

**Report of Director of Communities and Environment**

**Report to Executive Board**

**Date: 17<sup>th</sup> April 2019**

**Subject: Update on Universal Credit (UC) full service in Leeds**

Are specific electoral Wards affected? 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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Since 10<sup>th</sup> October 2018, Leeds has moved into the “full service” digital platform of Universal Credit (UC). This means that all NEW claims to benefits that UC is replacing, known as “legacy benefits” i.e. (Job Seekers Allowance, Employment Support Allowance, Income Support, Child Tax Credit, Working Tax Credit, Housing Benefit) will now need to be a claim to UC instead. This is known as the transition phase. DWP estimate that around 13,000 people will claim UC in the first year in Leeds.
2. Leeds has been preparing for this full service roll out for some years with cross sector and partnership working to ensure that all stakeholders including front line services and citizens across the city understand the implications of UC. Work continues within the Council to ensure people are supported to make and manage the UC regime.
3. It is still too early to determine any large scale impacts of UC and it will be more difficult for the Council to feedback on UC claimants as we will no longer have any access to any systems as people move off Housing Benefit, but this report provides some initial feedback from front line services and partners that can help identify some key areas of impact. The key issues for noting are as follows:
  - Significant numbers of customers are requiring assisted digital support in order to make a UC claim and there is concern that many of these customers will continue to struggle to develop their digital skills (even with support) in order to manage the ongoing UC regime.
  - Enquiries as to peoples eligibility to UC and whether they should claim is a large concern for people and ensuring people get the right advice is key as there may be long term implications for their income. Many of these enquiries are complex and Citizens Advice are reporting this is one of the main areas raised with their organisation.

- People who are vulnerable or have complex needs are often finding it difficult to get the right support in order to deal with their claim.
- The potential impact in the city of the change to Universal Support which will see services provided by Citizens Advice rather than the local authority from 1st April 2019.

### **Recommendations**

4. Executive Board are asked to note the contents of this report and agree to a further impact report in 6 months.

## **1 Purpose of this report**

- 1.1** The report provides information on the Government's introduction of full service UC, the impacts across the city and how front line services are continuing to support people affected by the UC regime.

## **2 Background information**

- 2.1** UC went live in Leeds on 1<sup>st</sup> February 2016 and was focused only on single jobseekers at that time. This group was considered by DWP to be the most straightforward cohort for UC purposes. Approximately 5,500 people in this group claimed UC in Leeds. This remained the position until full service roll out commenced from 10<sup>th</sup> October 2018.
- 2.2** From 10<sup>th</sup> October 2018 Leeds moved into the full digital service of UC. This means that all new claims to any of the benefits that UC is replacing will mean a claim to UC instead. Anybody already receiving "legacy benefits" (who don't have a change in their circumstances which triggers a new claim to benefit) will remain on these benefits until DWP advise them it is time to claim UC. This is known as the transition phase.
- 2.3** DWP advise the move of all remaining legacy benefits claims will commence with a small number of claims (approx. 10,000) starting in summer 2019. Harrogate has recently been chosen as the pilot location for this migration. DWP advise that the full, national move of all existing benefits will be staggered over a period of time and be completed by 2023. No details have been provided as to how this move will be undertaken or on what dates LA's will be required to start the migration process.
- 2.4** There are many differences between UC full service and the benefits it is replacing including:
- Claims must be made and maintained online via a customer journal
  - Payment is normally paid monthly to a single person in a household
  - The rent element is paid directly to the tenant
  - First time claimants must wait for 5 weeks before an initial payment is made, although advanced payments are available.

These differences have had an impact on how people manage their finances and their ability to ensure any rental liability is kept up to date.

## **3 Main issues**

- 3.5** On 10<sup>th</sup> October 2018 Leeds moved in to the full service digital roll out of UC. The council had been preparing for this introduction for a number of years with a cross sector action plan to ensure all agencies, customers and front line services were ready to support all those affected by the UC regime.
- 3.6** As at 10<sup>th</sup> January 2019, 10,431 people are in receipt of UC in Leeds. This includes all customers who were previously claiming UC in the "live service" (i.e. 1/2/2016 – 9/10/18). DWP advise that the majority of "live service" UC customers (above 90%) have now been successfully transferred on to the full digital claiming platform in full service.
- 3.7** Attached at Appendix 1 is a breakdown of the latest DWP statistics available providing a ward breakdown of UC claims for those customers in and out of employment. This data is for the period up to 10<sup>th</sup> January 2019.
- 3.8** At a strategic level, it is still too early to determine any large scale impacts of UC. Moving forward, it will be more difficult for the Council to feedback on UC claimants as we will no longer have any access to any systems as people move off Housing Benefit, but this report provides some initial feedback from front line services and partners that can help

identify some key areas of impact. The key strategic issues emerging to-date are as follows:

- Significant numbers of customers are requiring assisted digital support in order to make a UC claim and there is concern that many of these customers will continue to struggle to develop their digital skills (even with support) in order to manage the ongoing UC regime.
- Enquiries as to peoples eligibility to UC and whether they should claim is a large concern for people and ensuring people get the right advice is key as there may be long term implications for their income. Many of these enquiries are complex and Citizens Advice are reporting this is one of the main areas raised with their organisation.
- People who are vulnerable or have complex needs are often finding it difficult to get the right support in order to deal with their claim.
- The potential impact in the city of the change to Universal Support which will see Help to claim services provided by Citizens Advice rather than the local authority from 1<sup>st</sup> April 2019.

