

**Report of Assistant Chief Executive (Citizens and Communities)**

**Report to Executive Board**

**Date: 22<sup>nd</sup> June 2016**

**Subject: Welfare reform and Council Tax Support**

|  |   |  |
|--|---|--|
| Are specific electoral Wards affected?<br>If relevant, name(s) of Ward(s):   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| Is the decision eligible for Call-In?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| Does the report contain confidential or exempt information?<br>If relevant, Access to Information Procedure Rule number: | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Appendix number:   |   |  |

**Summary of the main issues**

- 1 Councils have been delivering locally-designed Council Tax Support schemes since April 2013. Initial funding was in the form of a grant that was around 10% less than the subsidy provided by the Government for the national Council Tax Benefit scheme. Subsequent funding has been absorbed within the annual settlement grant and has, therefore, been subject to annual reductions. This inevitably means that the local scheme provides less support to some groups than the fully funded national Council Tax Benefit scheme did. The report provides an update on Council Tax collection rates over the last three years for the affected groups.
- 2 Local Council Tax Support schemes operate within the wider context of national welfare support and this means that Government changes to welfare benefits can impact on the levels of Council Tax Support. In its 2015 summer budget, the Government announced a number of welfare reforms that do have an impact on Council Tax Support levels. These include: the removal of the family premium, the restriction of support to 2 children, the removal of work allowances (reversed in Tax Credits but implemented in Universal Credit) and the limitation of backdating of claims to 4 weeks.
- 3 Mirroring these changes within the local Council Tax Support scheme would reduce the level of support that residents receive. However, failing to mirror these changes within scheme will generate additional costs for the council.
- 4 The roll out of Universal Credit is also a factor that needs to be taken into account when looking at local schemes. The Leeds' scheme is aimed at encouraging jobseekers to work more closely with the council to help improve work opportunities and it is important that the schemes complement each other where possible and that schemes continue to be delivered efficiently and at minimum cost.

## Recommendations

### 1. Executive Board is asked to

- Approve the development of a revised Council Tax Support scheme as set out in paragraphs 3.18 – 3.30 and Appendix C;
- Approve a public consultation on the revised scheme with the consultation to be concluded by November 2016;
- Agree to retain the Child Allowance for 3<sup>rd</sup> and subsequent children during the transition to any new scheme;
- Agree to retain the Family Premium during the transition to any new scheme;
- Approve the development of a hardship scheme for those in protected groups who may be worse off under a revised scheme;
- Note the intention to offer a financial incentive for jobseekers to complete Personal Work Support Packages by offering to write off court costs

### 1. Purpose of this report

- 1.1 The report provides analysis of the impact of local Council Tax Support schemes since 2013 on those groups who no longer receive 100% Council Tax support. This information is put in the context of overall collection rates where possible. The report also discusses the expected impacts of the Government's continuing package of welfare reform on local Council Tax Support schemes and sets out options for how the council can respond to these changes, including the continuing roll out of Universal Credit.
- 1.2 The purpose of providing this information is to set out where changes are recommended to the scheme, and, if required, to get approval to carry out a public consultation exercise.

### 2. Background information

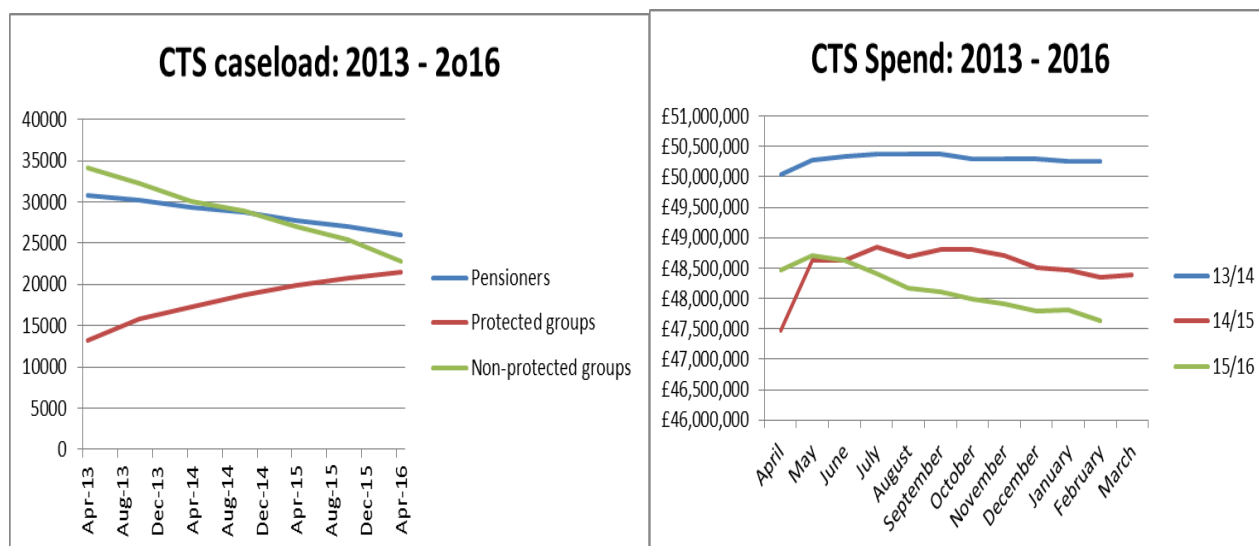
- 2.1 The council has been delivering locally designed Council Tax Support schemes since April 2013. The schemes have been based on rules and regulations contained within the old national Council Tax Benefit scheme. This approach enables the links with Housing Benefit to be maintained and helps achieve a more efficient administration.
- 2.2 Although Government funding for Council Tax Support was around 10% less than that provided for the national Council Tax Benefit scheme, the Council has delivered a scheme that protects vulnerable people and now offers additional support to jobseekers to help improve work prospects. Maximum support is provided to the following groups:
  - customers who qualify for a severe or enhanced disability premium;
  - lone parents with a child under 5
  - customers in receipt of a War Widow(er)s Pension or War Pension
  - carers

2.3 Pensioners are not subject to the local Council Tax Support scheme, but instead have a national scheme prescribed by the Government. The costs of the pensioner prescribed scheme are also met by the Council.

2.4 The main drivers of costs are the numbers claiming Council Tax Support, the numbers protected from reductions and the level of the Council Tax itself. A 2% increase in Council Tax, for instance, would be expected to add around £1m to the cost of the scheme. The maximum support available to non-protected groups has changed over the years in response to financial pressures as shown below:

- 2013/14: 81% maximum support for non-protected groups
- 2014/15: 74% maximum support for non-protected groups
- 2015/16: 75% maximum support for non-protected groups
- 2016/17: 75% maximum support for non-protected groups

2.5. Caseload and costs information over the last 3 years of the scheme is shown below.



2.6. Caseload has reduced by just under 10% in the period from April 2013 to April 2016, while scheme expenditure has reduced by only 4% over the same period. The reason why scheme spend has reduced at a slower rate than the caseload is because a) there have been Council Tax increases each year and b) there has been a significant increase in the numbers who fall into the protected groups. This number has increased by 62% over the same period (from 13,286 to 21,528). The reduction in pensioner caseload is influenced by the fact that the pension age is being raised.

### 3. Main Issues

#### *Analysis of Council Tax collection rates for non-protected groups*

3.1 It is difficult to monitor all the cases that have been affected by the changes in Council Tax Support. This is because cases come on and off benefit over time and have other changes in their circumstances that make monitoring extremely complex. However, it is possible to look at those currently getting benefit and look back to see if they were getting benefit previously.

3.2 The table below shows the annual amount of Council Tax due from a couple in a Band A property who would have received 100% support under Council Tax Benefit

| Year    | Band A amount after CTS/CTB | CTS scheme max support - % | Annual % Ctax increase | Actual % increase/decrease in liability |
|---------|-----------------------------|----------------------------|------------------------|---|
| 2012/13 | 0.00                        | 100                        |                        | -                                       |
| 2013/14 | £166.74                     | 81                         | 0%                     | -                                       |
| 2014/15 | £232.52                     | 74                         | 2%                     | 39                                      |
| 2015/16 | £228.05                     | 75                         | 2%                     | -2                                      |
| 2016/17 | £236.86                     | 75                         | 4%                     | 3.9                                     |

3.3 This analysis looks at those currently getting CTS who would have been entitled to 100% support under the old Council Tax Benefit system.

|         | Previously 100% cases now getting reduced support | Amount to collect £m | % collection rate as at March 2016 | Comments  |
|---------|---|----------------------|------------------------------------|---|
| 2013/14 | 18,920  | 2.68                 | 88                                 | 12% have a balance outstanding > £10 with aggregate balance being £498k |
| 2014/15 | 15,860  | 3.08                 | 68                                 | 32% have a balance outstanding > £10 with aggregate balance of £1.17m   |
| 2015/16 | 13,032  | 2.48                 | 37                                 | 63% have a balance outstanding > £10 with aggregate balance of £1.77m   |

3.4 Both the 14/15 accounts and the 15/16 accounts have had less time to pay than the 13/14 accounts so the situation is likely to improve as time progresses. However, it is also worth noting that those cases that have an outstanding balance in 13/14 will also owe Council Tax for 14/15 and 15/16. Similarly, those that have an outstanding balance in 14/15 only will also owe Council Tax for 15/16.

3.5 A more in-depth look at the 14/15 cases where there is an outstanding balance shows that 35% are having their Council Tax recovered by deductions from their national benefits. The average balance where there is a deduction from national benefits is £148 and, at £3.70 a week which is the maximum deduction, will take 40 weeks on average to recover. 34% of these have an order for deductions from national benefits 'queued up' waiting for another debt to be cleared – the average Council Tax debt to be cleared by these deductions is £286 and will take around 77 weeks to clear once the deductions start.

3.6 The majority of cases for 13/14 and 14/15 where there is an outstanding balance will also have recovery costs included as part of the outstanding balance. It is also the case that many of those who have paid in full will have paid costs where recovery action was taken and a liability order secured. The value of costs levied has increased since the changes to Council Tax Support came into effect in 2013. In 2012/13, the last year before the

changes, the value of costs levied was £2.3m. This increased to £3.8m in 13/14 and £3.4m in 14/15. Not all costs are recovered and a number are cancelled where residents make contact to arrange affordable repayment options. Nevertheless, the value recovered from 13/14 costs is around £840k higher than that recovered from 12/13 costs.

- 3.7 There is a requirement to get a liability order in order to take further recovery action for unpaid Council Tax, including requesting an attachment to someone's benefit. The Council has previously written to the Government to have this requirement looked at again but was not successful with the request. Although costs can be written off, most often where there is engagement with the resident and an agreement to repay, there may be merit in using a proportion of income from costs to establish a hardship fund to help those most in need.

*Analysis of personal work support package element of current scheme*

- 3.8 For 15/16, Full Council agreed on a scheme that included more of a focus on helping people into work and would seek to reduce dependency on Council Tax Support for jobseekers. This was done by linking ongoing entitlement to Council Tax Support to the provision of additional support around improving job prospects for customers claiming Jobseekers Allowance. Leeds City Council is the only council which routinely provides personal work support as part of its Council Tax Support scheme.

- 3.9 This new approach is important in taking forward the Citizens@Leeds propositions for tackling poverty and deprivation. The propositions as approved by Executive Board are set out below:

- The need to **provide accessible and integrated services**;
- The need to **help people out of financial hardship**;
- The need to **help people into work**; and
- The need to **be responsive to the needs of local communities**.

- 3.10 Appendix A provides a statistical analysis of progress to date. The key points to note are:

- 562 people have started to engage with us around Personal Work Support Packages
  - 103 have completed their engagement
  - 73 have found employment
  - 372 continue to engage around work related support
  - 14 no longer receive CTS
- In total 185 people no longer receive Council Tax Support because they have not engaged around Personal Work Support Packages;
- Of these 185, 141 are still within the 3 month time limit for having their CTS reinstated in full should they respond to encouragements to engage.

- 3.11 During 15/16, the scheme applied only to new jobseeker cases. From 16/17, the scheme applies to all jobseekers and will, therefore, include jobseekers who have been out of work for some time. These residents have been invited to participate during the coming year.

- 3.12 A number of administrative changes are to be made to improve the operation of the scheme. These include offering more tiered levels of support, introducing a caseload management approach that will see advisors staying with the same residents, removing the need to attend a group introductory system and utilising a more functional appointment booking system.

- 3.13 Approval is also sought to provide a financial incentive for residents to complete their personal work support packages. It is proposed that where residents engage with the Personal Work Support Package element, any recovery costs incurred as a result of non-payment of Council Tax will be written off upon completion of the Personal Work Support Package. This approach is an extension of the flexible approach that already exists in dealing with costs.

