

Summary Sheet

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 28 November 2018

Report Title

Universal Credit Roll Out in Rotherham

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

All

Summary

Universal Credit (UC) is being introduced nationally to replace 6 key benefits for customers and following a number of delays was fully rolled out in Rotherham on 11 July 2018.

Recommendations

1. That the updated information on the roll out of Universal Credit “Full Service” included in this report be noted.
2. That Overview and Scrutiny Management Board endorse the continuing functions of the working groups, in particular to oversee the presentation of further updates and recommendations arising from the implementation of Universal Credit and discussions with the Department of Work and Pensions around issues arising.

List of Appendices Included

None

Background Papers

Waiting for Credit: The delivery of Universal Credit, Citizens Advice Bureau, 2015

[http://www.boltoncab.co.uk/Global/Waiting%20for%20Credit%20PDF%20final%20\(003\)%20Nov%202015.pdf](http://www.boltoncab.co.uk/Global/Waiting%20for%20Credit%20PDF%20final%20(003)%20Nov%202015.pdf)

Universal Credit and debt, Citizens Advice Bureau, 2017

<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/universal-credit-and-debt/>

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Universal Credit Roll Out in Rotherham

1. Background

1.1 This report provides an update on the ongoing roll out of the Universal Credit Full Service in Rotherham which commenced on 11 July 2018. People move onto Universal Credit if they are a new claimant or if there is a change in their circumstances which triggers the changeover from legacy benefits. In practice this means a "Change of Benefits". Changes of benefits includes:

- "In work" to "out of work";
- "Out of work" to "in work";
- "In work" to "sick";
- "Out of work" to "sick";
- "Lone parent with youngest child under five" to "child reaches the age of five";
- Housing Benefit claimant moves from one local authority area to another; and becomes eligible to pay rent;

2.2 Universal Credit is an integrated working-age benefit that provides a basic allowance with additional elements for children, disability, housing and caring. It supports people both in and out of work and replaces the following benefits:

- Working Tax Credit (WTC);
- Child Tax Credit (CTC);
- Housing Benefit (HB);
- Income Support (IS);
- Income-based Jobseeker's Allowance (JSA);
- Income-related Employment and Support Allowance (ESA).

2.3 Working groups continue to meet at both strategic and operational level. These working groups have brought together service providers, Department for Work and Pensions, Jobcentre Plus and other relevant partners including Rotherfed and the Citizens' Advice Bureau. Within the Council, this has drawn together resources from:

- Revenue and Benefits;
- Early Help Team – particularly the Family for Change workers;
- Adult Social Care;
- Housing and Financial Inclusion;
- Policy and Partnership;
- Customer services including digital inclusion;
- Communications

2.4 Since roll out there has not been any significant issues identified, that said, it is still less than 3 months since the go live of the Universal Credit Full Service, so issues may manifest themselves in the future.

2.5 The Operational Working Group has established five work streams to take forward all actions required for commencement. These were (including lead officer):

- Digital inclusion to support people getting online – Phil Rushton (initial lead)
- Communications Strategy – Hayley Richardson-Roberts
- Data Handling – Gary Walsh
- Pathways for support – Emma Ellis
- Training – Glennis Leathwood

The detail of this report sets out the actions that have been taken since roll out on 11 July 2018.

3. Key Issues

3.1 Key areas of work in relation to the work streams have been carried out including detailed work around digital support to ensure that people are fully supported in the process of making online applications. Training of staff across the Council, especially those in front line services has been extensive in addition to the provision of material and other communication methods to ensure knowledge and information is disseminated. Key recent activities include:

- Awareness of NHS prescriptions not being updated to reflect the roll out of Universal Credit nationally is being undertaken in General Practitioner's surgeries and local pharmacies. Essentially prescription forms do not identify Universal Credit as an option for non-payment. People in receipt of Universal Credit need to be advised to tick the Income based support box for non-payment to be valid, otherwise an automatic penalty notice will be issued.
- Making Every Contact Count training has been reviewed to ensure Universal Credit is included.
- Further Universal Credit awareness raising sessions are being held monthly between October 2018 and January 2019 for frontline staff