### **3.9 Government announced changes**

A number of announcements have been made by the Government throughout 2018 which have had an impact on UC, the way it is administered and how it will impact on people. Key headline changes are:

- In 2017 the Government introduced a rule that prevented many single full UC service claimants from getting the housing costs element in their UC. From 31 December 2018 this was reversed and now all 18-21 UC claimants will receive the housing costs element they are entitled to.
- One of the biggest issues under UC was for some disabled claimants who were entitled to the severe disability premium included in their legacy benefits. Under UC there was no equivalent which meant a considerable loss in weekly income for some claimants. From 16 January 2019, anyone who has a severe disability premium included in their legacy benefits will not have to make a claim for UC. Instead a new “gateway condition” will prevent them from being able to claim UC and they will remain / make a new claim for legacy benefit and therefore, retain their severe disability premium. Eventually they will need to be moved onto UC but they will then receive transitional protection so they do not see a loss of income.
- The proposed harsher, two child limit rules due to take effect from 1<sup>st</sup> February 2019 will not go ahead. It is important to point out the existing two-child limit rules are still effective i.e. anybody having a 3<sup>rd</sup> child born after 1<sup>st</sup> April 2017 will not receive support through tax credits / UC. What has changed is the two child limit that would have seen new and existing UC claimants being limited to having just two child elements included in their UC award (regardless of when those children were born), will not now go ahead.
- From April 2019 the work allowances\* for claimants with dependent children and those where they have a limited capability for work, is increasing by £83.33 per month. This means that working parents and those with a limited capability for work and are working could be better off by up to £52.5 per month. The work allowances for those without children or who have been found fit for work will remain at Nil.

*\*The work allowance is the amount of earnings claimants with children or with limited capability for work is ignored before their maximum UC award is reduced at a rate of 63p per pound of net earnings.*

All the above changes are welcomed and will see improvements to people's income going forward. There have also been further changes announced to improve the UC administration, however, these changes are some way off and it will take some time for these to be reflected to people's advantage. These future change announcements are:

- The maximum that can be deducted from a claimants UC award was originally set at a level much higher than if the claimant had been on legacy benefits. This caused hardship and left many people with very little to live on. From October 2019 the overall maximum deduction rate for all deductions will reduce from an amount equal to 40% of the claimants standard allowance down to 30%
- It has been widely reported that where a claimant moves from a legacy benefit onto UC, the 5 week wait until they receive their first UC payment causes hardship. In April 2018 the government introduced a two week Housing Benefit (HB) run on where the claimants HB was ending because they had made a claim for UC. This provided an additional two weeks of benefit to help minimise the issues the 5 week wait for UC was causing. It has now been announced that there will be a two week run on for other legacy benefits as well (i.e. Income Support , Income related ESA, and Income based JSA). However, this will not be introduced until July 2020.
- From October 2021 the repayment period for new claim advances and benefit transfer advances can be extended from 12 months to 16 months. There is no further information about this and so it is not known under what circumstances the DWP would agree to extend the recovery period.

### 3.10 Flexible payments

The Government has also announced that it will be undertaking a number of reviews to improve further payments of UC in order to make more flexible payments for claimants and landlords. These include:

- **More frequent payments.** The default is to pay UC monthly in arrears. This can be problematic for some claimants who struggle to budget over such a long period or with such a large sum of money. Under the Alternative Payment Arrangements (APA), UC claimants can request that their UC is made more frequently, generally twice monthly in arrears. However, it is reported nationally that take up is low, only 2% of claimants have taken that option. So DWP plan to test how they can improve the provision of more frequent payments for new claimants.
- **Alternative Payment Arrangements (APA) for private landlords.** It is reported nationally that around 30% of social housing tenants have an APA managed payment in place, compared to just 5% in the private rented sector. DWP are due to build an online system for private landlords, making it easier for them to request, where applicable, APA managed payments. It is thought that this will be similar to the existing social landlord portal, and it is hoped that this will be introduced sometime in 2019, although no further details are yet known.
- **Paying UC to main carer.** UC is paid as one lump sum into one account nominated by the claimants. DWP are beginning to accept that this payment structure can penalise women. DWP are therefore going to look at how they can ensure any UC payment goes to the main carer of the children and they hope to make changes later in the year.

Again all these announcements for more flexible payments are welcomed and will have a significant impact on people's ability to manage their finances. However, no dates have

been given for when or if these changes are likely to be introduced and so no positive impacts can be reported at this time.

### **3.11 Mixed age couples**

A 'mixed age couple' is where one member of the couple is working age and their partner is Pension Credit age.

Since 2012 (when the Welfare Reform Act was introduced) the Government has wanted 'mixed age' couples to claim working age benefits. However, at the moment 'mixed age' couples have a choice: they can claim UC or they can make new claims for Pension Credit / Housing Benefit / Tax Credits instead. Most mixed age couples are better off on the 'legacy benefit' system i.e. Pension Credit, Housing Benefit and or Tax Credits.

However, from 15<sup>th</sup> May 2019 any new claims to benefits will require a claim to UC which will mean the working age partner will have work search requirements attached to any claimant commitment.

Some 'mixed age' couples will continue to have the choice, such that if they are already on Pension Credit they will be able to make a new claim for Housing Benefit, and likewise, where they are on Housing Benefit they will be able to make a new claim for Pension Credit.

This change will have a significant impact on a mixed aged couple's income, not only will they be worse off financially but the younger member of the couple, (unless they are a carer or incapable of work), will be required to look for work.

### **3.12 Recent High Court decision**

A recent High Court decision (January 2019), concerns the way UC is assessed for working families.

Sometimes a UC claimant's monthly award can be based on two month's wages (with the following assessment) being based on no wages at all. This can happen when the claimant gets paid a wage early due to their normal payday falling at the weekend. This can mean that overall they are worse off, as only one work allowance will be applied across the two wage months.

This is a problem which has affected many working claimants. Not only were they losing out financially, but the fluctuations in their UC awards were also causing cash flow difficulties, leading to them falling into debt and, for some, having to choose between paying their rent or their childcare costs.

