

**Agenda Item No:**



**Report to Overview and Scrutiny Committee**

**Universal Credit Update – May 2018**

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**The Overview and Scrutiny Committee is asked:**

1. To note the report
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**Date of O&S meeting:**

**Chair of O&S Committee:** Cllr Chilton

**Relevant Portfolio(s):** Cllr Neil Shorter

**Summary:**

**Exempt from Publication:** NO

**Background Papers:**

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## **Report Title:**

### **Introduction and Background**

1. Universal Credit (UC) replaces the following benefits & combines them into a single monthly payment:-
  - Income Support
  - Income-based Job Seekers Allowance
  - Income-related Employment & Support Allowance
  - Child Tax Credit
  - Working Tax Credit
  - Housing Benefit
2. Universal Credit is for Working Age customers only (not pensioners).
3. The UC live service began in Ashford in April 2015, however, since 1<sup>st</sup> January 2018, the opportunity for new customers in Live Service areas such as Ashford, to claim UC has been withdrawn. This is to enable DWP to focus upon UC Full Service implementation.
4. Ashford was due to roll out with UC Full Service in March 2018. The UC Full Service roll out scheduled has been delayed by a further 3 months and this date has now moved to 20<sup>th</sup> June 2018. This is to allow for changes/improvements to be made to UC Full Service systems & procedures which are required by the announcements made in the last budget (see below for more details).

### **Live Service vs Full Service**

5. In June 2018, when Universal Credit Full Service is due to be rolled out in Ashford, claimants will continue to make their new claims for Universal Credit online as they do now. Under Universal Credit Full Service, Universal Credit claims are managed on an ongoing basis online, rather than on the phone. Claimants will need to communicate with the Universal Credit Service Centre & their Job Centre Work Coach online. They will be expected to regularly check their Universal Credit online journal & carry out any instructions, or "to dos" that have been communicated to them such as requests for further information, requests to attend a meeting with their Work Coach, reporting their job search activity to satisfy their claimant commitment. To see what a Universal Credit online journal looks like please visit <https://www.youtube.com/watch?v=F8zJD7z-TSE>
6. Under Universal Credit Full Service the customer owns & is responsible for their own data. As a result of this under the new system, the Ashford Borough Council Housing Benefit team will not be given detailed information about a customer's Universal Credit claim by the DWP. If Ashford Borough Council

need clarification from a Universal Credit customer regarding their Universal Credit entitlement, the customer will need to come to Ashford Borough Council to show information from their online journal.

7. Currently under Live Service the Local Authority can phone the UC Service Centre to obtain information regarding UC customers. This won't be permitted under Full Service
8. Ashford is in a Live Universal Credit Service area therefore currently only single claimants without children or any complex needs can claim Universal Credit in Ashford. From 20th June 2018, Ashford Borough Council enters Universal Credit Full Service. This will mean that all new working age claimants will claim Universal Credit rather than the legacy benefits. From 20 June 2018 they will not be able to make a new claim for Housing Benefit unless they:
  - Have reached State Pension Age ([Visit Gov.uk](#) for information on pensionable ages)
  - Have more than two children, unless they have received Universal Credit within the last six months
  - Are in exempt accommodation or temporary accommodation (they will need to claim Universal Credit but they may also get some help from Ashford Borough Council for their housing costs)
9. Live Service UC customers will eventually be moved over to Full Service and this is yet to be timetabled by the DWP. Ashford Borough Council will need to work with DWP to communicate with their customers when this occurs, to ensure that all affected customers do not suffer an interruption in service, or a break in their claim.

## **November 2017 budget announcements**

10. Some welcome announcements were made in November's budget, regarding Universal Credit. The changes to Universal Credit is what has led to the 3 month delay in roll out. The details of the changes have now been confirmed. The outline of the changes are:-
  - Stays in temporary accommodation are to be paid through Housing Benefit from April 2018
  - The 7 waiting days were abolished from February 2018
  - A transitional period of 2 weeks for anyone moving from Housing Benefit to Universal Credit, has been introduced from April 2018
  - There was an increase in the amount of advance payment a claimant can request from 50% to 100% of potential UC award, and that can be repaid by the customer over a 12 month rather than a 6 month period, from January 2018

- From January 2018 Ashford stopped taking new UC claims (single claimants without complex needs). The Live Service was switched off so all new claimants now claim the old legacy benefits until Full Service is rolled out in June 2018. Anyone already in receipt of UC will remain on UC
  - Roll out of Full Service has been put back by 3 months for all Job Centres. For Ashford this means our go live date has moved from March 2018 to June 2018
11. In March 2018, the Secretary of State for DWP confirmed that DWP will be amending the regulations so that all 18 – 21 year olds will be entitled to claim support for housing costs in Universal Credit. Currently 18-21 year olds who make a claim to UC in a Full Service area, have to meet certain criteria in order to receive support for housing costs. DWP will implement this change as soon as possible (no date has been announced yet).