*Information on the impacts of Government's proposed welfare reforms*

- 3.14 In its Summer Budget 2015, the Government announced more welfare reforms aimed at further reducing the welfare budget by £12bn. A number of these reforms have implications for the Council's local Council Tax Support scheme. This is because the reforms either reduce the amount of income a recipient has or change/remove elements that count towards someone's needs assessment in national benefits that are mirrored in Council Tax Support schemes.
- 3.15 The needs assessment is made up of personal allowances plus premiums for children, disability, caring etc. A claimant's income is compared to their needs assessment:
- Where income is equal to or less than the needs assessment, maximum CTS is paid;
  - Where income is higher than the needs assessment, the CTS award is reduced.
- If income goes up or down, this changes the amount of CTS paid; if personal allowances or premiums go up or down, this also changes the amount of CTS paid. It also follows that:
- Changing both income and allowances/premiums by the same amount, has no effect on the CTS paid;
  - Increasing only the income side, reduces the amount of CTS paid;
  - Reducing only the income side, increases the amount of CTS paid;
  - Increasing only the needs assessment side, increases the amount of CTS paid
- 3.16 The main changes that affect Council Tax Support are set out below:

*1 Changes to work allowances within Universal Credit for in-work claimants*

1.1 The changes reduce the amount that can be earned before earnings start to reduce the amount of Universal Credit received. This means claimants will get less Universal Credit. Universal Credit is currently treated as an income for Council Tax Support. This means that a claimant's income goes down and, as there is no change to their needs assessment in CTS, they get more Council Tax Support funded by the council.

1.2 The changes only affect in-work claimants and would increase the CTS award by between £150 and £250 per annum for those affected. Relatively few cases are expected to move onto Universal Credit over the next 2 years and it is recommended that no changes are made to the Council Tax Support scheme to offset the impact on Council Tax Support of the reduction in Universal Credit at this time.

*2 Limit to 2 the number of children eligible for additional support*

2.1 From April 2017, benefit support will be limited to 2 children only. This means that families with 2 children or more who have a further child after April 2017 will not receive the additional Tax Credit or Universal Credit of £2780 pa for the 3<sup>rd</sup> or subsequent children.

2.2 The Council Tax Support scheme awards a premium of £3478 pa for each additional child – this reflects the premium within the old Council Tax Benefit scheme.

- Under the current system, a family's income goes up by £2780 when they have an extra child but their needs assessment for Council Tax Support purposes goes up by £3478. Because their needs assessment has increased by more than their income, this results in the family getting more Council Tax Support.
- 2.3 Removing the premium for 3<sup>rd</sup> and subsequent children from the Council Tax Support scheme would mean that families would not get any extra Council Tax Support when they have a 3<sup>rd</sup> or subsequent child. Over time this will reduce the cost of the scheme.
- 2.4 However, retaining the 3<sup>rd</sup> child premium within the Council Tax Support scheme, would add to the costs of the scheme. This is because the needs assessment would increase by £3478 pa but there would be no additional Tax Credits or Universal Credit income to offset this needs assessment increase. Some families would stand to get up to a maximum of £550 p.a. more in Council Tax Support. It is very difficult to model the costs of retaining the 3<sup>rd</sup> child premium in CTS because it only applies to families who have a 3<sup>rd</sup> or subsequent child after April 17 (all families with 3 or more children as at April 17 will continue to get the extra support for the 3<sup>rd</sup> or extra child);
- 2.5 There are currently 1,439 families with 3 or more children who do not get full Council Tax Support. On average these families fall short of full support by £309 pa. If they were to lose their entitlement to the extra Child Tax Credit for the 3<sup>rd</sup> or subsequent child, then, in the fullness of time it would increase CTS scheme costs by around £445k.
- 2.6 There are a further 4,146 families with 1 or 2 children who do not get full CTS. On average these families fall short of full support by £351 pa. If, over time, they had a 3<sup>rd</sup> child, it could increase scheme costs by around £1.4m.
- 2.7 If the 3<sup>rd</sup> child premium is removed, there would be a reduction in overall CTS spend compared to the current scheme. Again, it is very difficult to model the reductions but it would equate to £140 pa for each family that a) lost entitlement to the 3<sup>rd</sup> child premium and b) was not getting a benefit which 'passported' the customer to maximum CTS i.e. Jobseekers Allowance, Income Support, ESA and maximum Universal Credit.

### 3 *Removal of the Family Premium*

- 3.1 In a similar vein to the 3<sup>rd</sup> child premium, the Government is removing the Family Premium from Tax Credits and Universal Credit with effect from April 2017. This means that new families or new claims from families after April 2017 will not be entitled to the Family Premium.
- 3.2 The Family Premium is worth £545.34 pa in Tax Credits or Universal Credit. There is also a Family Premium in the Council Tax Support and this is worth £907pa. Because the Family Premium in CTS is higher than the extra Tax Credits or Universal Credit paid to a family, families get more Council Tax Support.
- Removing the Family Premium means that new families will not get as much Council Tax Support as existing families;
  - Retaining the Family Premium within the Council Tax Support scheme will mean that new families get around £100 a year more Council Tax Support than existing families.
- 3.17 It is recommended that there is no change to the Council Tax Support scheme and that the additional child premium and the family premium are retained. The reasons for

recommending this are a) that the impact of retaining these elements is likely to be very limited in the first instance and b) that the continued roll out of Universal Credit presents an opportunity to look at an alternative Council Tax Support that will remove the need to review the Council Tax Support scheme if there are further Government reforms to the welfare system.

*Options for 17/18 and beyond*

- 3.18 The current Council Tax Scheme is designed to provide support to residents to improve job chances, provide effective financial support to help residents pay their Council Tax and remain affordable within the context of the wider challenges faced by the Council. Over the last few years the scheme has been supplemented by effective initiatives aimed at tackling high cost lending, providing affordable credit options and increasing accessibility to welfare and debt advice. The scheme is now facing additional pressures arising from the Government’s welfare reforms which reduce the Government’s costs but increase cost to councils.
- 3.19 The roll out of Universal Credit also creates some challenges for Council Tax Support schemes as well as providing an opportunity to simplify the Council Tax Support scheme.
- 3.20 Scrutiny Board (Citizens & Communities) recently carried out an in-depth review into Universal Credit and its potential impacts on a number of stakeholders. A copy of the Board’s report is attached at Appendix B. The Board’s report identifies that many people in low-paid work with fluctuating earnings will also see their monthly Universal Credit payment fluctuate and, as things stand, this will lead to monthly changes to Council Tax Support with further implications for Council Tax payment dates and liability orders. A recommendation, therefore, is to consider whether changes can be made to the Council Tax Support scheme to manage this.
- 3.21 Scheme costs have been contained or reduced mainly due to the decreasing caseload which, as shown in para 2.6, has come down by around 10% over the last 3 years. Caseload levels are now back at their pre-recession levels. This mean that the current rate of decrease is not guaranteed going forward. In the event of further Council Tax increases and further Government reforms, particularly around Universal Credit, scheme costs are more likely to rise than decrease in coming years.
- 3.22 The table below shows how scheme costs could increase with an annual increase in overall Council Tax levels of 4% based on current caseload and current rules i.e. before allowing for any increase arising from Government reforms, including those outlined in this report.

|             |       |       |       |       |       |
|-------------|-------|-------|-------|-------|-------|
| Current CTS | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 |
| spend-£m    | + 4%  | + 4%  | + 4%  | + 4%  | + 4%  |
| £48.3       | £50.2 | £52.2 | £54.3 | £56.5 | £58.7 |

- 3.23 The Council currently spends £4m a year protecting some groups from reductions in CTS – this amount is anticipated to grow to £5m over the next 5 years. A number of claimants will, over this time, move onto Universal Credit and be better off financially.
- 3.24 Analysis of Universal Credit, undertaken on behalf of the Council in 2014 by Policy in Practice, showed that a number of residents will be better off under Universal Credit. For instance, 46% of CTS claimants with a disability will be better off under Universal Credit



with 14% being worse off. It should also be noted that the Government has stated that no one will be worse off in cash terms at the point they migrate onto Universal Credit – this will be achieved through use of transitional protection. Universal Credit was launched in Leeds in February 2016 in a limited way and roll out is scheduled to be completed by 2021.

3.25 The Council has protected a number of groups from reductions in Council Tax Support over the years and is one of relatively few Core City Councils that provide specific protection. The table below sets out the Core City schemes.

| Core City  | Max award | Protections | Comments  |
|------------|-----------|-------------|---|
| Birmingham | 80%       | Yes         |   |
| Bristol    | 100%      | No          | Bristol have adopted a scheme which pays 100% where appropriate and means that protections are not required |
| Leeds      | 75%       | Yes         |   |
| Liverpool  | 91.5%     | No          |   |
| Manchester | 85%       | No          |   |
| Newcastle  | 85%       | No          | Newcastle has removed protections for disability with effect from 16/17                                     |
| Nottingham | 80%       | No          |   |
| Sheffield  | 77%       | No          | Sheffield operates a hardship scheme.   |

3.26 The roll out of Universal Credit provides an opportunity to adopt a simpler Council Tax Support scheme that addresses many of the issues caused by Universal Credit, mitigates against increases in CTS scheme costs caused by Government reforms and recognises that a number of claimants will be better off under Universal Credit.

3.27 The most effective simplification would be to adopt a Council Tax Support scheme that removed the allowances and disregards for children, disabilities, caring responsibilities, housing and childcare costs as these are already included in the Universal Credit assessment. The simplified scheme would also disregard all income from state benefits. This would result in a scheme that would better reflect a householder's ability to pay the Council Tax from non-benefit income. More information about this scheme option is provided at Appendix C.

3.28 Key elements of the current scheme would be retained under the simplified scheme. This would include the requirement for jobseekers to engage with the Council's offer of Personal Work Support Packages and limiting the maximum Council Tax Support to 75% of the Council Tax liability. Only earned and non-benefit income would be taken into account. If the Council chooses to retain protections, then the impact of a simplified scheme on scheme costs would be:

- A reduction of £0.7m if the current withdrawal rate of 20% is applied to the non-benefit income;
  - An increase of around £1m if a withdrawal rate of 10% is applied with low paid workers being the main beneficiaries;
  - A neutral position if a withdrawal rate of 15% is applied.
- 3.29 Removing the protections would reduce costs by a further £4m based on current spend levels.
- 3.30 A simplified scheme would only come into effect for individuals when they moved over to Universal Credit. If protections were to be withdrawn this could be linked to the transition to Universal Credit and this would lead to a more gradual reduction in protections as Universal Credit is targeted to take a further 5 years to roll out in full. This means that a number of claimants would keep their protection for up to a further 5 years. In order to recognise that some claimants in protected groups would be worse off once they transferred to Universal Credit, a separate hardship fund could be made available and used on a case by case basis.
- 3.31 Approval is sought to develop and consult on a simplified scheme that would:
- Work more effectively with Universal Credit, recognising that Universal Credit makes provision for children, disability, housing and caring responsibilities;
  - Deliver administrative efficiencies;
  - Gradually replace the scheme of current protections with a hardship scheme; and
  - Help contain scheme costs in the future, particularly where there are further Government reforms to welfare.
- 3.32 Any changes to the Council Tax Support scheme for 17/18 need to be approved by Full Council by the end of January 2017. Unless Full Council adopts a different scheme, the current scheme will continue for 17/18.

## **Corporate Considerations**

### **4 Consultation and engagement**

- 4.1 Any proposals that result in a significant change to the Council Tax Scheme require a public consultation exercise and would ultimately need approval by Full Council.

### **5 Equality and Diversity / Cohesion and Integration**

- 5.1 If the proposal to develop a simplified scheme is approved, a detailed impact analysis will be undertaken and will be made available as part of the public consultation exercise.

### **6 Council Policies and Best Council Plan**

- 6.1 The local Council Tax support scheme plays a key element in tackling poverty and reducing inequalities, the stated aim of the 2016/17 Best Council Plan. The scheme contributes to the Best Council Plan outcomes for everyone in Leeds to 'Earn enough to support themselves and their families' and Live in good quality, affordable homes' and to the specific 2016/17 priorities around 'Providing skills programmes and employment support' and 'Helping people adjust to welfare changes'. Packaging the financial support

within a wider offer of advice and personal support supports the Citizens@Leeds propositions designed to:

- provide accessible and integrated services;
- help people out of financial hardship; and
- help people into work.

6.2 Retaining the extra allowances for 3<sup>rd</sup> child and the Family Premium during the transition to Universal Credit, reflects the Council's Child Friendly Leeds stance.

## **7 Resources and Value for Money**

7.1 The current scheme contains proactive elements which provide assistance to residents in helping to improve their circumstances and reduce dependency on local Council Tax Support schemes. It is expected that these elements will be more effective as more residents come within the remit of the scheme and take up this option in the coming year. Despite this proactive element, larger Council Tax increases because of the social care element and the range of the Government's welfare reforms have created cost pressures that require the Council Tax Scheme to be reviewed.

7.2 The proposals contained within this report will help to mitigate some of these pressures as well as simplifying the administration of the scheme.

## **8 Legal Implications, Access to Information and Call In**

8.1 Councils are required to confirm the existing scheme or adopt a new local scheme by 31<sup>st</sup> January each year. In order to adopt a new scheme, there is a need to undertake meaningful consultation with major precepting authorities, the public and groups with an interest in the scheme design.

8.2 The outcome of any public consultation would be reported back to Executive Board ahead of Full Council in January.

## **9 Risk Management**

9.1 The proposal to consult on a simplified scheme is partly intended to respond to the financial risks that Council Tax Support schemes carry.