The UC Regulations do allow the DWP to allocate a wage to a different Monthly Assessment Period and the Court found that the Regulations mean the DWP can and should adjust its calculation of UC awards when "*it is clear that the actual amounts received in an assessment period do not, in fact, reflect the earned income payable in respect of that period*". It is hoped that this will eventually mean that wages will be allocated to the Monthly Assessment Period in which they would have normally been paid, rather than to the Monthly Assessment Period in which they were received.

The DWP are now required to either, issue guidance to staff on the manual interventions that will be necessary to implement this decision, or appeal the decision. Their decision is expected in the next few weeks.

### 3.13 DWP update

The following update from DWP provides information regarding the work undertaken within the Job Centres and the Service Centres to support people with UC and also provides details of partnership and collaborative working practices with the Council and other partnership organisations in order to mitigate any UC impacts

- **Processing claims.** At the end of October 2018, DWP began a programme to transfer those customers who remained in receipt of UC Live service to Full Service (UCFS). The bulk of that work was completed by 31<sup>st</sup> December 2018.

Whilst numbers continue to increase, the partnership work DWP has developed across the city has enabled customers with no issues to get their claim processes quickly and on time; either on-line, through Job Centres, partner agencies or via the telephony/home visiting team. Further to this, DWP have provided comprehensive escalation routes for all partners to ensure that the right support is available to help the customer to understand their requirements.

All Work Coaches and Work Coach Team Leaders have dedicated time to address outstanding actions by the customer that impact payments, these are reviewed daily and Journal messages are sent (as well as e-mail and texts), to ensure that the customer knows what they need to provide so staff are taking all actions to ensure full payment is made.

To-date, DWP have been consistently able to pay between 80 and 90% of all customers in full each month. Of those that haven't been paid in full this has either been due to unresolved issues in terms of personal identification or outstanding housings related information.

Dealing with larger numbers of customers from the outset of the claim has presented some challenges, but no customer has had to wait more than two or three days for their initial evidence interview at the Jobcentre or to see a subsequent work coach for their claimant commitment interview.

Although it is fair to say in the first initial weeks as staff were focussing on the payment aspects of the claim, the number of referrals to provision and employment opportunities initially dropped, these are now returning to expected levels.

- **Supporting Vulnerable Customers.** All offices have detailed plans and staff support networks in place to help the most vulnerable (complex needs plan). These are aimed at helping those who are having problems coping either with UC or more generally, with managing their lives either due to mental health issues, drug and alcohol problems and/or other social problems.

To further strengthen the support provided to vulnerable customers DWP are shortly anticipating to be able to provide work coach employment advice and support at five local foodbanks, to customers accessing these services. This will also enable staff to have a greater understanding of some of the wider community issues and to provide further opportunity to work in partnership to effect solutions.

- **Support on Housing Issues.** To strengthen staff's knowledge and understanding of housing, DWP have already seconded two members of staff from Leeds Housing Options to work alongside the Social Justice Team. Their work is linked to the Homeless Reduction Act and they have been able to support and advise those

customers who are either homeless, or under threat, to obtain suitable accommodation and enhance their future employment prospects.

Two further officers from Housing Leeds have also been seconded into DWP in order to help work coaches obtain the relevant information from customers in respect of the Housing Element of their payment. This has also helped widen the LCC officers' knowledge and understanding of DWP guidance and approach.

- **Personal Budgeting Support (PBS).** To support customers financially, DWP have contracted with the Local Authority to deliver Personal Budgeting Support. This is to help people manage until their first payment is received. Numbers of referrals to this provision have been disappointingly low at just 71. Some of this has been due to initial referral errors and lack of understanding, but is mainly due to customers not requesting this support at their initial interview.

However, the number of customers requesting advance payments has been high, (although there is no data available to qualify this at this time), particularly just before Christmas. With a customer able to apply for an advance as soon as their I.D has been confirmed and a fast 24-hour turnaround of assessment and subsequent payments. There are concerns around the fact that customers can agree a percentage of their entitlement to be paid, but then go on-line and request the balance themselves, leaving them with large sums of money to pay back, This has been raised at national level with the UC programme.

Knowing that people can claim advances straight away has probably contributed to low numbers of personal budgeting support referrals, as well as claimants reluctance to want to discuss their financial position with third parties at their initial claim interview.

DWP have also ensured that staff are applying the correct guidance in relation to Alternative Payment requests to support the most vulnerable, which in some cases, by agreeing a more frequent payment, has negated the requests for both Advances and also PBS.

### 3.14 Housing Leeds update

Between the 10 October and 31 December 2018, 2063 Housing Leeds Tenants moved onto full service. Around 350 tenants on UC Live Service have migrated to Full Service and are included in this figure. The remaining 1713 are new UC cases. This compares to around 1450 Housing Tenants who moved to UC Live Service during 2016 and 2017.

- **Support to tenants.** Housing Leeds plans and preparation for the introduction of UC Full Service are working well and delivering good outcomes. The service has delivered a comprehensive operational action plan including staffing, training and processes and support for tenants.

A training programme was delivered to fully prepare Housing staff teams to support tenants following the roll out of UC Full Service. The programme included awareness sessions run by the DWP and more detailed training for staff teams by specialist welfare benefit consultancy; Housing Systems. This allows staff to effectively provide support to tenants relating to claims and identify potential claim issues which require intervention.

Further, since February 2016, the service has had the Enhanced Income Service to support tenants, with specialist Enhanced Income Officers providing a supportive wrap round service to those in receipt of UC, to prepare and support them through

their UC claim. The aim is to, as far as possible, maintain this approach under UC Full Service. To do this three different service offers were introduced and offered to different customer groups – an Advice and Guidance offer to those tenants comfortable with claiming, a Standard Service offer covering support with claiming UC and paying rent, and an Enhanced Service for those tenants who are vulnerable and require additional support with their claim and budgeting. At the end of December 33% of tenants moving to UC received Advice and Guidance, 59% Standard Service and 8% Enhanced Service.