## **Update from Neighbouring Local Authorities**

12. As part of our preparation for this change, Officers have been monitoring the experiences of our neighbouring authorities who are transferring to UC at an earlier date than the Council.
13. Swale Borough Council Went live with UC Full Service in December 2017. East Kent Services went live with UC Full Service as follows:-
- Dover District Council - most postcodes went live in May 2017
  - Thanet District Council – half postcodes went live July 2017 & the other half in September 2017(they rolled it out by half the postcodes at a time after lessons learned from DDC).
  - Canterbury City Council are due to go live in July 2018
14. Below is a brief outline of some feedback from Swale Borough Council & East Kent Services, regarding how UC Full Service has affected them

### *Update from Swale Borough Council*

**Q.** Who's delivering Personal Budgeting Support (PBS) & Assisted Digital Support (ADS) & has there been much demand on the service?

**A.** We are, CAB dropped out. There is very little demand, nothing for digital at all.

**Q.** Have you seen a drop in HB new claims?

**A.** Yes. Hopefully some more detailed figures will follow in due course

**Q.** Is there a significant increase in the UC notifications from the data hub & has this put a strain on your assessment staff?

**A.** There is an increase in UC notifications but they are quicker to deal with compared with an HB new claim and then the changes in circumstances.

**Q.** Are you finding you're having to reassess Council Tax Support (CTS) claimants in receipt of UC every month & therefore sending new Council Tax bills out every month?

**A.** No we amended our scheme so we just reassess them every 4 months unless there is a significant change.

**Q.** Has there been much confusion as to whether a claimant needs to claim UC or HB (especially with the April changes)

**A.** No I wouldn't say there has been. We put an extra person on reception when we went live but after 10 days we didn't need them. We did ring people who put in or ask to claim HB to check if they needed to claim UC. The most confusion has been caused by JCP not quite understanding the housing side.

**Q.** Have you seen an increase in the demand for your Discretionary Housing Payment (DHP) budget?

**A.** We spent our whole grant, someone said the other day that we have a lot of UC DHP claims but our HB caseload has dropped by 1,000 over the past year. Probably a lot of these people are now claiming UC so they will claim a DHP as a UC claimant.

### *Update from East Kent Services*

**Q.** Who's delivering PBS & ADS & has there been much demand on the service?

**A.** *PBS has been delivered by CAB (we pay them a set amount). ADS is delivered by the customer services team. We have had to introduce afternoon appointments at the Gateway in Margate and Whitfield for Dover District Council - it's a bit of a headache as we have to contact the customer beforehand to make sure they bring everything they need, otherwise they can't progress through the verification stage. It's fairly steady from what I understand. You need staff who can deal with the claims quickly and methodically and that can keep the conversation with the customer on track.*

**Q.** Have you seen a drop in HB new claims?

**A.** Yes, *Here are the latest figures*

LA	Caseload April 17	Caseload at 31.03.18	No of CTS Assessments with UC at 31.01.18	% of current caseload where there is UC element at 31.01.18
CCC (Canterbury)	11633	11431	117	1%

DDC (Dover)	10612	9869	862	8.7%
TDC (Thanet)	17661	16095	1003	6%

**Q.** Is there a significant increase in the UC notifications from the data hub & has this put a strain on your assessment staff?

**A.** *Yes! Originally we were downloading them and indexing them into our document imaging system, however it soon became apparent that the indexing team weren't coping with just one site, so we had to introduce automation straight into the processing system to relieve them. We have seen cases where they have revisited the same assessment period 2-3 times! You also get records for people out of the area who haven't claimed in ages, but their interests are still set with us.*

*As you get sent details of awards for people who aren't claiming HB/CTS, we were inviting these customers to claim CTS as we didn't want our recovery rates to suffer. Which means we had to leave these unlinked files on the system for a while awaiting a response. Just last week, we moved to stop this as we weren't getting much success and now auto-delete these records after 7 days. If the customer claims in the meantime, it matches them and saves us re-keying the awards, but doing the write-outs to encourage claims was not cost effective.*

**Q.** Are you finding you're having to reassess CTS claimants in receipt of UC every month & therefore sending new Council Tax bills out every month?