9.2 The proposal that the 3<sup>rd</sup> Child Allowance and Family Premium is retained during the transition to Universal Credit is based in the assumption that additional costs will increase slowly and be negligible in the first year. There is a risk that residents' personal circumstances may change quicker than expected and that, as a consequence, scheme costs will also increase quicker than anticipated. Retaining protections during the transition to Universal Credit will see scheme costs increase, although the rate of increase will slow down as the transition takes place.

## **10 Conclusions**

10.1 Now that caseload numbers are back at pre-recession levels, there are fewer prospects that the numbers claiming will continue to reduce at the same level as the last 3 years. This means that, notwithstanding the work done to support more people into work, scheme costs are likely to increase. The main drivers for this are Council Tax increases and the Government's programme of welfare reforms.

- 10.2 The roll out of Universal Credit offers an opportunity to review the scheme and adopt a scheme that better interacts with Universal Credit, recognises that a number of residents will be better off under Universal Credit and addresses some of the issues caused by Universal Credit, particularly around fluctuating income for those in low paid work. A revised scheme could be adopted from April 2017 and gradually introduced as residents move onto Universal Credit. The roll out of Universal Credit is planned to be completed by 2021.
- 10.3 The revised scheme would also limit the rate at which scheme costs are likely to increase.

## **Recommendations**

### 2. Executive Board is asked to

- Approve the development of a revised Council Tax Support scheme as set out in paragraphs 3.18 – 3.30 and Appendix C;
- Approve a public consultation on the revised scheme with the consultation to be concluded by November 2016;
- Agree to retain the Child Allowance for 3<sup>rd</sup> and subsequent children during the transition to any new scheme;
- Agree to retain the Family Premium during the transition to any new scheme;
- Approve the development of a hardship scheme for those in protected groups who may be worse off under a revised scheme;
- Note the intention to offer a financial incentive for jobseekers to complete Personal Work Support Packages by offering to write off court costs

## **Background documents<sup>1</sup>**

None

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## Statistics relating to Jobseekers required to participate in PWSP at 16.5.16

The scheme requires new jobseekers who have been getting Council Tax Support for 6 months to engage with the Council and agree a Personal Work Support Package aimed at helping improve the prospects of finding work. The scheme was introduced in April 2015 and the first personal work support packages were available 6 months later from October 2015.

Table 1 below shows the number of jobseekers who agreed to engage with the Council each month and the relevant Job Shop

- 562 jobseekers have started Personal Work Support packages;
  - 103 have completed their PWSP or had a change in circumstances
  - 73 have started work
  - 372 are continuing with their PWSP
  - 14 failed to complete their PWSP and no longer receive Council Tax Support

Table 1

| Location            | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Total |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Armley Hub          | 7   | 9   | 2   | 6   | 12  | 8   | 18  | 2   | 64    |
| Compton Centre      | 7   | 24  | 9   | 17  | 18  | 22  | 20  | 14  | 131   |
| Dewsbury Road       | 5   | 9   | 4   | 10  | 10  | 6   | 15  | 13  | 72    |
| Garforth One Stop   | 0   | 2   | 1   | 1   | 0   | 0   | 0   | 0   | 4     |
| Great George Street | 11  | 15  | 12  | 26  | 22  | 20  | 24  | 15  | 145   |
| Hunslet Jobshop     | 2   | 1   | 2   | 4   | 2   | 0   | 1   | 0   | 12    |
| Morley Town Hall    | 1   | 4   | 1   | 6   | 1   | 2   | 3   | 1   | 19    |
| Osmondthorpe OSC    | 2   | 0   | 1   | 0   | 0   | 2   | 1   | 0   | 6     |
| Otley One Stop      | 0   | 0   | 0   | 0   | 1   | 0   | 0   | 0   | 1     |
| Pudsey One Stop     | 0   | 1   | 1   | 1   | 3   | 5   | 3   | 1   | 15    |
| Reginald Centre     | 6   | 2   | 0   | 11  | 6   | 3   | 8   | 5   | 41    |
| Rothwell One Stop   | 0   | 0   | 0   | 1   | 0   | 0   | 0   | 0   | 1     |
| South Seacroft OSC  | 0   | 0   | 0   | 4   | 0   | 2   | 4   | 3   | 13    |
| St Georges Hub      | 8   | 2   | 5   | 5   | 5   | 5   | 6   | 1   | 37    |
| The Point           | 1   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 1     |
| Total               | 50  | 69  | 38  | 92  | 80  | 75  | 103 | 55  | 562   |

Whilst 372 of the 562 Jobseekers who enrolled are continuing to take part, 190 have now ended their PWSP. Table 2 provides the reasons for ending their PWSP

Table 2

|   | Number |
|---|--------|
| Started full time work  | 43     |
| Started part time work  | 27     |
| Become Self Employed  | 3      |
| Completed the 26 weeks, stopped receiving Jobseekers Allowance or had a change in circumstances which means they have been allowed an exclusion | 103    |
| Failed to attend review meetings without a reason and have Council Tax Support stopped.   | 14     |
| Total   | 190    |

185 Jobseekers who would be entitled to receive CTS, are not receiving it because they have not enrolled on a PWSP. Table 3 provides the numbers of Jobseekers who are not receiving CTS and the month that it ended.

Table 3

|                            | Nov | Dec | Jan | Feb | Mar | Apr | May | Total |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-------|
| Jobseekers not taking part | 2   | 12  | 17  | 22  | 23  | 54  | 55  | 185   |

A further 79 Jobseekers initially had CTS ended but have since had CTS reinstated because they enrolled later or because of a change in circumstances that meant that they no longer were required to participate. Table 4 shows the months CTS was ended and the reason CTS was later reinstated

Table 4

|                  | Nov | Dec | Jan | Feb | Mar | Apr | May | Total |
|------------------|-----|-----|-----|-----|-----|-----|-----|-------|
| Engaged later    | 0   | 6   | 10  | 4   | 4   | 9   | 0   | 33    |
| Exemption        | 0   | 2   | 1   | 0   | 1   | 3   | 0   | 7     |
| ESA              | 0   | 5   | 3   | 2   | 3   | 1   | 0   | 14    |
| In work          | 0   | 4   | 3   | 4   | 1   | 0   | 0   | 12    |
| Income Support   | 0   | 1   | 2   | 3   | 1   | 0   | 0   | 7     |
| Break > 28 days  | 0   | 2   | 0   | 1   | 1   | 0   | 0   | 4     |
| Universal Credit | 0   | 0   | 2   | 0   | 0   | 0   | 0   | 2     |

# **Scrutiny Inquiry into Universal Credit**

**Scrutiny Board (Citizens and Communities)**

**February 2016**

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# Desired Outcomes and Recommendations

**Desired Outcome** – Having clarity surrounding Transitional Protection entitlement.

**Recommendation 1** – That the Assistant Chief Executive (Citizens and Communities) continues to seek clarification from DWP as to whether Transitional Protection will apply to those housing benefit claimants affected by the Benefit Cap when they move onto Universal Credit.

**Desired Outcome** – Having clarity surrounding Transitional Protection entitlement.

**Recommendation 2** – That the Assistant Chief Executive (Citizens and Communities) seeks clarification from DWP as to whether existing claimants with disabilities will receive Transitional Protection, where appropriate, when moving from the current system of means-tested benefits to Universal Credit.

**Desired Outcome** – That measures are put in place to ensure that eligible Universal Credit claimants encounter no delays in accessing free school meals.

**Recommendation 3** – That the Assistant Chief Executive (Citizens and Communities) and Director of Children’s Services work closely with DWP to put in place local measures that will help alleviate any delays in accessing free school meals for eligible Universal Credit claimants.

**Desired Outcome** – To have a local Council Tax Support system that helps to mitigate frequent fluctuations of Council Tax Support awards linked to the administration of Universal Credit.

**Recommendation 4** – That the Assistant Chief Executive (Citizens and Communities) undertakes a review of the Council’s existing Council Tax Support system to explore methods of helping to mitigate frequent fluctuations of Council Tax Support awards linked to the administration of Universal Credit.

**Desired Outcome** – That Council Tax Support claims are administered quickly and accurately for Universal Credit claimants in Leeds.

**Recommendation 5** – That the Assistant Chief Executive (Citizens and Communities) works closely with DWP to monitor the effectiveness of the new Local Council Tax Reduction automation process to ensure that Council Tax Support claims are administered quickly and accurately in Leeds.



# Desired Outcomes and Recommendations

**Desired Outcome** – That there is an effective process for easily identifying, awarding and paying Discretionary Housing Payments linked to the administration of Universal Credit.

**Recommendation 6** – That the Assistant Chief Executive (Citizens and Communities) works with DWP to explore the feasibility of establishing an effective process for easily identifying, awarding and paying Discretionary Housing Payments as part of the preparations for the wider roll out of Universal Credit in Leeds.

**Desired Outcome** – That access to Jobcentre Plus Work Coach services is maximised through the Council's Community Hub model.

**Recommendation 7** – That the Assistant Chief Executive (Citizens and Communities) works with the DWP's West Yorkshire Work Services District Manager to explore the feasibility of co-location of other services, such as Jobcentre Plus Work Coaches, with the Council's Community Hub model to improve accessibility of services and maximise resources linked to the administration of Universal Credit.

**Desired Outcome** – That there is clarity surrounding the implications of Universal Credit in line with new charging policies reflected within the Care Act.

**Recommendation 8** – That the Assistant Chief Executive (Citizens and Communities) works with DWP and the Director of Adult Social Care to seek further clarity surrounding the implications of Universal Credit in line with new charging policies reflected within the Care Act.

**Desired Outcome** – That there is an alignment of existing automated systems to improve the verification process for Universal Credit linked to proof of social housing tenancies and associated rent changes.

**Recommendation 9** – That the Assistant Chief Executive (Citizens and Communities) and Director of Environment and Housing works with DWP to explore opportunities for improving the verification process linked to proof of social housing tenancies and associated rent changes through the alignment of existing automated systems.



# Desired Outcomes and Recommendations

**Desired Outcome** – That Housing Leeds tenants in receipt of Universal Credit are made fully aware of their responsibility to use their Universal Credit payments to pay their rent direct to the Council.

**Recommendation 10** – That as part of the roll out of Universal Credit, the Director of Environment and Housing writes to Housing Leeds tenants in receipt of Universal Credit to reiterate their responsibility for using their Universal Credit payments to also pay their rent direct to the Council.

**Desired Outcome** – That DWP identify a key role for the Council to play in actively engaging the Private Rented Sector in the roll out of Universal Credit in Leeds.

**Recommendation 11** – That the Assistant Chief Executive (Citizens and Communities) and Director of Environment and Housing works with DWP to explore how the Council can be given a greater role in engaging the Private Rented Sector in the roll out of Universal Credit in Leeds.

**Desired Outcome** – That identified financial implications associated with the roll out of Universal Credit are factored into the Council's future financial models.

**Recommendation 12** – That the Assistant Chief Executive (Citizens and Communities) ensures that as Universal Credit continues to be rolled out, the financial implications identified as part of this Scrutiny Board inquiry are factored into the Council's future financial models.

**Desired Outcome** – That Universal Credit training to frontline staff addresses the wider implications associated with Universal Credit.

**Recommendation 13** – That the Assistant Chief Executive (Citizens and Communities) ensures that the Universal Credit training provided to frontline staff considers the wider implications associated with Universal Credit, including other cohorts such as couples and families, from the outset. This should take into account the DWP Training material which has been handed over.



# Desired Outcomes and Recommendations

**Desired Outcome** – That there is a high take-up of Universal Credit frontline staff training to ensure staff are equip with the knowledge and capacity to identify and support eligible claimants and particularly vulnerable claimants.

**Recommendation 14** – That the Assistant Chief Executive (Citizens and Communities) works closely with other directorates to actively raise the profile of Universal Credit amongst key frontline staff and encourages the uptake of staff training to ensure they are equip with the knowledge and capacity to identify and support eligible Universal Credit claimants, and particularly vulnerable claimants.

**Desired Outcome** – That Elected Members are kept fully aware of developments linked to Universal Credit as it continues to evolve and be rolled out in Leeds.

**Recommendation 15** – That the Assistant Chief Executive (Citizens and Communities) leads on:

- (i) Developing a dedicated guide to Universal Credit for Elected Members;
- (ii) Making the DWP website easily accessible to Elected Members (eg. through a mobile application);
- (iii) Periodically arranging Member Seminars to generate awareness and better understanding of Universal Credit as it continues to evolve and be rolled out in Leeds.

**Desired Outcome** – That employers across the city are being actively encouraged to identify and assist eligible employees to claim Universal Credit.

**Recommendation 16** – That the Assistant Chief Executive (Citizens and Communities) reports back to Scrutiny in relation to progress made in working in collaboration with the Trade Unions; Leeds, York & North Yorkshire Chamber of Commerce; and the District Manager of DWP to help raise the profile of Universal Credit and encourage other employers across the city to identify and assist eligible employees to claim.