Overall, the service has managed the volume of new UC cases by ensuring that all staff across the service are fully aware of UC cases within their area, and their role in supporting affected tenants. Each area housing office has a team of officers who are able to deal with rent verifications which allows the more specialist Enhanced Income Officers to focus on providing assistance to tenants who need more intensive support. Housing Officers have been trained to ensure that they are proactively contacting tenants at an early stage to set up direct debits / make payment arrangements to coincide with UC payments.

- **Alternative Payment Method.** As previously stated, the Housing Cost element of UC is paid direct to the UC claimant. However Social Landlords can apply for direct payment through an APA, where the tenant has more than 8 weeks rent arrears or where circumstances, as defined by DWP, make this appropriate to support the tenant. The APA includes the Housing Cost element, plus an amount to pay off arrears where applicable. By the end of December 2018, the service had applied for 615 APAs, 34% of all UC claims.
- **Rent arrears position for UC claimants.** The key measure when looking at the impact of UC on rent arrears is the increase in arrears since the start of claim. The service record any rent arrears at the start of the claim and compare to the balance at the end of each period. By the end of December 2018 arrears for tenants claiming UC had increased by only £121k. This amounts to an average increase in arrears per tenant of £59. However, as UC Full Service only went live on 10 October, it is too early to determine its overall impact on rent arrears. Based on what has been learnt from UC Live Service, the arrears for UC claimants' increase initially and reduce over time.
- **Partnership working.** As stated above, Housing Leeds has worked closely with the DWP throughout the roll out of UC in Leeds and has signed up to Trusted Partner status, which gives the service access to the DWP Landlord Portal. The portal allows the verification of rent details and application for APAs online – offering a more efficient process for verifying claims.

Work is ongoing to develop more innovative ways of working with the DWP such as the jointly funded secondment of two Enhanced Income Officers to work 3 – 3.5 days a week in DWP offices around the city. This provides the opportunity to develop joint working and understanding across the organisations and teams in order to be able to support tenants, establish effective joined up working practices and to be able to problem solve recurring issues and specific cases.

Alongside the work with DWP, Housing Leeds works closely with the Leeds City Credit Union (LCCU) and funds the Money Management and Budgeting Service (MABS). MABS is delivered locally across the East, West and South wedges of the city and is available to all council tenants. The focus on opening LCCU accounts and budgeting support makes the service particularly valuable in supporting tenants moving onto UC.

Furthermore, the service has developed links with a wide range of organisations which allow tenants to be referred for specialist support. The following is a sample of the organisations worked with to show the range of support that can be accessed depending on the individual requirements of the particular tenant.

- **Engage Leeds** - citywide floating support service for vulnerable people. This can include homeless, offenders, mental health issues and drug and alcohol dependencies.
  - **Food Aid** – The service work closely with the Food Aid Network and refer the most vulnerable tenants so they can access emergency food support.
  - **Green Doctor** – We work with Green Doctor to ensure that Housing Leeds tenants are accessing the fuel providers that best fit their income. They also look to provide equipment in homes to reduce energy bills.
  - **One You** – The service refers tenants to One You for smoking cessation, adult weight management, cooking skills and also healthy eating. One You will look to work with additional agencies to allow people to access gyms for free, and work with organisations so tenants can attend cookery courses.
  - **Money Buddies** – Tenants are referred to Money Buddies to ensure they are receiving the right support relating to debt management. Money Buddies will ensure that a tenant's income is maximised to its full potential.
- **Impacts of 5 week wait.** Housing Leeds supports tenants to claim for advance payments. Where required support is also provided by making referrals to food banks. During the period 10<sup>th</sup> October 2018 to the 31<sup>st</sup> December 2018, Housing Leeds made 25 referrals to food banks.

### 3.15 Housing Benefit (HB) Back office update

DWP generate 'HB Stops' when a Housing Benefit customer has a change of circumstances that triggers a 'natural migration' to UC. The purpose of the HB Stop is to cancel Housing Benefit.

Since full service roll out a significant number of HB Stops have been received that need some kind of intervention and the high numbers confirm the experiences of other LA's, that there are serious issues with the quality and accuracy of the HB Stop data. These concerns ripple right through all of the notifications the DWP generate to the Local Authority.

From 10 October to 1 February (16 weeks) 9,469 HB Stops were received. However over this same time period, the Housing Benefit caseload only reduced by 4,000. On top of the HB Stops, other notifications are received from DWP and relate to changes in circumstances and new claim notifications. Overall the volume of notifications received is 29,710 (1850 per week).

These numbers have had a significant impact on the service in terms of resources to deal with administration that comes with this data output.

- **Council Tax Support (CTS) take up.** The section continues to maximise CTS take up by ensuring that when the DWP first notify the service of a claim for UC, the service use this as a claim for CTS. This approach is in line with what other LA's are doing to maximise take-up wherever possible.

Furthermore, where a HB stop is received from DWP (and whilst waiting for the UC first payment notification), CTS is assessed on nil income pending DWP notification that UC has been awarded. Again the service do this to support customers and maximise CTS.

Due to the proactive processes in place, CTS take up is not causing concerns and numbers of UC CTS claims continue to increase

- **Natural migration and Council Tax Support. (CTS).** When a customer “naturally migrates” to UC, (i.e. has a change in circumstances which results in a legacy benefit closing and a new claim to UC being made), the CTS claim is reassessed based on the new CTS scheme for UC. In some cases this can mean that people now have 25% more Council Tax to pay as they no longer qualify for protections under the new scheme.

A CTS hardship policy was produced to support people who were “managed migrated” onto UC and subsequently were worse off under the new CTS scheme. However this policy will only apply during the managed migration phase which is yet to be introduced. Therefore it does not cover those people mentioned above who naturally migrate onto the new scheme as a result of a change in circumstance.

