other risks which may emerge and have previously been drawn to the attention of Members must continue to be monitored and broadly include wider poverty issues together with accessing UC services and the quality of those services. As with any major Welfare Reform, 'change' continues to be an underlying risk. The ongoing capacity of 'Ask Us Wirral' needs to be understood as any excess in service demand is likely to directly impact both Customer Service and Operational team capacity.

## **12. ENGAGEMENT/CONSULTATION**

There is no requirement to consult however Officers will continue to engage both locally and regionally with DWP colleagues, endeavouring to optimise service delivery and ongoing support of Wirral residents remaining on Housing Benefit, moving from Housing Benefit to Universal Credit and in other ways as may become evident.

Following the originally scrutiny workshops, representatives of the stakeholder organisations provided a list of recommendations or issues which the Council could consider helping manage the roll-out of Universal Credit. These are summarised as appendix 1 together with the corresponding Officer comment.

## **13. EQUALITY IMPLICATIONS**

Remain and are as previously reported. Services affected will work to remain fully compliant and ensure [Equality Impact Assessments](#) are reviewed as the need arises.

## **14. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

There are no measurable environmental or climate implications arising out of this matter.

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## **APPENDICES**

**Appendix 1 - update**



**BACKGROUND PAPERS:**

- 1 - Overview and Scrutiny Members proposals following meeting of July 2018.
- 2 - 'Early Impact of Universal Credit' - Scrutiny Report - Business & Overview Scrutiny Committee - July 2018
- 3 - 'Universal Credit Full Service November 2017' - Report of the Managing Director For Delivery.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Business Overview and Scrutiny Committee	29 November 2017
	4 July 2018