# Introduction and Scope

## Introduction

1. Universal Credit is the new Department for Work and Pensions (DWP) benefit designed to provide the support needed to prepare individuals for work, move into work or earn more. Universal Credit will replace six existing benefits:

- Income based Jobseekers Allowance
- Income based Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

2. The roll out of Universal Credit has been slower than initially planned both in terms of the geographical roll out and the types of people who can claim Universal Credit.

3. On 29<sup>th</sup> September 2014, the Government announced the national roll out of Universal Credit starting in early 2015 and becoming available in all parts of the country by May 2016. The national rollout will take place in “tranches” with Leeds being placed in the final tranche 4 (taking place between December 2015 to March 2016). However, the national rollout remains very limited in terms of who can claim Universal Credit. Some of the restrictions include people who are:

- Single
- Aged 18 – 60 and 6 months
- Without children and not have a child living with them some or all of the time
- Fit for work
- Have no mortgage
- Not be living in temporary accommodation or supported accommodation

- Have a bank account, building society, credit union or Post Office card account
  - Be making a new claim for what would have been Jobseekers Allowance.
4. The latest information from DWP indicates that around 8,500 claimants will claim Universal Credit in 2016/17. Current assumptions suggest around 20% (1,700) of these will have housing costs. As such, the impact of this limited rollout is not expected to be significant but still warrants clarity of roles and resources between the Council and DWP to enable a smooth transition to Universal Credit for this particular cohort. We therefore considered the local preparations for administering Universal Credit for this particular cohort. This went live in Leeds on 1<sup>st</sup> February 2016.
5. However, it is anticipated that future phases of the Universal Credit rollout (the ‘transition’ phase and ‘migration’ phase) will be more complex and will hugely impact on customers and services. Although the timescales linked to these future phases have not yet been confirmed, we acknowledged the need for greater understanding now of the potential impacts surrounding these particular phases so that appropriate measures can be considered and put in place beforehand. Such preparation work will assist in fully delivering this new benefit system effectively in Leeds.

## Scope of the Inquiry

6. The terms of reference for our inquiry were agreed in September 2015 and set out the key purpose of this inquiry, which was to make an assessment of and, where appropriate, make recommendations on the following areas:



# Introduction and Scope

- Clarity and understanding of impact of Universal Credit on different groups of residents (taking into account recent welfare reform announcements);
- The level of clarity surrounding the role of DWP in delivering Universal Credit;
- The level of clarity surrounding the expected role of the Council in line with services to be commissioned and resourced by DWP (including Personal Budgeting Support);
- The potential impact of Universal Credit on other Council services not commissioned by DWP;
- The functionality of existing systems (to include both automated systems and manual administration processes) in fully delivering Universal Credit in Leeds;
- Information exchange mechanisms currently in place between DWP and local authorities and whether these are fit for purpose to help inform preparations and aid ongoing monitoring of Universal Credit;
- The level of clarity surrounding eligibility and the administration of intended safeguarding mechanisms linked to Universal Credit for vulnerable claimants (i.e. New Claim Advance and Discretionary Housing Payments);
- The training needs of relevant front line staff across the Council in preparation for Universal Credit;
- The engagement needs of other stakeholders in preparation for Universal Credit (with a particular

focus on housing associations and landlords).

## Desired Outcomes, Added Value and Anticipated Service Impact

7. We worked in conjunction with the Council's Citizens and Communities directorate in liaising directly with DWP and other key stakeholders to clarify roles and expectations; to facilitate effective information sharing; to evaluate the functionality of existing systems linked to Universal Credit and to inform early preparations for the delivery of the transition and migration phases of Universal Credit in Leeds.
8. Throughout the course of our inquiry, we have valued the active contribution of key representatives from the Citizens and Communities directorate, Jobcentre Plus/DWP, and Leeds Citizens Advice Bureau. We have also welcomed contributions from Adult Social Care; Children's Services; Housing Leeds; the Residential Landlords Association and Connect Housing.
9. In scoping our inquiry, we recognised the importance of exploring lessons from other areas where Universal Credit is already being rolled out. We therefore welcomed the contribution of Tameside Citizens Advice Bureau (CAB) in sharing their views and experience of administering Universal Credit over the last two years.
10. We also acknowledged that Tameside CAB was one of sixteen Citizens Advice offices which came together to carry out



# Introduction and Scope

research into the roll out of Universal Credit. This research involved surveying 355 clients between March and June 2015 – about one in ten of all the CAB clients in England and Wales who had been given advice about Universal Credit from June 2014 to June 2015. The findings of this research are set in a report entitled 'Waiting for Credit: The delivery of Universal Credit as experienced by Citizens Advice clients in England and Wales' ([link to CAB report](#)). This report was presented to Parliament in November 2015.

11. As part of our inquiry, we considered the findings arising from the Citizens Advice research. Whilst acknowledging that their survey research is not representative of all claimants of Universal Credit, we found that many of the issues reflected within the Citizens Advice report did correlate with our own findings and therefore we welcome the recommendations made by Citizens Advice. These are summarised in Appendix 1 and also referenced throughout our report.
12. At the time of our inquiry we discussed with local DWP representatives where particular improvements had been made since the Citizens Advice had undertaken their research. However, we are unaware of any formal response made by DWP to the Citizens Advice report and will seek to follow this up as part of our own on-going monitoring process.

## Equality and Diversity

13. The Equality Improvement Priorities 2016 to 2020 have been developed to ensure that the council meets its legal duties under the Equality Act 2010. The priorities will help the council to identify work and activities that help to reduce disadvantage, discrimination and inequalities of opportunity to achieve its ambition to be the best city in the UK.
14. Equality and diversity issues have been considered throughout this scrutiny inquiry and the individual, organisation or group responsible for implementation or delivery of the recommendations arising from this inquiry should also give due regard to equality and diversity and where appropriate, an equality impact assessment will be carried out.





# Conclusions and Recommendations

## Recognising Universal Credit as an evolving process.

15. We welcome that Universal Credit goes some way to simplifying the current process for claiming benefits, but also recognise that this is not a simple benefit and contains a number of complexities. As such, we are pleased that DWP is adopting a 'test & learn' approach to the design and roll out of Universal Credit and, while this is mainly about testing systems and the capacity for further roll out, it does provide an opportunity to look at the delivery implications too.

16. The DWP is currently in a 'Singles Expansion' stage prior to the roll out of their Digital Service, which is expected from May 2016. The next tranche is expected to commence in May and this will be a longer roll out period, with Leeds potentially being towards the end of this roll out period.

17. Although our inquiry has therefore been a snapshot of what is effectively an evolving process, it has provided an early opportunity to feed into this test and learn approach.

## Understanding the whole claiming process.

18. We noted a number of stipulations linked to the Universal Credit claiming process, which are briefly summarised below. However, we note that some of these requirements only come into effect when the Digital Service is rolled out:

- The claim should be made online (support will be available for those unable to make a claim online);
  - The claim date will be set from when the claim is submitted;
  - The customer will be asked to provide an email address and be encouraged to provide a mobile telephone number;
  - Customer (and their partner) must make and attend an appointment with a Work Coach to complete the claim and provide required evidence (as is current practice);
  - Notification of monthly entitlement will be available online each month and the customer will be prompted to check this 7 days before payment is due (notifications can be sent via mobile phone, iPad and other technological devices with the roll out of the Digital Service);
  - Changes to earnings will, in the main, be dealt with automatically through HMRC's Real Time Information system but customers have a responsibility to report other changes directly to the Universal Credit Service Centre (e.g. household, other income, rent, address etc.).
19. This claiming process is further illustrated in a time-line chart at appendix 2.

## Implications of in-built delays for the first payment of Universal Credit.

20. We are concerned that for new claimants there is no entitlement to Universal Credit for the first 7 days of a claim and benefit will only be paid with effect from 8<sup>th</sup> day after a claim is made.





# Conclusions and Recommendations

21. Currently, there is no waiting day period for Housing Benefit, Tax Credits or Income Support and this means that these benefits are currently paid with effect from the date the claims are made. Under Universal Credit, the housing costs will also be subject to the 7-day waiting period and means that all tenants making a new claim will lose a week's worth of rent support when they claim Universal Credit. This would also apply to those claiming Universal Credit on a low income who may have previously claimed Tax Credits.
22. We are also particularly concerned that all first time claimants for Universal Credit will have to wait 5-6 weeks before receiving their first payment.
23. We note that the Citizens Advice report makes reference to patchy identification of eligible claimants and the inadequate support offered which had led to many clients having their claim delayed further. In some cases the delays were just a few days, but in other cases the delays were for weeks or months. Even a few days delay in making a claim can, for some people, mean a loss of over a hundred pounds (rent as well as living costs are included in people's benefit), adding to claimants' money problems at a time when they are likely to be struggling financially.
24. The Citizens Advice emphasises the importance of training to ensure that those who will have difficulty making their claim are reliably identified (we also address this in more detail in paragraphs 123 - 126). To help alleviate delays, they also recommend that decision makers guidance makes clear that if someone contacts a jobcentre to make a claim, but is unable to make an online claim unaided and have to be referred for an appointment with a Jobcentre Plus adviser at a later date to assist with the claim, then the date of claim should be the date they first made contact with Jobcentre Plus to apply for Universal Credit. This would apply as long as the gap between first contact and making the claim is not reasonably avoidable. Guidance should make clear that those who are referred to another agency such as Citizens Advice for assistance or to access a computer should be treated in the same way.
25. We also support this recommendation and acknowledge that the main challenges moving forward are expected to be:
- identifying those that need help to make a claim (by their very nature they will not have made a claim for Universal Credit and we will not know who they are); and
  - helping people make a timely claim for Universal Credit as delays in making a claim will result in loss of income.
26. As such, we recognise that it will require a vigilant approach from frontline workers across the Council, in partnership with other key stakeholders, to overcome these particular challenges and we have addressed this in greater detail throughout our report.
- Supporting people in making Universal Credit claims on-line.**
27. We learned that DWP are currently using a system called Live Service



# Conclusions and Recommendations

(similar to the system used already for JSA claimants) which requires customers to complete an online claim for Universal Credit.

28. We understand that this process can only be done using a PC. However, the Digital Service will enable a wider range of technological devices to be used in future. Linked to this, claimants are also encouraged to have an email address, particularly to help them in seeking work, and would be supported in creating an email address if needed.
29. We received a demonstration of the Universal Credit on-line claim process by a DWP representative. As such, we were able to acknowledge that claimants are informed from the outset about what information they will need in order to complete the claim process. We felt this was important given that claimants will need to complete their claim in one sitting as there is no option to save a claim and come back to it.
30. At every stage of the process, we also noted that there are reminder prompts and option menus to enable claimants to seek further clarity if required.
31. Unfortunately, we were unable to complete the full application process but were given assurance that a real application would receive a message confirming acknowledgement of the claim being submitted.
32. However, we did note from the Citizens Advice report that they had experienced some claims being accepted by the system, with the claimant receiving an acceptance message, but then later encountered a problem and all trace of the claim was deleted without any notification to the claimant or a note made on the system.
33. Whilst we understand that particular issues associated with working with the current Live Service should be resolved when the fully functional Digital Service is rolled out, we do support the recommendation made by Citizens Advice for the current system to be programmed so that the claimant is informed that their application has not been successful and why, particularly when a claim for Universal Credit is initially accepted as successful but then further checks mean it will be refused. This notification should be made by letter, email and even text where possible.
34. Also, the Citizens Advice recommend that if an online claim is rejected, the final page should give the helpline number and also clarify that if they are eligible, a claim can also be taken by phone. Again, we are supportive of this action.
35. During our inquiry we learned that the Council will be expected to provide support to people to enable a claim to be made and maintained online. This is to form part of a Delivery Partnership between the Council and DWP, which was yet to be agreed at the time of our inquiry.
36. We understand that this level of support can be achieved by:
  - Identifying PC/Public internet sites across Leeds;
  - Identifying which of these locations will have trained staff to provide the necessary “supported access”;
  - Publicising these services to residents;
  - Ensuring staff are available within the One Stop Centres and Community



# Conclusions and Recommendations

Hubs to support access to a Universal Credit claim and provide the relevant level of support required.

37. For the initial roll out it is envisaged that the majority of claimants will be newly unemployed people who are already used to the online claiming regime.
38. However, we recognise that this area will need to be revisited when roll out extends beyond single jobseekers and, in particular, will need to look at how to support claimants who are less mobile or housebound.
39. The wider roll out is expected to happen alongside the roll out of *Digital Service*, which replaces the current *Live Service*, and which will also allow the option of making claims on mobile phones.