Therefore, the longer managed migration is delayed, the more likely it is for customers to have a change of circumstances that forces a natural migration to UC and thereby leading to them losing out on the DWP ‘transitional protections’ that they would receive in managed migration and subsequently the protections in the CTS UC scheme .

Consideration is being made as to how this can be addressed as full service continues to roll out ahead of the managed migration phase starting. However, in the short term we are supporting these customers through the Section 13a process which allows restoring of the lost CTS.

- **HB 2 week transition to UC payment.** Until 28<sup>th</sup> January 2019 manual intervention had to be undertaken to ensure people transferring from HB to UC were awarded the 2 week run on of HB. HB systems have now been updated to allow automation of this process, however, issues still remain around the need for certain manual intervention to ensure accurate payments made to people.
- **Free School Meals (FSM).** The Government estimate that as a result of UC, around 50,000 more pupils will become eligible for a FSM. In England, if people apply on or after 1 April 2018 then household income must be less than £7400 a year (after tax and not including any benefits income) to be eligible for FSMs. Working processes have been put in place with agreement from schools to ensure that no child loses out on a FSM whilst a decision on a UC claim is awaited.

Alongside the introduction of the new income threshold, the Government announced a transitional protection period until the roll out of UC is complete, (currently estimated for 2023). Under this transitional protection, all existing FSM claimants will continue to receive FSM whilst UC is rolled out, and then until the end of their educational phase (primary or secondary). This will apply even if their earnings rise above the new threshold (£7400), during that time.

As a result of this change to the benefit system and UC introduction, the number of pupils eligible in Leeds for FSM has increased by 3713 since January 2018 (January 2019 census data). This can be partly attributed to the transitional protection in place. Currently we have 19,503 pupils claiming FSMs in the city.

- **Discretionary Housing Payments (DHP).** Claims to DHP are now increasing for UC customers. For the period up to 31<sup>st</sup> January 2019, 195 DHP awards have been

made. It is estimated that the total value of award to 31<sup>st</sup> March 2019 will be approx. £100k. The main reasons for claims are:

- People with rent arrears or facing eviction. We encourage an APA as part of the DHP award in these cases.
- Recently out of work or experiencing a reduction in income.
- Helping to facilitate a move to cheaper accommodation (private sector UC customers only)

Monitoring in this area will continue to ensure demand is managed within the allocated DHP budget.

### 3.16 Customer access update

- **Assisted Digital Support.** Since Leeds went to full service, 2391 customers have been signposted to a self-service computer within face to face services to complete their application for UC themselves.

Further to this, the service has provided intensive digital support to 617 customers. Supporting customers in this way to apply and maintain their claim for Universal Credit is taking between thirty minutes and three hours; where the time taken is dependent on the level of support required by different customers that present to us.

The highest demand for this support is at the following Face to Face services:

- The Compton Centre
  - Dewsbury Road One Stop Centre
  - The Reginald Centre
  - The Merrion Centre Hub
  - Armley Community Hub
  - Seacroft Community Hub
- **Personal Budgeting Support.** As stated earlier, the take-up for Personal Budgeting Support has been quite low with a total of only 71 customers taking up the offer of this support. The highest area of demand from customers is at the Merrion City Centre Hub.

On average it is taking between one and two hours to deliver this support, depending on the needs of individual customers.

- **Practical issues being faced by customers.** The following are issues which are impacting either on front line staff or customers in supporting on-line claims for UC.
  - Due to the higher levels of support needs of the more vulnerable customers presenting, on occasion it can take up to 3 hours to complete a UC claim. This issue has been discussed with DWP and an escalation process has been put in place to support front line staff. This includes having direct contact with Work Coaches who deal with customers who have high/complex needs.
  - There are still issues with the self-service computers running slow. There has been a marginal improvement but the performance of the majority of the computers across the city still needs to improve. DIS are working to resolve this issue.
  - The significant number of customers who require Advanced Digital Support is a cause for concern given the draw on resources. Whilst customers are being referred for further training to develop their digital skills, not all customers are willing or able to take up this offer. The digital skills team are working on addressing this issue, and are reviewing and making changes to how the IT training is marketed to customers in order to encourage them to engage with IT.

- There continue to be enquires from customers seeking advice on whether they should move to UC or stay on legacy benefits. Where front line staff are unable to give clear advice on this, customers are being referred through to welfare rights via “a warm handover”.
- Whilst the service has not, to-date, seen an increase in demand for foodbank referrals, there has been an increase in the demand for Welfare Support services, including food vouchers.

### 3.17 LCC Welfare Rights Unit

Since full service was introduced, the Welfare Rights team have had 874 UC related enquiries. Attached at Appendix 2 and 3 are a breakdown of the wards showing demand for each area and some cases studies of issues from the Welfare Rights team.

In general some of the key issues being reported include:

- Deaf clients have had difficulties making initial claims and have had general communication problems regarding their journal. In these cases we have contacted the Service Centre to advise them of the client’s vulnerability or referred the details to our relationship manager at DWP.
- Clients have had difficulties getting up-to-date tenancy agreements which are necessary to make a UC claim due to being in in rent arrears. In these cases we have supported clients by assisting them in contacting their landlords to request up to date details.
- Clients have been advised to claim UC by DWP when they should have been advised to stay on legacy benefits. In most cases there is nothing we can do once a UC claim has been made. However, we have provided feedback to the relationship manager at DWP. We also log issues on the Child Poverty Action Group early warning system which monitors national trends.
- The service has had difficulties getting help from DWP for vulnerable / complex needs clients. In these cases we have referred the details to our relationship manager at DWP
- It has been positively reported that care leavers are finding the UC regime works better for their circumstances. For example, they often have varying wages or are in and out of work and they find the administrative processes for claiming works better in these circumstances for this group of people.