3.2 Two digital support workers, 1.5fte, employed by the Council are now based at Rotherham Job Centre to support customers with digital support. The Housing Revenue Account is providing additional funding of £40k towards provision of digital support to Universal Credit claimants. Claimants at Dinnington and Maltby Job Centres are referred to their local library. There have been several reports of claimants being turned away by library staff; as a result, further training is being undertaken on Universal Credit and Digital Support with library staff as the Council receives £24k grant funding from the Department of Work and Pensions to deliver this service on their behalf. To 21 September 2018 there has been 297 claimants referred for Digital Support which represents about 21% of all claims made.

- 3.3 The Trusted Landlord Portal has been operational since the launch of Universal Credit. This allows Housing Services to apply for and self-verify applications for alternative payment arrangements and third party deductions without intervention from the Department of Work and Pensions. The Council's Financial Inclusion Team will monitor the alternative payment arrangements to ensure that alternative payment arrangements are applied for in line with the Department of Work and Pensions' policy. There is a risk that too many alternative payment arrangements will impact on credibility resulting in the loss of the portal.
- 3.4 Personal Budgeting Support is provided through the Council's Advocacy and Appeals Service. The Personal Budgeting Support is conducted on an appointment basis in all job centres across Rotherham. As at 21 September 2018 there had been 58 referrals for Personal Budgeting Support of which 43 claimants attended the subsequent appointment, meaning that 26% of referrals failed to attend. It is important that referral rates are maintained, as the value of grant funding received by the Council is based on forecasted referral rates provided by the Department of Work and Pensions. For Personal Budgeting Support it is anticipated there will be 799 Personal Budgeting Support appointments by 31 March 2019.
- 3.5 The migration of 720 Universal Credit Live Service claimants (single people who made a claim locally between December 2015 and December 2017) commenced on 19 September 2018. It is expected that all claimants in this group will be transferred by December 2018 prior to the national computer system for Universal Credit Live Service claims being switched off early in the New Year. The Housing Service continue to support all affected tenants to offer support as required given the claimant will need to activate a new claim for the Universal Credit Full Service.
- 3.6 The table below summarises the current number of Universal Credit Full service claims in Rotherham Department of Work and Pensions District between 11 July 2018 to 21 September 2018:

Universal Credit Full Service Claims	Universal Credit Full Service claims with Work Coach	Universal Credit Claims with LA Housing Costs	Local Authority Advance Payment Arrangements	Local Authority Third party deductions
1,370	744 of which: Dinnington 176 Maltby 175 Rotherham 393	915	296	212

- 3.7 The impact on rent arrears is now starting to become evident at individual account level, with the average arrears for a tenant on Universal Credit being £726.92 compared to £395.12 for other tenants i.e. the average arrears for a tenant on Universal Credit is 84% higher than other tenants. This presents a significant risk to income collection and manifests itself through increased bad debt provision. The forecast arrears balance for new Universal Credit claims is £625k for 2018-19. To mitigate this risk all new tenants who are eligible for Universal Credit have to make a claim and set up either a Direct Debit or a Recurring Card payment for rent prior to being issued with the keys for their new home.
- 3.8 Local partners have not reported any significant increase in demand for services following the roll out of the Universal Credit Full Service. For instance, whilst the Citizens' Advice Bureau has seen over a 120% increase in uptake of services this is not directly attributable to Universal Credit as there has only been a 1% increase in demand for benefits advice since the same period last year. For context, Citizens' Advice Bureau have only provided 92 pieces of advice about Universal Credit since July 2018, this comprises only 2% of the 4,125 issues that have been dealt with during that time.
- 3.9 Foodbank use has remained fairly constant, at levels seen before the rollout of the Universal Credit Full Service. Before the rollout there were on average 79 referrals per month. In the three months following rollout, there have been 74, 84 and 80 vouchers issued respectively i.e. no increase in the average number of referrals.