## Dealing with a potential fluctuation in Universal Credit payments.

40. Universal Credit is reviewed every month with the previous month's income determining the next award of Universal Credit. This means that any changes in earnings result in changes to Universal Credit amounts, including housing costs. Earnings received during the month are reported directly and automatically to Universal Credit through HMRC's Real Time Information system. Although the award will be accurate, it is likely to produce fluctuating amounts of Universal Credit payments. Customers will therefore be notified of their new award 7-days ahead of the payment date.
41. For in-work customers getting a regular salary each month, this is less likely to be an issue. However, for workers on zero hour contracts, working variable hours, doing variable shift work or getting irregular or differing amounts of overtime, there is a much greater potential for regular variations in the amount of Universal Credit which could cause cash-flow problems.
42. For customers paid weekly or 4-weekly, this could also become a problem as some months will include 5 weeks of weekly pay or 2 amounts of 4-weekly pay and this will result in significant changes to Universal Credit awards. Every customer has an 'assessment date' and earnings and circumstances at this date determine the Universal Credit award. We understand there is no scope within DWP systems at this time to either allow for a different assessment date or to attribute more accurately 52 weekly payments over 12 months or 13 x 4-weekly payments over 12 months.
43. Linked to this, we note that the Citizens Advice has made a specific recommendation that averaging of income should be allowed for those whose wages are paid every four weeks and for those receiving irregular payments in work or self-employment. Where this is not possible, the Citizens Advice recommend that job coaches need to be trained to explain to claimants the implications for Universal Credit payments of four weekly payments of earnings and other irregular patterns of earnings. We also agree that claimants need to be made aware of potential fluctuations in payments and are supported in managing this effectively through the Personal Budgeting Support Services (PBS)



# Conclusions and Recommendations

which we refer to later in our report (see paragraphs 62 - 72)

44. To address the potential fluctuation in payments, we also support the Citizens Advice recommendation that, in the longer term, the Government needs to work with employers to explain the problems that different payment structures such as four weekly payment of wages creates for those on Universal Credit but in the meantime claimants should not be penalised.

## Other impacts of moving from a legacy benefit to Universal Credit.

### Effects of the Benefit Cap

45. We understand that the Benefit Cap is delivered only through Housing Benefit at the moment and in some cases there is not always enough Housing Benefit to remove to bring a customer's overall benefit down to the Benefit Cap level. However, once customers move onto Universal Credit, the full amount of benefit will be taken away to achieve the cap level. As such, customers will lose at least another £115 a week to bring them down to the new cap level of £20k, which comes into effect during 2016.
46. We were informed that a question had been raised with DWP about whether Transitional Protection would apply to these cases. However, this had not been clarified at the time of our inquiry and therefore this needs to be progressed with DWP.

#### **Recommendation 1**

That the Assistant Chief Executive (Citizens and Communities) continues to seek clarification from DWP as to whether Transitional Protection will apply to those housing benefit claimants affected by the Benefit Cap when they move onto Universal Credit.

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### Impacts on claimants with disabilities.

47. The financial support for people claiming Universal Credit with disabilities is also different from the current system of means-tested benefits. The current system provides additional financial support by way of additional allowances for disabilities within the existing benefits. However, Universal Credit has now simplified the assessment criteria. As such, we understand that some new claimants will receive less than they would have done under the current system. In relation to those claimants moving onto Universal Credit, we again would like clarification of whether these claimants will receive Transitional Protection where appropriate.

#### **Recommendation 2**

That the Assistant Chief Executive (Citizens and Communities) seeks clarification from DWP as to whether existing claimants with disabilities will receive Transitional Protection, where appropriate, when moving from the current system of means-tested benefits to Universal Credit.

48. We are aware that certain benefits passport recipients onto other benefits such as free school meals and free prescriptions. Income Support (IS), Job Seekers Allowance (JSA) and Employment and Support Allowance (ESA) passport to free school meals and



# Conclusions and Recommendations

free prescriptions and these benefits will become part of Universal Credit.

49. However, Universal Credit is not, itself, a passporting benefit because it is intended to cover a much wider group than IS, JSA and ESA claimants. As a temporary measure, Universal Credit will 'passport' to free school meals and free prescriptions during its initial limited rollout. However, we understand that a final decision on how free school meals and free prescriptions will operate within a Universal Credit world has yet to be agreed.

50. We note that entitlement to free school meals also stops when a legacy benefit is closed down (i.e. IS or JSA is closed) and only re-starts when Universal Credit is put into payment. This can mean that free school meals can stop for up to 5 weeks. The DWP and the Department for Education therefore need to work together to resolve this issue quickly but in the meantime, we recommend that the Council works closely with DWP to put in place local measures to alleviate delays in accessing free school meals for eligible claimants.

### Recommendation 3

That the Assistant Chief Executive (Citizens and Communities) and Director of Children's Services work closely with DWP to put in place local measures that will help alleviate any delays in accessing free school meals for eligible Universal Credit claimants.

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surrounding the impacts of moving from a legacy benefit and passporting to other benefits. This is reflected in their recommendations set out in appendix 1.

## The need for better integration with Council Tax Support systems.

52. Whilst the Council will not have any involvement in the administration of Universal Credit, the administration of Council Tax Support will remain the responsibility of the Council. As such, customers who claim Universal Credit will need to make a separate claim for Council Tax Support.

53. We note that the Citizens Advice recommends that the Universal Credit claim includes a question asking if the person also wants to claim Council Tax Reduction – if they do then the date of the claim for Universal Credit should be taken as the date of the claim for Council Tax Reduction and their details automatically passed on to the Local Authority. In supporting this recommendation, we were pleased to learn that this process was subsequently introduced on 14<sup>th</sup> December 2015.

54. However, we are mindful that each time the income taken into account in the Universal Credit calculation and the Universal Credit award changes, the Council Tax Support must also be adjusted. In doing so, we acknowledge that this could result in up to 12 revisions of the Council Tax Support award in a financial year, creating potential confusion for claimants and further administration difficulties. As such, we believe there is merit in reviewing the Council's own systems to help mitigate frequent fluctuations in Council Tax Support awards linked to the administration of Universal Credit.

### Recommendation 4

That the Assistant Chief Executive (Citizens and Communities) undertakes a review of the Council's existing Council Tax Support system to explore methods of helping to mitigate frequent





# Conclusions and Recommendations

55. Over the years DWP and local councils have successfully developed effective means for exchanging information electronically. This is done primarily through ATLAS solution (Automated Transfer to Local Authorities Solution). The information that is sent includes: new awards, changes of awards and cancellations.
56. ATLAS notifications are automatically sent using the DWP claimant's National Insurance Number. The Council's system can recognise these as a Housing Benefit/Council Tax Support customer or their partner, where appropriate. This automated process enables the Council to automatically apply the changes to the back-office benefit processing systems and notify the customer of a new/change of award with little or no manual intervention.
57. The ATLAS solution has not yet been developed to deal with Universal Credit notifications to local councils. This means that in the first instance, Leeds will receive information about Universal Credit for Council Tax Support cases in the form of a secure email which will require manual
- intervention to deal with. This aspect is recognised in the Delivery Partnership that DWP draw up with local councils and a payment is made in recognition of the additional work involved in dealing with Council Tax Support cases where Universal Credit is in payment.
58. However, we understand that DWP are now looking to build on the ATLAS IT infrastructure and are pleased to learn that through its test and learn approach to continuous improvement, DWP has and will introduce the following changes:
- Local Council Tax Reduction automation – The first part of this change was implemented from 14th December 2015. The Council will receive LCTR notifications via a data hub under the same rules for Universal Credit as they do for legacy benefits. The Council will receive new claim and payment information and also all appropriate changes in circumstances notification via a new automated route.
  - In Spring 2016 Council IT systems will be automated to process the LCTR information. Until then processing will remain a clerical task within the Local Authority.
59. We recommend that once introduced, this new automated system is closely monitored to ensure that Council Tax Support claims are administered quickly and accurately in Leeds.

## **Recommendation 5**

That the Assistant Chief Executive (Citizens and Communities) works closely with DWP to monitor the effectiveness of the new Local Council Tax Reduction automation process to ensure that Council Tax Support claims are administered quickly and accurately



# Conclusions and Recommendations

identifying, awarding and paying DHPs as part of preparing for the wider rollout of Universal Credit.

## Discretionary Housing Payments.

60. Similar issues arise as Discretionary Housing Payments (DHPs) will also continue to be administered by the council and this area has proved to be problematic in relation to Universal Credit claims. System changes to the Housing Benefit system are required to help with the administration but the key issues will be:
- ensuring tenants remain aware that DHPs are still available and how to claim a DHP;
  - ensuring that the council has full information about a tenant's Universal Credit payment so that DHP can be accurately calculated; and
  - ensuring that changes in Universal Credit entitlement are reported to the council in a timely manner.
61. Whilst DHPs are only designed to be a short term measure, we recognise that the number of DHP awards may grow as more groups move onto Universal Credit, including families affected by under-occupancy and families affected by the Benefit Cap. As such, there needs to be an effective process in place for also

### **Recommendation 6**

That the Assistant Chief Executive (Citizens and Communities) works with DWP to explore the feasibility of establishing an effective process for easily identifying, awarding and paying Discretionary Housing Payments as part of the preparations for the wider roll out of Universal Credit in Leeds.

## Personal Budgeting Support (PBS) services.

62. The DWP will require the Council to provide PBS based on specific outcomes. The emphasis will be on helping people to deal with a monthly payment of Universal Credit made directly to themselves monthly in arrears and ensuring they are able to meet the demands of having housing costs in with this payment instead of being paid to the landlord. As mentioned previously, we also believe that claimants should be offered this support to help manage potential fluctuations in their income too. This support will include managing a basic household budget,



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- managing a bank account, and making payments.
63. Take up of PBS is not conditional for a Universal Credit claim and as the initial roll out will be single newly unemployed people, it is likely that take up of PBS will be low.
64. Whilst funding will be available from DWP to help with this activity, DWP have advised that any in depth debt advice that the customer needs will not come within the Delivery Partnership requirements/ funding and the Council will therefore need to refer clients to appropriate services that can deliver this support. This will be fundamentally the same mechanism as currently followed by front line staff.
65. We are pleased to acknowledge that many support service functions are already embedded within the Community Hubs as part of its Citizens@Leeds agenda across the city and it is intended that PBS will initially be maintained within existing front line services within the Community Hubs.
66. This will be delivered as a mix of telephone and face to face support within the Contact Centre and the Community Hubs. A specialist team will deliver the necessary PBS support with customers being referred to the Advice Leeds Consortium for any debt-related support.
67. However, we understand that PBS services will need to come through a referral from DWP for it to be funded and we feel that this will not always produce the best customer outcomes.
68. Establishing close liaison arrangements with DWP at the initial Universal Claim interview will ensure early identification of any PBS requirements and we learned that an agreement has been reached with DWP that their Jobcentre Plus Work Coaches can make a referral to the Council by telephone to help speed up this process.
69. However, we believe that there are further advantages to be gained by establishing more integrated working practices with DWP as part of the Council's Community Hub model.
70. As a Scrutiny Board, we are undertaking a separate inquiry into the development of Community Hubs and therefore are aware of existing partnership arrangements with Jobcentre Plus in locating Job Shops within Community Hub premises to make this service more widely accessible.
71. We feel that this partnership working approach could be further developed to continue maximising public resources by improving the accessibility of other Jobcentre Plus services, such as Work Coaches, to assist in administering Universal Credit.
72. We understand that within 5 days of submitting a claim, a claimant should attend an appointment with a Jobcentre Plus Work Coach for an interview. If they do not have the necessary information with them at this interview, they will be asked to





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provide it or the Service Centre will follow this up where possible. Claimants are also required to see their Work Coach face to face within a Job Centre, in line with existing JSA requirements. We therefore believe there is merit in exploring the feasibility of co-location and integrating this particular service with the Council's Community Hub model to maximise resources and improve accessibility by offering a wider choice of venues.

## **Recommendation 7**

That the Assistant Chief Executive (Citizens and Communities) works with the DWP's West Yorkshire Work Services District Manager to explore the feasibility of co-location of other services, such as Jobcentre Plus Work Coaches, with the Council's Community Hub model to improve accessibility of services and maximise resources linked to the administration of Universal Credit.

## **Flexibility of the new Claimant Commitment approach.**

73. For customers working more than 16 hours who are entitled to Tax Credits or Housing Benefit, there is no requirement to look for extra hours or full-time work as entitlement to these benefits continues whether or not the customer looks for additional or better paid work. However, under Universal Credit, part-time workers will be required to spend time looking for extra hours or full-time work in order to continue to receive Universal

Credit. There will be exceptions to this for customers with disabilities and/or caring responsibilities. For instance, someone working 20 hours a week would be required to spend 15 hours a week looking for additional work. The requirements would be agreed with a Jobcentre Plus Work Coach tailored to the customer's personal circumstances, capability and skills and would form part of their 'Claimant Commitment'. If an in-work customer fails to agree a Claimant Commitment, they will not receive Universal Credit. Similarly, if an in-work customer does not comply with the Claimant Commitment, they face the possibility of being sanctioned and losing some of their Universal Credit.

74. We note the recommendation made by Citizens Advice which states that claimant commitments should explicitly state whether the claimant when asked, declared that they were disabled or had a long-term health condition or had caring responsibilities. If they answer 'yes' to any of the above then there needs to be an account within the claimant commitment of any necessary 'reasonable adjustments' or how caring responsibilities have been taken into account. If the adviser disagrees with the claimant about what adjustments are required then the claimant must be given the opportunity to seek evidence.
75. In addressing this issue directly with DWP during our inquiry, we were assured that this is already standard practice and has also been in



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operation for over 2 years linked to JSA claimants.