### 3.18 Local Welfare Support Scheme (LWSS)

The Local Welfare Support Scheme has now been in operation since 1st April 2013. The scheme continues to help families and single vulnerable people under exceptional pressure to get help with food, fuel, travel and removal costs and basic household goods. The scheme is based on providing support to people through direct awards of goods and services.

Since the introduction of full service, it is clear that customers on UC accessing the LWSS has now started to increase. The table below shows access to the scheme over the last two years for the period up to 31st January 2019.

Year	Applications	% increase	Food/Fuel awards	% increase
2017/18 (to 31/1/18)	2401		1253	
2018/19 (to 31/1/19)	2659	10%	1417	12%

For the period October 2018 to the end of January 2019, there have been 1024 applications to the LWSS of which 384 (37.5%) related to UC. This is a 15% increase in applications on the same period last year.

In light of this, provision in this area is to be monitored over the next few months to ensure the budget can continue to meet with any further increase in demand.

Some of the key feedback provided by the Local Welfare Support staff regarding UC client issues which are arising include;

- Although an advance payment is often granted by DWP, there are increasingly, cases of people who have already been awarded under the LWSS ringing up and asking for another as they are still awaiting their first UC payment. These people are signposted to other alternative organisations for support as the scheme is unable to make a second award for the same circumstance/crisis in this period. This is also happening for those UC customers who are facing deductions from their UC award. These people are offered personal budgeting support or referred to other support organisations who can offer debt advice.
- The change in payment frequency can often be difficult for claimants, as they're used to budgeting weekly or fortnightly on legacy benefits. Often a claimant is calling the welfare scheme and they can quite often be vulnerable or don't have the skills to budget effectively and they have said this transition is difficult. These people are offered personal budgeting support or referred to other support organisations who can offer debt advice.
- Support workers and organisations are often advising customers not to take the advance payment offered by DWP as they have to pay it back and it is putting people into further debt. This has been referred back to the DWP relationship manager, however, we will also offer a welfare support award if eligible.
- Customers who have left employment and therefore don't take the advance payment as they are expecting a final wage. Unfortunately, when they are expecting their first UC payment, they get it as a zero balance as technically they don't qualify with having a wage the month before. The customer is not advised about this when they refuse the advance payment and therefore are turning to welfare support as they have a further 4/5 weeks to go until they will get an actual payment. This has been referred back to DWP to review, however, we will also offer a welfare support award if eligible.

### **3.19 3<sup>rd</sup> Sector update**

Attached at Appendix 4 is data provided by Citizens Advice Leeds regarding UC enquiries for the period 1<sup>st</sup> April 2018 to 27th January 2019. As can be seen from this data it is clear that UC queries increased sharply from October 2018 when full service was introduced in the city.

Further to this, whilst there are many reasons why customers have made enquiries to Citizens Advice Leeds regarding UC, the most common enquiry is about eligibility for UC. It is also worth highlighting from the data that 56% of clients seeking advice about UC identify as being disabled or having a long term health condition.

Overall, Citizens Advice Leeds report that whilst it is still too early to report on the longer term impacts of UC on such things as debt, it is clear there are some common issues starting to arise and these include:

- Some clients have contacted Citizens Advice Leeds seeking advice having already received help to claim UC elsewhere. In some cases, vulnerable clients have not been advised to claim for the housing element of UC which has led to rent arrears, further debt and delays in receiving income.

- Difficulty in getting information and advice from DWP around such issues as deductions, be that seeking a reduction to the level of deductions or simply understanding the breakdown of deductions.
- Difficulties in getting priority creditors to hold on any action for 5 weeks whilst the customer awaits their first UC payment.
- Work Capability Assessment clients appear to be placed in the 'All work related requirements' Conditionality Group, whilst their claim is being assessed, regardless of the severity of their health issues.
- Claimants who fail the Employment and Support Allowance (ESA) work capability assessment face particular difficulties. If they claim UC they will have no income for 5 weeks or have to take an advance payment from DWP. Or they could request a mandatory reconsideration of the decision and may have no income during that period - which can take several weeks.
- Careful consideration needs to be given as to what impact going onto UC will have for some claimants. It is clear that some will be financially worse off on UC than they were on a legacy benefit. However, once they have claimed UC they cannot go back. Clearly giving the right advice is key here as it may have long term implications for a client's income. Citizens Advice report that this is an issue seen frequently in GP and mental health outreach services, with clients needing several appointments in order to resolve the problem.
- There have been reports of issues around clients being sent verification codes, that must be responded to within an hour or their claim could be stopped. If the client doesn't have constant access to the internet, has limited English, or is vulnerable, this is problematic.

### 3.20 Foodbanks

Numbers accessing foodbanks has seen an increase over the last 4 years and although UC cannot be attributed as the main reason for this, it is reported that the main reasons people access foodbanks are due to benefit delays and benefit changes.

	Apr – Mar 2017-18	Apr – Mar 2016-17	Apr - Mar 2015-16	Jan 1st - Dec 31st 2014*	2016/17-2017/18 annual change	
					No	%
Leeds						
Number of times people have benefitted from Foodbanks	27,902	26,831	25,168	20,306	1,071	+4.3%
Number of meals given out from Drop ins and Street Outreaches.	81,024	60,474	54,546	56,481	20,550	+37.7%
*2014 data is not available at the same 12 month period for an exact annual comparison; however this table provides an indication of annual demand for emergency food provision across Leeds. Source: Leeds Food Aid Network (FAN), January 2019						

From the table above, which has been provided through foodbank research undertaken by the Food Aid network in the city, it is clear that; 27,902 different people have been referred to a food bank or food parcel provider in 2017/18 which is a 4.3% increase on 2016/17. Further, 81,024 meal packs were handed out through a drop in / Soup kitchen or through Street Outreach. These two types of support usually benefit people who have experienced homelessness at some point in their lives.