**A.** *In a lot of cases yes, your basic JSA/IS/ESA cases where there are no changes are fine, but if they take out advances, or have a managed payment to landlord, their system generates a file which then reassesses the claim. If the overall figure is the same (no earnings, just movement on the adjustments) then it won't recalculate the award. But earnings cases do generate more work and therefore will reset the Council tax recovery. We have started emailing Council tax to advise them of the date the customer normally gets their UC, so they can have discussions with the customer on the best date to set their direct debit.*

**Q.** Has there been much confusion as to whether a claimant needs to claim UC or HB (especially with the April changes)

**A.** *In the beginning. Getting the message right at the front end and having a good link with the JCP/service centre should improve that. We had a lot of customers being told by staff at ESA that they needed to claim from us, I believe this is down to those staff not being trained on UC and what constitutes a change. That has calmed down now as the Partnership Manager has raised incidences like this immediately.*

**Q.** Have you seen an increase in the demand for your DHP budget?

**A.** *Definitely! Thanet was wiped out, we had to ask the Housing Options team to add another £30K in. Dover underspent by around £250- compared to Canterbury (who hasn't hit Full Service yet) they had £46k left. I would be having conversations with your Housing Options teams on the DHP policy as you need to be sure there is enough money to help people. The main issue was Rent in advance/Rent deposit. We couldn't pay DHP as there was no entitlement to HB or UC HE, therefore Housing options had to pay the money upfront and then we repaid the Homeless protection fund from the DHP when UC Housing Element was in*

*payment. This is an administrative burden, which could easily be fixed if they changed the regs slightly!*

*Also- the 2 week run-on is an administrative nightmare- we have to set a manual underpayment and offset any HB paid past the UC claim date. We are hoping Civica can give us an automated solution quickly as it has slowed us down!*

## **Ashford Borough Councils approach**

15. All relevant staff have received UC training. Another external training provider is booked to deliver two whole day training sessions on UC on 14th & 21st May. This will ensure all staff are equipped with the latest UC information, in preparation for go live on 20th June 2018.
16. Regular fortnightly meetings have been scheduled with DWP in preparation for go live. It's important to keep the lines of communication with our DWP partners open & strong.
17. Some key HB processing staff have been trained on how to process the UC claims (for CTS).
18. Customer Service staff, housing staff as well as housing benefit staff have been trained on UC & which customers can claim UC & which ones need to claim HB.
19. Housing have funded an additional day for the Job Club to run (now Monday afternoons & Thursday afternoons). Whilst the Job Club is designed to help service users search for work, the staff working in the Job Club will also be available to help Job Seekers manage their UC online journals as part of that Job Searching process.
20. Ashford Borough Council took the decision not to accept the DWP's funding to provide Personal Budgeting Support & Assisted Digital Support. Providing this additional support is very labour intensive, with an anticipated fourfold increase in visits to Job Centre Plus there was concern that if this was accepted our own services could become overwhelmed at a time when we are seeking to manage this change and the impact of the Homeless Reduction Act which will affect the same resources. It was thought with current staffing levels the additional work was not a viable option, whilst the Council is maintaining all the services it has previously offered this allows us to keep some control over managing demand for support and allow us to refer to Job Centre Plus if we are unable to support the customer. Currently if a UC customer needs help to make an initial claim for UC online, DWP will need to provide that support.
21. Through the Job Club (see appendix A), the work of the Housing teams, the Welfare Intervention Officers, Housing Benefit teams, Customer Service staff, there will be some support, for our vulnerable customers who require additional help with their UC claims so it should be noted that we have not removed any services.

22. 'Space sessions' with housing staff are planned to discuss a joined up approach when dealing with Housing tenants in receipt of UC, and how a cross departmental approach can be taken to make the best use of the councils resources.
23. Housing Teams & the DHP team already work closely to maximise their budgets. This close working will continue as UC Full Service is introduced.
24. A UC working group has been set up comprising of Housing Staff, Housing Benefit staff & Customer Service staff. This group continues to meet monthly & discuss the operational impact/effects that UC will have across all departments.