## Safeguarding mechanisms for customers in financial need of support.

76. We were concerned to learn that a key issue arising from the Citizens Advice research was how difficult it is for people to manage until receiving the first payment of Universal Credit and the impact this had on their lives.
77. Over 80% of their respondents reported difficulty managing to pay essential household payments costs such as rent, utility bills and food whilst waiting for their first payment of Universal Credit. Almost two thirds (62%) said it was very difficult.
78. The CAB Advisers had also confirmed that they were seeing greater levels of debt and rent arrears amongst Universal Credit claimants compared to claimants of legacy benefits.
79. As mentioned previously, we would expect the new Personal Budgeting Support service to help customers manage their finances effectively. However, in addition we learned that DWP will also provide, on request and where appropriate, advance payment arrangements to help customers in financial need when waiting for their first payment. We

therefore requested further clarity surrounding these safeguarding mechanisms as part of our inquiry.

80. As such, we understand that a Universal Credit Advance can be claimed for a new claim, benefit transfer or a change of circumstance and is for claimants in financial need. A request can be considered;
  - on a new claim prior to a claimant's first Universal Credit payment if there is underlying entitlement to Universal Credit;
  - for existing claimants when a change of circumstances has been reported and this will result in a significant increase in their Universal Credit entitlement. Examples of a significant increase would be the birth of a child or a partner joining a claim.
81. A request can be made within the following timescales:
  - A Universal Credit Advance (benefit transfer) can be made at anytime throughout the first assessment period;
  - A Universal Credit Advance (new claim) cannot be considered if the claimant is requesting a new claim advance within 3 working days before the end of the assessment period;
  - A Universal Credit Advance (change of circumstance) cannot be considered if the claimant is requesting a change of circumstances advance within 3 working days before the end of the assessment period.



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82. Only one Universal Credit (new claim) advance or (benefit transfer) advance can be made on a new claim. For a reported change of circumstances, claimants can have more than one advance if it relates to a different change of circumstances.
83. The maximum amount for a new claim advance is 50% of the claimant's estimated Universal Credit payment, or for a significant change of circumstances 50% of the expected increase to the Universal Credit payment.
84. All advances are intended to be recovered promptly but must be recovered:
- over a maximum 6 month period in the case of a Universal Credit Advance (new claim and change of circumstances), or
  - over a maximum 12 month period in the case of a Universal Credit Advance (benefit transfer).
85. Repayments start from the claimant's next Universal Credit payment. In exceptional circumstances repayments can be deferred for up to 3 months for a Universal Credit Advance (new claim and change of circumstances) and Universal Credit Advance (benefit transfer) awards.
86. Budgeting Advances provide support to people on low incomes who are unlikely to have access to savings or loans offered by financial institutions. It is an interest free advance of Universal Credit to allow the claimant to pay for one-off items.
87. To be able to receive a Budgeting Advance, claimants must be receiving either Universal Credit or an income-related benefit for a continuous period of 6-months and have no (or very low) incomes. Budgeting advances are also available to claimants to help them obtain or retain employment. In these cases, there is no requirement for a claimant to have been receiving benefit for six months.
88. Budgeting Advances will be recovered over 12 months (18 months in exceptional circumstances).
89. Whilst we acknowledge that safeguarding mechanisms have been put in place, we are mindful that any advance payments still need to be re-paid from future Universal Credit payments and so the customer will need to factor this into their short term budgeting requirements.
90. As well as advance payment arrangements, the DWP also acknowledges that the move to a single monthly payment will be a significant change to the way most benefits are currently paid so have set up a system of 'Alternative Payment Arrangements (APAs)' for those claimants who may need additional support to manage their finances. These Alternative Payment Arrangements are:



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- Paying housing costs (rent) through 'managed payments' to landlords, either due to 'vulnerability', or rent arrears.
  - Making more frequent than monthly payments to help with budgeting.
  - Splitting payment of an award between partners where it is felt necessary.
91. In this regard, the Council's Children's Services and Adult Social Care directorates particularly acknowledged the need for their staff to be effectively trained to identify vulnerable individuals and families and to liaise closely with DWP to put in place necessary safeguard mechanisms.
92. However, concerns were raised regarding the implications of Universal Credit in line with new charging policies reflected within the Care Act, particularly in view of the potential fluctuations of Universal Credit award payments which could impact on an individual's entitlement for Adult Social Care provision. The need for further clarity remains in relation to this matter and therefore needs to be progressed with DWP urgently.

## **Recommendation 8**

That the Assistant Chief Executive (Citizens and Communities) works with DWP and the Director of Adult Social Care to seek further clarity surrounding the implications of Universal Credit in line with new charging policies reflected within the Care Act.

## **Having direct contact with DWP advisers to resolve complex cases.**

93. The Citizens Advice report highlights that many claimants felt it very unfair that the cost of sorting out DWP errors was falling on them at a time they could least afford it. Whilst 0345 numbers are good for those with a landline or a mobile on a contract, many claimants had 'Pay as you go' phones and they can cost between 10p and 40p a minute for calls to the helpline. As such, some reported having to borrow money to ring the helpline repeatedly to sort out a problem that was not of their making.
94. We also agree that this is very unfair on the customer and therefore support the recommendation made by Citizen Advice to make the DWP helpline a 0800 number with the offer of call back and to also have telephones with direct link to the Universal Credit helpline in every jobcentre.
95. Tameside CAB also reiterated the importance of establishing a close relationship with DWP when trying to resolve complex cases as delays in resolving such cases can often lead to devastating results for clients. This issue is also reflected in the CAB report with recommendations around ensuring there are appropriate mechanisms to quickly resolve cases that have gone badly wrong.



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96. In exploring this matter with DWP as part of our own inquiry, we were pleased to learn that, within Leeds, there will be two senior advisers within Jobcentre Plus that will be identified as main contacts for resolving complex claims if necessary and that this information would also be made available to Leeds CAB. We were also informed that DWP were working on improving their resolutions processes before Leeds were due to go live in February. However, we recognise that these arrangements will require continual monitoring.

## Housing related issues.

97. During our inquiry, a number of housing related issues had been raised, particularly in liaison with Housing Leeds and landlord representatives. These are outlined below:

### Proof of tenancy

98. Housing Leeds tenants will need to ensure that they are able to provide proof of tenancy and rent liability to Universal Credit – failure to do so will mean that their Universal Credit payment may be delayed. Similarly, details of rent increases or decreases need to be reported by each tenant on Universal Credit. Under Housing Benefit, no such requirements exist as both Housing Leeds and Housing Benefit systems have weekly automated interfaces. DWP will need to rely on the information provided by

tenants about rent payments to get it right.

99. The Citizens Advice research found that verification of housing costs caused most problems. About 70% of all respondents would be eligible for housing costs and a third of this group had problems providing evidence about their rent (or mortgage).

### Rent changes and collection

100. Another major change under Universal Credit is the way changes in rents are dealt with. Changes mainly relate to the social rented sector as private sector rents are limited to Local Housing Allowance rates. Currently, all rent changes for Housing Leeds tenancies are dealt with automatically through interfaces between the Housing Benefit system and the Housing system. These interfaces also support transfer of payments from the Housing Benefit system to the appropriate rent account with no manual intervention.

101. There will be no automated processes between Universal Credit systems and local authority systems for dealing with rent changes. It is the requirement of each tenant to report any changes in their rent liability and, where required, provide evidence of the liability. Similarly, where alternative payment arrangements are agreed, there will



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be no automated process for paying Universal Credit to the tenant's rent account.

102. In light of the above issues, we believe that DWP should be seeking to maximise the efficient use of public resources by utilising local authorities to assist in the verification process for proof of social housing tenancies and associated rent changes by aligning with their systems to provide the evidence for this rather than put the onus on the tenant to do so. We therefore recommend that this is followed up locally.

## **Recommendation 9**

That the Assistant Chief Executive (Citizens and Communities) and Director of Environment and Housing works with DWP to explore opportunities for improving the verification process linked to proof of social housing tenancies and associated rent changes through the alignment of existing automated systems.

103. Housing Leeds will also be required to collect rent directly from tenants on Universal Credit and this is likely to have implications for collection costs and could also lead to an increase in rent arrears which will also have implications for costs of collection activity and the overall rent arrears position. We were therefore pleased to note that the annualised tenancy visits are now being embedded into the service and that staff are liaising more closely with tenants about any

financial difficulties and will provide advice about benefits, including Universal Credit. However, we also believe there is merit in writing to tenants as part of the roll out of Universal Credit to reiterate their responsibility for using their Universal Credit payments to also pay their rent direct to the Council.

## **Recommendation 10**

That as part of the roll out of Universal Credit, the Director of Environment and Housing writes to Housing Leeds tenants in receipt of Universal Credit to reiterate their responsibility for using their Universal Credit payments to also pay their rent direct to the Council.

104. The DWP also emphasise that tenants will be expected to use their Universal Credit payments to cover their rent. However, should a tenant choose to spend their payments on other things, this would not be regarded as fraud and no specific sanctions would be brought to that tenant. It was also noted that DWP would only be aware of rent arrears when informed by the tenant or the landlord.
105. As such, we understand the concern amongst all landlords about tenants





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potentially not using their Universal Credit payments for rent purposes if they are struggling financially or have existing rent arrears. It was noted that similar concerns had been raised with the introduction of Local Housing Allowance payments and as such, the DWP have put in place similar safeguarding mechanisms in the form of Alternative Payment Arrangements (APAs), which we addressed earlier in our report. However, we acknowledged that whilst existing Housing Benefit regulations stipulate that landlords must get paid direct when there is a build-up of 8 weeks arrears, this is only reflected as guidance for Universal Credit claims and not regulation.

106. We also noted that whilst local authorities can apply for an Alternative Payment Arrangement via email in order to speed up the process, this option would also be available for other landlords that had a secure email system, otherwise they would need to apply via post, which would take longer to process. In response to the concerns raised, we were pleased to learn that DWP are looking at alternative measures for speeding up the APA process for other landlords.

## Relationships with other landlords

107. We acknowledge that the Council has developed good relationships with PRS landlords and housing associations. As such, if a tenant is facing possible eviction, Housing Options will liaise with landlords to discuss what intervention can be made to help prevent any eviction. Housing Options also has a good

relationship with the Housing Benefits team to access information regarding a tenant's entitlement status to inform any negotiations process. However, in relation to Universal Credit, Housing Options would need to develop a similar relationship with DWP.

108. We are also concerned that if more PRS landlords became reluctant to take Universal Credit claimants, this will put added pressure on Housing Options to find other suitable accommodation and may have to resort to bed and breakfast accommodation. Any disengagement with this sector could also have an impact on the longstanding work undertaken by the Council in influencing the quality of PRS stock in the city and therefore is vital that DWP acknowledges and works to continue this positive engagement work with the PRS sector and we recommend that the Council is given a greater role in helping DWP to forge these positive relationships moving forward.

### **Recommendation 11**

That the Assistant Chief Executive (Citizens and Communities) and Director of Environment and Housing works with DWP to explore how the Council can be given a greater role in engaging the Private Rented Sector in the roll out of Universal Credit in Leeds.



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## Implications of Universal Credit on Council resources.

109. As Universal Credit will replace Housing Benefit for most working age customers, this clearly has implications for jobs in the Welfare & Benefits Service and Customer Services. Currently, Welfare & Benefits staff process claims for:

- Housing Benefit for working age customers (caseload 53,199)
- Housing Benefit for pension age customers (caseload: 28,854)
- Council Tax Support for:
  - Owner-occupiers not claiming HB (CTS-only cases) (caseload 14,009)
  - Pension-age HB customers (caseload: 17,572)
  - Working-age HB customers (caseload: 41,664)
- Discretionary Housing Payments for both working age and pension age HB customers

110. Following the full roll out of Universal Credit, we understand that Welfare & Benefits staff will lose responsibility for most working age HB claims but will retain responsibility for:

- HB for pension- age customers (plus housing costs support for specialist or supported accommodation)
- CTS for
  - Owner-occupiers
  - Pension-age HB customers
  - Universal Credit customers
- Discretionary Housing Payments for Universal Credit customers and pensioners

111. It is therefore estimated that the move to Universal Credit will ultimately lead to a reduction in costs of around 23% within the Welfare & Benefits service (which includes the Customer Services recharge) – this is equivalent to a reduction of around £2.2m and could mean in excess of 30 posts going within Welfare & Benefits alone. During our inquiry, we learned that DWP had announced that TUPE will not apply in this instance.

112. We are therefore mindful that the approach to managing the reduction in costs and staffing depends on a number of factors, including:

- Time taken to conclude the roll out of Universal Credit;
- Rate at which cases move from Housing Benefit to Universal Credit;
- Role of councils in delivering Universal Credit once 'steady state' has been reached; and
- Rate at which DWP withdraws admin grant support for local councils. DWP has agreed that there will be no reduction in admin grant funding in 2016/17 due to





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Universal Credit roll out (although reductions for other reasons are likely).

113. We recognise that Welfare & Benefits staff are highly skilled and motivated and should have few problems securing positions elsewhere in the council. However, we fully understand that the transition to Universal Credit does create uncertainty for staff and for the service. This uncertainty is also likely to affect ongoing recruitment and staff turnover and therefore needs to be managed to avoid significant performance issues.