National Developments

- 3.10 The Government have announced that those Universal Credit claimants who move onto Universal Credit through natural migration and who are worse off because of the loss of the Severe Disability Premium will receive protection. In practical terms this means there will be:
- No new claims for Universal Credit from anyone who has the Severe Disability Premium in their current legacy benefit awards.
 - Transitional protection for those claimants already on Universal Credit who were getting the Severe Disability Premium in their legacy benefits before moving on to Universal Credit and are worse off.
 - A backdated payment given to these claimants representing the amount of benefit lost since moving onto Universal Credit.
- 3.11 The timetable for migration of remaining claimants from legacy benefits has still to be announced although the timeframe for migration has been extended by one year to 2022.

- 3.12 On 1 October 2018, the Government announced that all Local Delivery Partnerships with Local Authorities to deliver Digital Support and Personal Budgeting Support will transfer to the national network of Citizens' Advice Bureau offices from 1 April 2019. The Local Universal Credit Delivery Manager will provide further details as they become aware. The immediate issue for the Council will be the loss of grant income of circa £75k per annum which was received for this service. Financial Services have been made aware of this for 2019-20 budget setting. It is the intention that the next Universal Credit Operation Group review the implications across the Council and partners so there is no negative impact on the service provided to claimants.

4. Options considered and recommended proposal

- 4.1 There are no options with this update report.

5. Consultation

- 5.1 None

6. Timetable and Accountability for Implementing this Decision

- 6.1 No decision is required. The timeline for ongoing roll out of Universal Credit is managed by the Department for Work and Pensions. It is anticipated the full roll out of Universal Credit nationally will be complete by 2022.

7. Financial and Procurement Implications

- 7.1 There are no procurement implications from this report.
- 7.2 The Local Delivery Partnerships with Local Authorities to deliver Digital Support and Personal Budgeting Support will transfer to the national network of Citizens' Advice Bureau offices from 1 April 2019. This will result in the loss of grant funding of circa £75k which was received for this service. This is being taken into account in the 2019/20 budget setting.
- 7.3 The HRA currently provides funding of £40k towards provision of digital support to Universal Credit claimants, this is in addition to the £24k received from the Department of Work and Pensions to deliver digital support to Universal Credit claimants.
- 7.4 There has been an impact in terms of increasing rent arrears for tenants receiving Universal Credit compared with other tenants, the average increase being 84% higher. The latest forecast arrears balance for new Universal Credit claims is £625k for 2018-19. In order to mitigate the increasing rent arrears all new tenants who are eligible for Universal Credit must either set up a Direct Debit or a Recurring Card payment to pay their rent prior to being issued with the keys for their property.

8. Legal Implications

- 8.1 No direct implications from this report

9. Human Resources Implications

- 9.1 No direct implications from this report

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 The roll out of Universal Credit throughout Rotherham may have a detrimental impact on the Young People and some vulnerable adults due to changes in payment rates and time it takes for new claims to be paid which is up to 6 weeks. This may mean these client groups are adversely affected by the changes and unable to pay bills or general living expenses during this period.

11 Equalities and Human Rights Implications

- 11.1 No direct implications from this report

12. Implications for Partners and Other Directorates

- 12.1 A decline in CTS applications from those entitled to support could lead to a subsequent increase in Council Tax bills for those affected which may increase the numbers engaging with advice agencies in respect of financial difficulties.

13. Risks and Mitigation

- 13.1 A decline in CTS applications from those who would be entitled to support will result in an increase in Council Tax arrears together with the costs of collection and an increase in personal debt levels.
- 13.2 In order to mitigate this actions have been put into place in order to maximise applications from who may be entitled to support.

14. Accountable Officer(s)

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Adult Care, Housing and Public Health		
Assistant Director of Legal Services	Elizabeth Anderton	19.11.2018
Strategic Director of Finance and Customer Services	Mark Scarrott	19.11.2018
Head of Procurement (if appropriate)	n/a	
Head of Human Resources (if appropriate)	n/a	

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