### **Folkestone Jobcentre - UC go live 30<sup>th</sup> May 2018**

25. Folkestone Jobcentre went live with Universal Credit Full Service on 30<sup>th</sup> May 2018. Ashford boarders Folkestone & there are a handful of properties in Ashford that would have historically fallen under Folkestone Jobcentre (mainly Sellindge). However, DWP have taken a group of postcodes, that cover over 6000 properties, and moved them out of the Ashford Jobcentre area & aligned them to Folkestone Job Centre. They are:-

TN25 5 = Wye

TN25 6 = Mersham/ Smeeth

TN25 7 = Sevington/ Aldington/ Kingsnorth

TN26 2 = Appledore/Hamstreet/ Kenardington & Ruckinge

26. This means that any new working age customers, that need to make a claim for Housing Benefit (subject to the exceptions such as having 3 or more children, living in supported/exempt accommodation etc) living in the postcode areas listed above, will need to make a claim for Universal Credit rather than claiming the legacy benefits (HB, IS, JSA IB, ESA IR, WTC, CTC).
27. Ashford Jobcentre goes live with Universal Credit Full Service on 20<sup>th</sup> June 2018, so this just means that for these postcodes, go live is 3 weeks earlier. However, they will be aligned to Folkestone Jobcentre rather than Ashford Jobcentre. Any work-focused interviews will need to take place at Folkestone Jobcentre.
28. Many of the postcodes are much nearer to Ashford Jobcentre than Folkestone. It is concerning that some residents living in these postcodes may not have the funds or the transport to travel to Folkestone. Concerns have been raised with the DWP both verbally & more formally via a written letter. Residents claiming Universal Credit who live in the above postcode areas should not be expected to travel to Folkestone for their work-focussed interviews & to receive ongoing support from their Work Coach. It is hoped that any Universal Credit customers that find themselves in this position will be able to request to switch Jobcentres. We are awaiting an official response from the DWP regarding this matter.

## **Letter from Neil Couling**

29. On 7<sup>th</sup> June 2018, a letter was received from Neil Couling, Director General, Universal Credit Programme (see appendix B). In this letter, several announcements regarding UC were made, including the plans for working age customers who are currently in receipt of the Severe Disability Premium, are to remain on the legacy benefits until they migrate onto Universal Credit. Migration was due to be complete in March 2023 (another year later than planned).
30. The Local Authority will now keep Housing Benefits claims for the following groups:
  - Pensioners
  - Families with more than 2 children
  - Claimants receiving the Severe Disability Premium
  - Claimants living in supported or exempt accommodation
  - Claimants living in temporary accommodation
31. This means that the Council will continue to manage a significant caseload for the medium term and it is becoming more likely that there will be a reasonably significant number of cases remaining with the Council for the longer term.

## **Conclusion**

32. It is too early to predict the impact that moving to UC Full Service will bring. Council staff will have all received several training sessions before Go Live, regular meetings are taking place with DWP to discuss any issues that arise regarding UC, office procedures are in place to deal with the UC notifications, the website is all set to be amended to take account of UC Go Live on 20<sup>th</sup> June 2018.
33. It is only eligible new claimants that will claim UC rather than HB. After speaking with neighbouring authorities, the drop in HB caseload is a gradual process, allowing the council to adjust steadily as time goes by. The move over to UC will be a gradual one in the early stages.

## **Contact and Email**

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## **Job Club Update – June 2018**

The Job Club is staffed by one paid employee, (the Employment & Skills Officer) and one volunteer, currently. It is held weekly on Monday afternoons at the Ashford Gateway. Many of the people that attend the Job Club have medium to low literacy &/or digital skills, so find job searching more difficult than the average Ashford resident.

At the Gateway individuals have access to the internet, with staff on hand to assist those that are new to job searching or using the internet. The staff member and volunteer have experience in technology and CV writing.

There has been a total of 505 visits to the Job Club this year (Apr 17 to Mar 18). Based on 46 sessions that is an average of 11 clients per session throughout the year (there are only 12 PCs in the IT suite at the Gateway)

During the last year, the Employment & Skills Officer, managed to contact 315 people who had attended at least one session at the Job Club. 97 of those people have found either paid or unpaid work or entered training. That is almost 31%. Considering the limited skills that some of the Job Club clients have, 31% would be considered a pretty reasonable success rate.