114. We understand that discussions are also still ongoing with DWP in relation to the administration grant for delivering Housing Benefit and Council Tax Support which will have an impact on the Council financially.

115. We noted that currently, the Council receives £4.82m in administration grant for delivering Housing Benefit and Council Tax Support:

- £3.75m (or 78%) comes from DWP and is for dealing with Housing Benefit cases and Council Tax Support cases where Housing Benefit is also being claimed
- £1.07m (or 22%) comes from DCLG and is for dealing with Council Tax Support-only cases i.e. cases where there is no claim for Housing Benefit.

116. Whilst we understand that the DWP has agreed there will be no reduction

to the admin grant in 16/17 as a result of Universal Credit, it is more likely there will be administration grant reductions in 17/18 to reflect a reducing Housing Benefit caseload.

117. As such, we are mindful that the following financial pressures will arise:

- A pressure will be created if the size of the reduction in grant is not matched by an equivalent reduction in caseload;
- A pressure will also be created if DWP reductions in admin grant are not matched in full or in the main by increases in admin grant from DCLG for Council Tax Support administration. This is because an element of the DWP grant also covers administration of CTS for HB cases - as Housing Benefit cases move on to Universal Credit this will leave an increasing CTS-only caseload;
- Most HB cases also get Council Tax Support;
- Councils assess HB and CTS together so the work needed to calculate HB means there is little extra work needed to award CTS;
- This efficiency is lost as HB transfers to Universal Credit;
- Councils will still have the costs of gathering and verifying income



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and household details but this will be just for CTS cases.

118. We are also aware that another issue that will impact on the Council financially is around Housing Benefit overpayments.

119. Local councils generally get less in benefit subsidy from the Government where there has been an overpayment. Properly paid benefit receives 100% subsidy from the Government but councils only get 40% subsidy back from Government where there has been an overpayment caused by fraud or by claimant error. This is intended to give councils an incentive to recover these overpayments as councils keep income from overpayment recovery.

120. One of the most effective ways to recover overpayments is by deductions from any ongoing Housing Benefit entitlement, although this process can take some time.

121. However, as Universal Credit rolls out and more Housing Benefit claims transfer to Universal Credit, there will be fewer opportunities to recover overpayments from on-going Housing Benefit. Instead, councils will need to apply to have deductions made from Universal Credit to recover outstanding Housing Benefit overpayments. However, we recognise that Housing Benefit overpayments will not carry the same priority as fuel or rent arrears and will also be behind DWP overpayments in the priorities for deductions from Universal Credit. As such, this

presents a risk to councils that overpayment debt may not be recovered.

122. As Universal Credit continues to be rolled out, it is vital that the above implications are factored into the Council's future financial models.

## **Recommendation 12**

That the Assistant Chief Executive (Citizens and Communities) ensures that as Universal Credit continues to be rolled out, the financial implications identified as part of this Scrutiny Board inquiry are factored into the Council's future financial models.

## **Addressing current staff training needs.**

123. We were pleased to learn that the Citizens and Communities Directorate was leading on a training schedule for all key front-line staff including Customer Service Officers; Library staff and social workers within Adult Social Care and Childrens Services.

124. We also note that the Council's appraisal system (PALS) will be used as a tool for relevant staff to 'opt in' for initial training and refresher courses and that training could also be tailored depending upon the level of knowledge needed.

125. Whilst we acknowledge that Leeds will only be dealing with the initial singles cohort, we are mindful of the feedback provided by Tameside CAB



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during our inquiry based around their experiences with the suggestion that front line staff training should be addressing the wider implications of Universal Credit, including other cohorts such as couples and families, in recognition that the circumstances of those individuals within the first singles cohort could easily change and they become part of a family.

126. In making such training available, it is also vital that relevant frontline staff across the directorates are actively being encouraged to undertake this training.

## **Recommendation 13**

That the Assistant Chief Executive (Citizens and Communities) ensures that the Universal Credit training provided to frontline staff considers the wider implications associated with Universal Credit, including other cohorts such as couples and families, from the outset. This should take into account the DWP Training material which has been handed over.

## **Recommendation 14**

That the Assistant Chief Executive (Citizens and Communities) works closely with other directorates to actively raise the profile of Universal Credit amongst key frontline staff and encourages the uptake of staff training to ensure they are equip with the knowledge and capacity to identify and support eligible Universal Credit claimants, and particularly vulnerable claimants.

## **G of Universal Credit.**

127. DWP explained the importance of signposting individuals to the Gov.uk website for current advice regarding Universal Credit. Given the 'test and learn' approach being adopted by DWP, it was emphasised that the GOV.uk website was the most efficient and cost-effective method of ensuring that customers were receiving accurate and up-to-date information.
128. DWP also highlighted the difficulties in targeting communications given the limited criteria for the initial roll out of Universal Credit, as many customers will not be affected at this stage.
129. Whilst we do acknowledge this, we are also mindful that many people will be fearful of change within the benefits system and may have previously encountered negative experiences when passporting benefits.
130. It is also important to continue challenging the stereotypical labelling often associated with benefit claimants, particularly as any individual could easily find themselves in need of financial support and also acknowledging that Universal Credit is targeted at in-work individuals too.
131. We recognise that this links closely to the work recently undertaken by the Leeds Poverty Truth Commission. The Commission established a Stigma group which provided content for the Real Benefits Street, a YouTube channel from Church Action on Poverty which aims to show a different reality of



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being on benefits to that shown by Channel 4's 'Benefits Street' series. The Real Benefits Street channel features contributions, both poignant and inspiring, from Leeds residents involved in the Poverty Truth Commission.

132. Information therefore needs to start filtering through now so that individuals become familiarised with Universal Credit well before the need to claim or move over from a legacy benefit.

133. As such, we welcome that as the part of Delivery Partnership, the Citizens and Communities directorate is developing information packs for front line staff as well as creating a dedicated area on the Council's website for information, which would also provide a link to the Gov.uk site.

134. Examples of the communication documents were shared and welcomed by the Scrutiny Board. However, we also emphasised the valuable role of Elected Members in contributing to awareness raising work within their own localities and also maximising opportunities when in contact with residents, either within their own homes or during ward surgeries, to be able to detect and support eligible claimants. As such, we recognise the added benefit of producing a similar dedicated guide for Elected Members; making the DWP website easily accessible; and holding Member Seminars to help generate awareness and better understanding of Universal Credit as it continues to evolve and be rolled out in Leeds.

## **Recommendation 15**

That the Assistant Chief Executive (Citizens and Communities) leads on:

- (i) Developing a dedicated guide to Universal Credit for Elected Members;
- (ii) Making the DWP website easily accessible to Elected Members (eg. through a mobile application);
- (iii) Periodically arranging Member Seminars to generate awareness and better understanding of Universal Credit as it continues to evolve and be rolled out in Leeds.

135. We also recognise the importance of engaging other organisations in assisting to actively promote Universal Credit with the aim of identifying eligible individuals and increasing take up. In particular, social sector and private sector landlords can assist in targeting their tenants; the business sector can help promote Universal Credit amongst its employees; and the CAB and third sector have a key role in identifying hard to reach individuals who may be eligible to claim.

136. Linked to this, we were pleased to learn that DWP have delivered



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engagement events with the CAB and Welfare Rights and Landlords across the city as well as working with current employers. In addition, DWP have continued to work with and signpost those employers who have contacted them directly to enquire how Universal Credit will impact on current employees and future employee strategies.

137. We believe that the Council should also be leading by example and working in collaboration with the Trade Unions and Leeds, York & North Yorkshire Chamber of Commerce to help raise the profile of Universal Credit and encourage other employers across the city to identify and assist eligible employees to claim. During our inquiry, we learned that this has already been identified as a key action and therefore we recommend that progress in this regard is brought back to Scrutiny.

## **Recommendation 16**

That the Assistant Chief Executive (Citizens and Communities) reports back to Scrutiny in relation to progress made in working in collaboration with the Trade Unions; Leeds, York & North Yorkshire Chamber of Commerce; and the District Manager of DWP to help raise the profile of Universal Credit and encourage other employers across the city to identify and assist eligible employees to claim.

## **Close monitoring of the roll out of Universal Credit.**

138. Over the course of our inquiry, we have heard about the preparations for the initial launch of Universal Credit in Leeds from February 2016. Linked to this, we are confident that the launch will be successful and that those needing help with personal budgeting support and help to get online will get the required help in a timely manner.

139. However, as stated from the outset, the purpose of our inquiry has been to look ahead to the wider roll out of Universal Credit and its impact on families and more vulnerable residents as well as the implications for in-work claimants with fluctuating incomes and payment patterns other than monthly. In doing so, we are mindful that there are still a number of decisions awaited in relation to Universal Credit as it continues to evolve. Some of these we have addressed in more detail within our report, but in summary we note that these include:

- How passported benefits like free school meals and free prescriptions will be dealt with;
- Details of the roll out programme for Digital Service;
- How Universal Credit customers on the Live Served will be moved to Digital Service;
- Whether HB customers moving to Universal Credit will remain



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- subject to the 5-week wait for payment;
- Whether Social Sector landlords will be given Trusted Partner status in relation to requests for Alternative Payment Arrangements;
- What arrangement DWP will make for supporting councils to manage staff and funding reductions.
- Number seeking help with Personal Budgeting Support and/or help getting online
- Number of Universal Credit claimants accessing Local Welfare schemes
- Number of DHP claims and awards
- Number of New Claim Advances made
- Number moving into work

140. Clearly it is vital that the roll out of Universal Credit continues to be closely monitored and we understand that discussions have already taken place with Revenues and Benefits Managers across West Yorkshire to put in place arrangements to specifically monitor the following:

- The number claiming Universal Credit
- The number of these claiming CTS
- Number of housing costs cases
- Level of rent payment/arrears
- Number of Alternative Payment Arrangements in place

141. As the implementation of the recommendations arising from this inquiry will be closely monitored, Scrutiny will also continue to periodically monitor progress overall with the roll out of Universal Credit in Leeds and will again welcome the valuable input from DWP/Jobcentre Plus in this regard.

142. In supporting the recommendations arising from the research undertaken by Citizens Advice, we will also be tracking progress in this regard too.





# Evidence

## **Monitoring arrangements**

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

## **Reports and Publications Submitted**

- Report of the Assistant Chief Executive (Citizens and Communities) to the Citizens & Communities Scrutiny Board on Universal Credit (UC) preparations. 27<sup>th</sup> July 2015.
- Report of the Assistant Chief Executive (Citizens and Communities) to the Citizens & Communities Scrutiny Working Group on Universal Credit: impacts on different groups. 20<sup>th</sup> October 2015.
- Session 2 working group briefing paper from the Citizens and Communities directorate. 26<sup>th</sup> October 2015.
- Report of the Chief Officer (Welfare & Benefits) to the Citizens & Communities Scrutiny Working Group – sessions 3&4. 7<sup>th</sup> December 2015.
- Briefing paper from the Work Services District Manager West Yorkshire in relation to sessions 3&4 of the inquiry.
- Waiting for Credit: The delivery of Universal Credit as experienced by Citizens Advice clients in England and Wales'. Citizens Advice. November 2015.



# Evidence

## Dates of Scrutiny

Scrutiny Working Group – Scoping exercise - 13<sup>th</sup> August 2015  
Scrutiny Board Meeting – Agreeing terms of reference – 14<sup>th</sup> September 2015  
Scrutiny Working Group – Session 1 of the inquiry - 20<sup>th</sup> October 2015  
Scrutiny Working Group – Session 2 of the inquiry - 26<sup>th</sup> October 2015  
Scrutiny Working Group – Sessions 3&4 of the inquiry - 7<sup>th</sup> December 2015  
Scrutiny Working Group – Session 5 of the inquiry - 27<sup>th</sup> January 2016

## Witnesses Heard

- Councillor Debra Coupar – Executive Member for Communities
- Steve Carey - Chief Officer Welfare and Benefits
- Dave Roberts - Financial Inclusion Manager
- Diane Gill - Project Officer, Financial Inclusion Team
- Steve Hume - Chief Officer Resources and Strategy, Adult Social Care
- Jim Hopkinson - Head of Service Targeted Services, Children's Services
- Liz Cook - Chief Officer Housing Management
- Dianne Lyons - Chief Executive, Leeds Citizens Advice Bureau
- Alison France – Customer Services Operations Manager (Leeds), Jobcentre Plus
- Simon Betts – Partnership Manager (Leeds), Jobcentre Plus
- Kay Wilkinson - Universal Support Development Manager (North East England Group), Jobcentre Plus
- Simon Swift – Service Manager, Environment and Housing
- Chris Town - Vice Chair, Residential Landlords Association
- Kim Long, Money Advice Co-ordinator, Connect Housing
- Dawn Mackenzie, Advice Service Supervisor/Research and Campaigns Coordinator, Tameside Citizens Advice Bureau





# Appendix 1

Extract from the CAB document 'Waiting for Credit: The delivery of Universal Credit as experienced by Citizens Advice clients in England and Wales'. November 2015.

## **Recommendations**

The recommendations set out below are ordered by the different stages in the claimant journey.

