

## **Briefing Note for Scrutiny 14 January 2019**

### **Universal Credit Update**

#### **Background**

Conceptually, Universal Credit (UC) was created to merge 6 forms of benefit into one monthly payment, paid in arrears using “real time” claimant information. NB, 6 forms: Housing Benefit, Income related Employment Support Allowance, Working Tax Credit, Income Support, Child Tax Credits and Income based Jobseekers Allowance.

This national scheme would only apply to working age benefit claimants.

The scheme would be managed by the DWP

All claimant interaction would be digital

Claimants would migrate to UC when there was any change in their prevailing benefit conditions.

As all Members will be aware this has been a highly publicised change and due to the potential and ongoing issues the DWP decided to pilot UC across a number of areas across the Country and also decided to have a staged roll out to the full service.

The evidence from a number of these pilots is that Housing arrears has increased significantly – often increasing from circa 1-2% to 5-6%. The DWP has also introduced a number of changes to the scheme to address some of the well documented problems/hardship that have been identified. The 2 week Housing Benefit “run on” being one such example and slippage in roll out dates and extra transition arrangements for 2 child families are others.

UC still remains a political “hot topic” as only last week the next phase roll-out that was supposed to see another few million claimants transfer to this new system, has been postponed/reduced to a few tens of thousands.

#### **Mid Devon experience**

UC was rolled out in Mid Devon – initially at the Tiverton Job Centre on the 4 July 2018 and then for the Crediton area, at the Exeter Job Centre on the 28 September 2018.

Since these dates we have seen the following claimant numbers migrate to UC:

As at 30/9 – 189, at 21/11 - 305 and at 31/12 - 388.

To put these numbers in to context at the end of December we had 3,252 active HB claims – 2,051 working age and 1,201 pensioners.

So you can infer that as at 31/12/18 that circa 18% of working age HB claimants have transferred to UC.

During this transfer period we have re-modelled the front reception and provided additional PCs and customer booths, where customers can go on-line to access the DWP website. Our officers have providing specific assistance relating to digital support (46 cases) and personal budgeting support (39 cases). Currently the DWP recompense us for providing this support, however, from 1 April 2019 this work and the associated funding will transfer to the CAB.

### **Impact to our Housing Revenue Account (HRA)**

As at the 31/12/18 circa 120 housing tenants are now on UC – and have an average of £420 of rent arrears.

This is much better than the national picture (although very early days) and demonstrates the proactive work our Housing Team are doing to ensure positive steps are taken as early as possible in order to manage the arrears situation. We also have the ability to utilise the Alternative Payment Arrangement (APA) process, but to date this has not been required.

### **Ongoing Updates**

We will of course provide Members with further updates as this National roll-out continues.