With the introduction of Universal Credit, there will be even more need for Job Seekers to transact online. Their job searching activity must be logged on their Universal Credit online journal, which some Job Club clients may find difficult at first. With this in mind, the Job Club has been extended to also run on Thursday afternoons at Ashford Gateway, from April 2018. As part of their job searching process, the Employment & Skills Officer & her volunteer, can help Job Club clients update their journals as well as carry out their job searching activity.

The volunteer who helps out at the Job Club has been doing so for the past two years. She is reliable & attends every week without fail. She is patient with the clients & very knowledgeable when it comes to IT matters. She also is very grateful for the opportunity we have offered her.

*"I'd like to thank both you and Sarah for helping to make this a fulfilling and enhancing experience for me. Before starting at the Job Club I had lost a lot of my confidence. I've found that because I'm treated as an equal I feel accepted. This is the hardest part about having a disability, especially if it's hidden. Trying to find people who will accept you for who you are and not for who you're expected to be. So, again, thank you for all your support."*

The Job Club would struggle to run without the help of volunteers to support the council's Employment & Skills Officer.

Vikki Baker

13 June 2018





Department  
for Work &  
Pensions

[www.dwp.gov.uk](http://www.dwp.gov.uk)

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7 June 2018

For the attention of:  
Chief Executives,  
Revenue and Benefits Managers  
GB Local Authorities

*Dear Colleagues*

Today the Secretary of State made a Written Statement about Universal Credit. The statement highlights the increased pace of Universal Credit rollout and the changes we are making for the people we move on to Universal Credit.

The full statement can be found here:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-07/HCWS745/>

The main changes we are making are:

- Claimants in receipt of Severe Disability Premium will remain on legacy benefits until we move them as part of our managed migration plans, even if they experience a change in circumstances. At this point, they will qualify for transitional protection if their legacy entitlement is more than their Universal Credit payment. We will consider retrospective protection to any cases that have already moved to Universal Credit
- We will strengthen incentives for parents to take up short-term or temporary work by making sure receipt of childcare costs does not erode transitional protection
- We will make sure short-term increase in earnings don't end transitional protection. This includes claimants whose pay cycles or wages temporarily lift them out of Universal Credit entitlement. It is unfair that people should lose transitional protection, simply because they earn more. Therefore the

claimant's transitional protection will be re-awarded if they make a new claim within 3 months of when they received the additional payment.

- Finally, we will disregard capital over £16,000 for claimants we move from tax credits to Universal Credit for twelve months. After this time, the normal rules will apply and we will expect claimants with a high level of personal resources to fund themselves.

In order to implement these changes, we will now complete migration of all claimants to Universal Credit in March 2023.

As I explained in my letter 20 July 2016, the Government will begin incorporation of Housing Benefit for pensioners into Pension Credit once the Universal Credit timetable is completed. This means Local Authorities can expect to deliver Housing Benefit for pensioners into the next Parliament, beyond 2022.

Today we have also published the summary of the Universal Credit Full Business Case. This shows that Universal Credit will deliver £34bn benefit to the UK economy over ten years from a £2bn investment; and get an additional 200,000 people into work. The summary shows why implementing Universal Credit is so important.

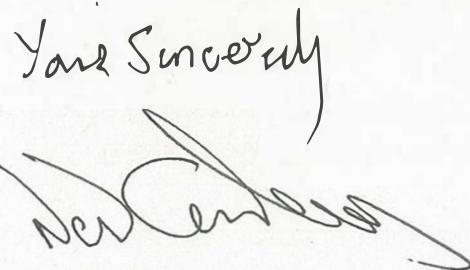
The Business Case summary can be found here:

<https://www.gov.uk/government/publications/universal-credit-programme-full-business-case-summary>

We continue to plan the most effective way to move legacy claimants on to Universal Credit and will share details with you as soon as they are available.

I hope you agree these announcements show Universal Credit is delivering at scale and we soon expect to reach the point where there are 1 million people on the UC caseload.

Local Authorities have played an important part in making this happen and I am grateful for continued support. I look forward to working with you as we head towards completing rollout at the end of this year.

Yours sincerely  


Neil Couling  
Director General, Universal Credit Programme