At a more local level, some initial data from Trussell Trust Leeds South and East foodbank provides details up to 31<sup>st</sup> January 2019 for UC customers.

- 224 accessing the foodbank have applied for UC or are in receipt of UC
- 55% of these people were awaiting their 1<sup>st</sup> payment of UC
- 65% were having deductions from their UC payment

- 42% accessing the foodbank were in work and advised that they did not feel better off under the new system

Whilst it is difficult to ensure that a wide range of voluntary organisations are consistently and accurately collecting information about the reasons why people use food banks; during 2019/20 the Trussell Trust foodbank network will collate more information relating to UC which may provide more information to any links between the impacts of UC and foodbank use.

### **3.21 Universal Support from April 2019**

On 1st October 2018 the government announced changes to the Universal Support model to be delivered from 1st April 2019. Universal Support provides advice and assistance to help claimants manage their UC claim, with a focus on budgeting advice and digital support.

Since 2017, Universal Support has been delivered by individual local authorities, funded by grants from DWP. Leeds had been preparing for wider roll out of Universal Support once the move into the full digital service began on 10th October 2018. Processes in place involve supporting claimants to make an online UC claim and also ongoing support to manage their online claim. This support is provided at all the city's community hubs. Personal budgeting support is also part of this model and provides claimants with access to support to manage their monthly UC payment.

However, from 1st April 2019 Universal Support is to be provided by the Citizens Advice service.

The government advise that a grant funding arrangement with Citizens Advice has been agreed and local authorities will no longer be funded to play a part in this type of support delivery.

DWP have entered into the new arrangement with Citizens Advice nationally from 1st October 2018 and they are putting in place funding agreements with local Citizens Advice offices to provide national coverage from 1st April 2019. Citizens Advice Leeds advise that funding for the local service has now been confirmed by Citizens Advice nationally. Citizens Advice Leeds and Chapeltown Citizens Advice will both receive a funding allocation to deliver the service from 1st April 2019 with approximately nine face-to-face advisers in total. The Council has agreed to overlap provision from 1st April and so will continue providing Universal Support services for 6 weeks whilst the Citizens Advice provision is rolled-out.

Funding has been allocated in accordance with the number of claimants expected at local Jobcentres and their proximity to local Citizens Advice services.

#### **Scope of the new Universal Support service provided by Citizens Advice**

The 'Universal Support: Help to Claim' service will provide support to people to make their first UC claim and also support them up to the first payment. This will cover all aspects around verifying their identity, managing their finances in the 5 week wait for their first payment and dealing with other advice or support that the claimant needs.

As part of the service there will be national telephone/webchat provision, which local offices will contribute to. The telephone service will have a Freephone number and the telephone/webchat service will be available Monday to Friday 8am to 6pm.

Citizens Advice Leeds and Chapeltown Citizens Advice have clarified that the service is very different to that which local authorities were funded to deliver. While it will include

assisted digital support for clients who need it, there will be a stronger advice element to the service including helping claimants to submit appropriate ID and evidence of housing or childcare costs, which are common reasons for delays to UC payments. Vulnerable clients will also be supported to make claims by telephone/home visits and to access alternative payment arrangements.

While the Help to Claim service is focused on helping people to make a UC claim through to receipt of their first payment, Citizens Advice Leeds and Chapeltown Citizens Advice will of course continue to advise clients beyond this period, as part of their regular advice services. Citizens Advice Leeds will also be able to ensure that UC claimants with debt problems receive advice from their Money Advice Service Debt Advice Project.

The council is still likely to continue to play a role, although unfunded, in supporting people and this will mainly be by providing access to self-serve PC's within the hubs for people to make claims. Customer Access staff will provide a basic level of advice when customers request this, but they will not be providing the intensive digital support service that they are now. Customers who require intensive support to complete and maintain their claim will be signposted to the Help to Claim service.

It is clear that any problems linked to UC will not disappear with this change and ongoing monitoring of the role LA's are playing in supporting people will need to continue to determine any future support requirements that will be given by the council.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

The report provides information on the impacts of UC and does not require further consultation.

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

4.2.1 The Governments Universal Credit has implications for equality and diversity and it has been subject to equality impact assessments by the DWP. A Local EDCI Screening document has been done to assess any impact from action taken locally and this is also attached at Appendix 5.

### **4.3 Council policies and the Best Council Plan**

4.3.1 Cross-sector working, particularly with the advice sector and 3rd sector organisations such as the Leeds Credit Union, is aimed at ensuring tenants and residents receive support to manage the changes in response to UC full service.

4.3.2 The activities set out in this report, all of which have a strong focus on addressing debt, maximising income and moving people and families out of poverty, support the council's overarching Best Council Plan ambition to tackle poverty and inequalities. They contribute to all the outcomes and priorities set out in the Best Council Plan 2019/20 to 2020/21, in particular the priorities on Health and Wellbeing, Inclusive Growth (helping everyone benefit from the economy to their full potential) and Safe, Strong Communities (helping people out of financial hardship).

### **4.4 Resources and value for money**

4.4.1 Supporting residents to deal with UC and dealing with the administrative implications has had cost implications for the council in terms of resources. DWP funding to help with these costs will cease on 31/3/19 when Citizens Advice will take on a new contract with DWP to deliver support to people up to the first payment of UC. However there is no risk

to front line colleagues within Community Hubs as they will continue to provide support on helping customers maintain their claim. In the main this support will include; money management support, helping customers update their journals, referral to the job shop for support with accessing work and training, referral/signposting to support with any other vulnerability issues they present with re housing, homelessness, mental health issues etc.

However, DWP payments have been limited to the areas covered by the Delivery Partnership (Assisted Digital Support and Personal Budgeting Support) and did not extend to other issues such as increased customer contacts and increased rent arrears.