### **Identifying entitlement**

1. A chart setting out criteria for entitlement to claim UC should be readily available and visible in every JCPlus office, Benefits Delivery Centre and Local Authority office and on DWP and Local Authority websites as a point of reference for claimants and staff. It is important that it is adapted to the circumstances of the area and kept updated.

### **Council tax reduction**

2. The Universal Credit claim should include a question asking if the person also wants to claim council tax reduction (CTR) – if they do then the date of the claim for UC should be taken as the date of the claim for CTR and their details automatically passed on to the Local Authority so there is no need for a separate application or verification

### **Delays in making a claim**

3.
  - a) Decision makers guidance makes clear that if someone contacts a jobcentre to make a claim but is unable to make an online claim unaided and have to be referred for an appointment with a JCPlus adviser at a later date to assist with the claim then the date of claim should be the date they first made contact with JCPlus to apply for Universal Credit. This would apply as long as the gap between first contact and making the claim is not reasonably avoidable. Guidance should make clear that those who are referred to another agency such as Citizens Advice for assistance or to access a computer should be treated in the same way.
  - b) Training is necessary to ensure that those who will have difficulty making their claim are reliably identified.

### **Notification of claims that fail**

4.
  - a) When a claim to Universal Credit is initially accepted as successful but then further checks mean it will be refused, the system must be programmed to inform the claimant (by letter or email) that their application has not been successful and why.
  - b) If an online claim is rejected the final page should give the helpline number and say that if they don't understand why they have been refused they can ring the helpline and if they are eligible a claim can be taken by phone

### **Decision making and verification of evidence**



# Appendix 1

5. a) DWP needs urgently to improve their HB law expertise and training.
  - b) Every jobcentre needs to recruit people with extensive knowledge of the housing stock in the area so sensible decisions can be made at a local level about the necessary level of proof necessary to verify an individual's housing costs. Any decision about requiring any proof of costs above the standard rent agreement must be made by or in conjunction with this person. Whenever possible this decision should be made at the time of the first meeting with the claimant.
  - c) DWP should publish clear standards for verification of claims, and these standards should not be higher than in legacy benefits. They should make clear that photo ID is not essential.
  - d) Training for jobcoaches should emphasise that no one should be left with the impression that photo ID is essential.
  - e) A receipt with a reference number should be given to a claimant stating which documents have been scanned into the system. Repeated requests for the same documents should lead to compensation for the claimant. Guidance and training needs to make very clear where on the system documents should be stored.

## **The claimant commitment**

6. Claimant commitments should explicitly state whether the claimant when asked, declared that they were disabled or had a long-term health condition or had caring responsibilities. If they answer 'yes' to any of the above then there needs to be an account within the claimant commitment of any necessary 'reasonable adjustments' or how caring responsibilities have been taken into account. If the adviser disagrees with the claimant about what adjustments are required then the claimant must be given the opportunity to seek evidence.

## **Treatment of earnings**

7. In order to prevent some of the structural anomalies that mean some people are unfairly financially penalised:
  - a) For new claims - any money paid by an employer after the person ceases to be employed should be treated as having been paid on the last day of employment.
  - b) Any wages paid by an employer earlier than the 'usual payday' (eg paid early for Christmas) should be treated as having been paid on the 'usual payday'
  - c) Averaging of income should be allowed for those whose wages are paid every four weeks and for those receiving irregular payments in work or self-employment.
  - d) If averaging of income isn't possible then jobcoaches need to be trained to explain to claimants the implications for UC payments of four weekly payments of earnings and other irregular patterns of earnings



# Appendix 1

e) In the longer term the Government needs to work with employers to explain the problems that different payment structures such as four weekly payment of wages creates for those on UC but in the meantime claimants should not be penalised

## **Moving from a legacy benefit**

8. a) When someone transitions from a legacy benefit to Universal Credit they should not be transferred until a day after the next payment of the legacy benefit is due.  
  
b) Consideration should be given to creating a run-on to cover the gap in entitlement. (Four week run-ons occur in legacy benefits when someone enters work – this is no longer necessary as UC is paid five weeks in arrears but the need for this has been transferred to the client in the five week gap in payment during the transfer to Universal Credit).  
  
c) Regardless of whether legacy benefits are run on, where someone is entitled to ‘passported benefits’ such as free school meals on a legacy benefit and will also be entitled on Universal Credit there must be a run on of the ‘passported benefits’ so there is no gap in entitlement during the transfer to Universal Credit.

## **Accessing passported benefits whilst waiting for the first payment**

9. Once a claim has been accepted and evidence provided to verify their claim a letter should be issued saying that a claim for Universal Credit has been accepted. Proactive communications with those who provide passported benefits will be necessary to ensure they understand how to recognise entitlement on UC.

## **Advance payments**

10. The amount available should be need-based and not linked to when the claim was made. Repayments should be set at affordable levels that do not compromise ability to meet essential living costs. There should be a proactive discussion with the claimant about whether they have sufficient funds to meet housing costs and basic living costs before their first payment. If not, then an application for an advance payment should be discussed. Many of our other recommendations will reduce the need for an advance payment.

## **Resolving cases that have gone badly wrong**

11. There needs to be a Universal Credit claimants’ champion team within Universal Credit. Members of this team would have the authority to look at difficult cases as a whole and take responsibility for sorting them.

Each Benefits Delivery Centre (BDC) and each JCPlus office should have at least one person who has been trained in Universal Credit and has the authority to contact the UC claimants’ champion team when there is a serious problem.

Qualified advisers should be given the contact details of the UC expert within the BDC and JCPlus local office. If a case is referred to the Universal Credit claimants’ champion team then contact



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details of the member of the team who is dealing with their case should be given to the adviser who has referred the case.

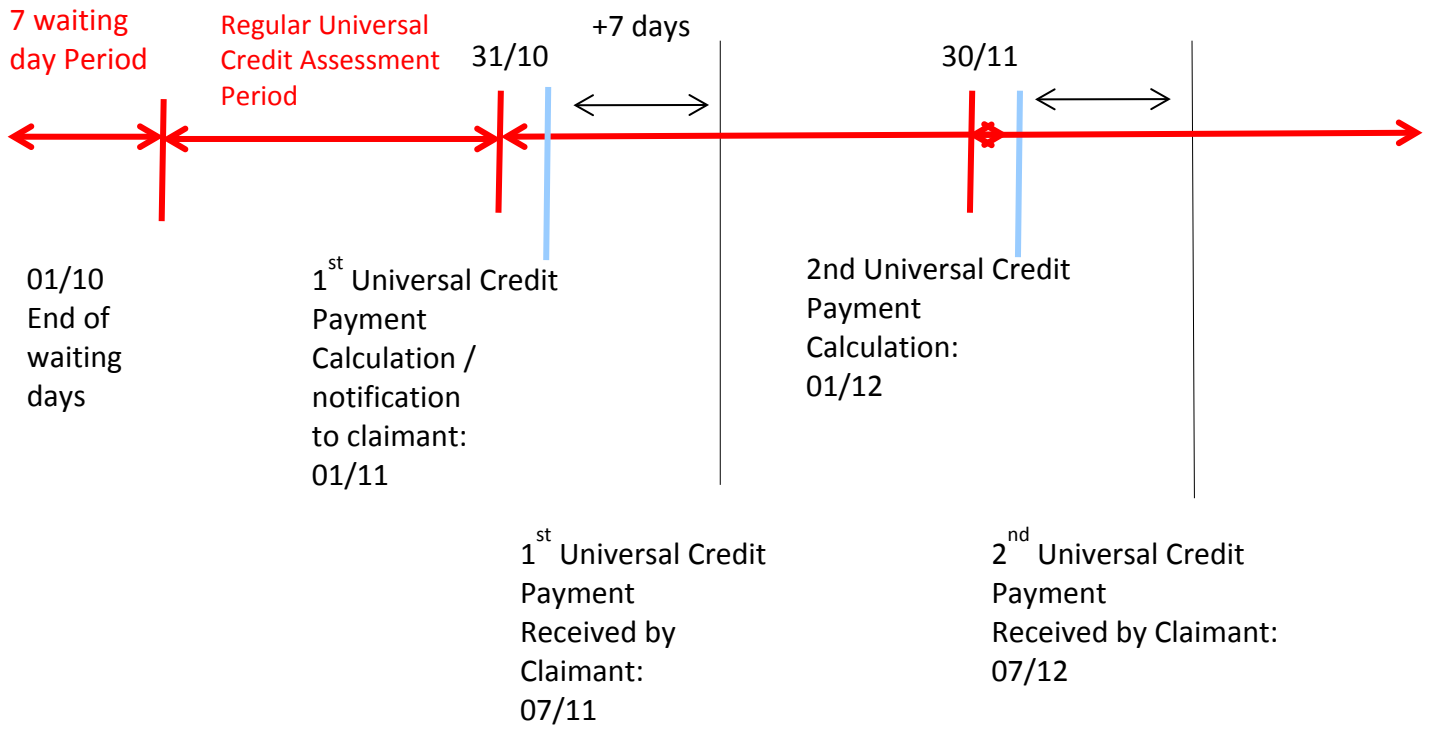
When claimants approach staff in jobcentres or on the helpline describing serious problems, JCPlus advisers whether in a jobcentre or on the helpline must ensure the claimant is passed on to someone who can take ownership of the problem. Backdating, or compensation when out of time for backdating, should be automatic in these situations.

## **Contacting the helpline**

12. The helpline should be a 0800 number. Call back should be offered. There should be telephones with direct link to the UC helpline in every jobcentre.



# Appendix 2





## **An alternative approach for Council Tax Support for Working Age Claimants**

- 1 Universal Credit will eventually replace 6 working age benefits:
  - It deals with the needs of individual households by providing additional elements that recognise the presence of children, disabilities, caring responsibilities, housing and childcare costs;
  - The work allowances for those that qualify and the 65% taper rate in Universal Credit are intended to incentivise work;
  - The award recognises the ability of other adults in the household to contribute by making non-dependant deductions.
- 2 Universal Credit does not provide financial support to pay Council Tax. However DCLG have suggested how LAs might determine Council Tax Support for claimants who are entitled to CTS (the default scheme). However LAs are able to introduce their own provisions if they wish.
- 3 A major simplification to the Council Tax Support scheme would be to:
  - remove the many allowances and disregards that are awarded to recognise the presence of children, disabilities, caring responsibilities, housing and childcare costs because these are already reflected in the Universal Credit award;
  - ignore as income all state benefits that are awarded to recognise these characteristics;
  - award Council Tax Support at the full rate to those entitled to maximum Universal Credit;
  - award Council Tax Support at a reduced rate to those not entitled to Universal Credit or to the maximum Universal Credit. The reduced rate would be full CTS less 10% of non-benefit income above their income allowance;
  - the income allowance would be set for single people and couples to mirror the income levels used in Universal Credit;
  - deductions for non-dependents would also be removed from the Council Tax Support scheme as they would be taken care of in the Universal Credit award.

### Administration implications

- 4 The following are aspects of the proposed simplified scheme:
  - Pension-age claimants would not be affected by the scheme as they remain under the national prescribed scheme
  - Existing working age claimants would not be affected by the scheme until they moved over to Universal Credit
  - New working age claimants who satisfy the Universal Credit gateway must claim Universal Credit in order to get CTS



- New working age claimants who do not satisfy the UC gateway at the time they apply are not affected and would be assessed under the existing CTS scheme
- The maximum rate of Council Tax Support remains at 75% (in line with the existing baseline reduction)
- Claimants in protected groups would retain their protection until they move onto Universal Credit. A hardship fund would be available to help those from protected groups who are assessed as being unable to meet their Council Tax liability when they move to Universal Credit
- Claimants with more than £16,000 capital would not be eligible for CTS.

#### Other simplifications arising from the scheme

- 5 A simplified scheme offers simplifications for claimants and also makes administration of the scheme simpler and more joined up.
- Claimants who receive maximum Universal Credit are pass-ported to maximum Council Tax Support meaning there will be fewer adjustments to Council Tax Support;
  - Most of the information needed to award and maintain CTS will be received electronically from the Universal Credit service centre through ATLAS (Automated Transfer to Local Authority System);
  - Information from the Universal Credit award can be used as proof of income where appropriate, removing the need to request information separately from customers
  - There are fewer factors that will affect the award, making evidence collecting and decision making easier
  - There will be fewer changes to administer during the financial year / life of the claim.
  - It is simpler for claimants to understand particularly in relation to changes that will affect their award.
  - The scheme removes the requirement to recalculate Council Tax Support monthly for claimants who receive Universal Credit and have fluctuating pay. This also addresses a concern raised by Scrutiny Board (Citizens & Communities)
  - A single withdrawal rate of 10%, for example, for all excess income which will not disincentivise increasing work and pay.
  - DWP Fraud and Error initiatives will help ensure that Universal Credit is secure and as such CTS paid to Universal Credit claimants will benefit from those security measures, allowing the LA to target fraud and error prevention on the smaller caseload that are not in receipt of Universal Credit.
  - Changes made by government to welfare benefits will not impact upon our scheme as they are not taken into account

- We can be clear that the introduction of the national living wage will increase claimants income and reduce the cost of providing Council Tax Support