- 4.4.2 From 1<sup>st</sup> April 2019 no further funding will be received from DWP. As a result of this Customer Access will no longer support people to make an initial UC claim and this function will be undertaken by Citizens Advice Leeds and Chapeltown Citizens Advice

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

- 4.5.1 There are no legal implications arising from this report

#### **4.6 Risk Management**

- 4.6.1 The introduction of UC has increased the risk of rent arrears and Council Tax arrears. By ensuring all staff have been fully equipped with the relevant knowledge of UC and the support tools available to them, it is anticipated that the risks can be mitigated.

### **5 Conclusions**

- 5.1 The Council has taken steps to mitigate the impacts of UC wherever possible by ensuring support is provided to people to help them navigate the UC regime. It is clear that cross sector working as detailed in this report will continue in the years to come as more people migrate onto UC. It is likely that the full impacts of UC will not be felt in Leeds until national managed migration starts sometime from summer 2020.

### **6 Recommendations**

- 6.2 Executive Board are asked to note the contents of this report and agree to a further impact report in 6 months.

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

- 7.1 None

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<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.

## Appendix 1

Individuals on Universal Credit, in employment Ward to Wedge Breakdown: January 2019

In January 2019, 10,431 individuals were on Universal Credit in Leeds.

Of this figure 3,246 (31%) were in employment and 7,186 (69%) were unemployed.

**Table 1**

Ward	Unemployed	In employment	Total
Adel and Wharfedale	86	40	126
Alwoodley	101	35	148
Ardsley and Robin Hood	95	59	133
Armley	458	164	629
Beeston and Holbeck	415	194	595
Bramley and Stanningley	297	147	424
Burmantofts and Richmond Hill	552	251	806
Calverley and Farsley	103	64	160
Chapel Allerton	299	125	426
Cross Gates and Whinmoor	184	109	284
Farnley and Wortley	325	159	486
Garforth and Swillington	28	11	44
Gipton and Harehills	620	254	868
Guiseley and Rawdon	57	51	117
Harewood	29	31	55
Headingley and Hyde Park	181	97	274
Horsforth	95	45	146
Hunslet and Riverside	485	178	669
Killingbeck and Seacroft	357	167	554
Kippax and Methley	26	22	58
Kirkstall	231	74	326
Little London and Woodhouse	302	113	427
Middleton Park	430	192	626
Moortown	116	48	176
Morley North	145	60	207
Morley South	155	72	246
Otley and Yeadon	112	64	166
Pudsey	212	83	299
Rothwell	107	50	158
Roundhay	122	71	218
Temple Newsam	180	82	279
Weetwood	112	37	154
Wetherby	67	27	106
<b>Leeds</b>	<b>7,186</b>	<b>3246</b>	<b>10,431</b>

**Table 2: Community Committee Breakdown**

<b>Community Committee</b>	<b>Unemployed</b>	<b>In employment</b>	<b>Total</b>
Inner East	1,591	709	2,327
Inner North East	542	249	832
Inner North West	538	219	765
Inner South	1,304	538	1,842
Inner West	1,050	413	1,469
Outer East	399	215	637
Outer North East	192	88	297
Outer North West	321	187	514
Outer South	516	252	770
Outer West	631	306	937

**Notes:**

These are the latest Official Statistics for people on Universal Credit produced by the Department for Work and Pensions. Please note that figures for the latest month are provisional (the expectation is that the overall provisional figure will be within two per cent of the final figure). The figures include a breakdown on whether the claimant is in employment or not in employment, which is also subject to revision.

## Appendix 2

### Welfare Rights ward breakdown of UC enquiries 10/10/18 – 31/1/19

Name	Count
Adel & Wharfedale	16
Alwoodley	30
Ardsley & Robin Hood	14
Armley	40
Beeston & Holbeck	29
Bramley & Stanningley	49
Burmantofts & Richmond Hill	58
Calverley & Farsley	25
Chapel Allerton	43
Cross Gates & Whinmoor	20
Farnley & Wortley	33
Garforth & Swillington	17
Gipton & Harehills	73
Guiseley & Rawdon	16
Harewood Ward	3
Headingley & Hyde Park	19
Horsforth	14
Hunslet & Riverside	43
Killingbeck & Seacroft	26
Kippax & Methley	16
Kirkstall	27
Little London & Woodhouse	16
Middleton Park	45
Moortown	12
Morley North	18
Morley South	25
Otley & Yeadon	28
Pudsey	39
Rothwell	18
Roundhay	15
Temple Newsam	21
Weetwood	11
Wetherby Ward	7
<b>Total on UC</b>	<b>866</b>

## Appendix 3

### UC Issues Welfare Rights

#### Case Study 1

Woman looking after disabled daughter. Daughter failed DLA to PIP migration and DLA stopped. Mums CA and IS stopped. PIP decision eventually awarded by tribunal and so now entitled to CA again. Mum not entitled to claim Income Support and has to claim UC. Under legacy would have reclaimed IS and had a backdate to date DLA stopped. Can now only claim UC and can only have maximum one month backdate of UC. Missed out on arrears of IS.

#### Case Study 2

Lone parent and carer on Income Support. Carers Allowance ended, was told needed to claim UC and made a claim. Tax Credits and HB claims stopped as a result. DWP realised could remain on Income Support as a lone parent and revised the Income Support decision to reinstate Income Support and cancelled the UC claim. However as tax credits had stopped, couldn't go back onto tax credits. Ended up, having to make new claim for Universal Credit again.

#### Case Study 3

Young women, 23 with 2 children. Currently on income support, child tax credit and child benefit. Viewed a property and wished to sign up. Needed to make a claim for UC as had been sofa surfing for nearly 2 years so doesn't currently pay rent of any kind.

As this is a new claim for HB she would have to claim UC to get her rent costs paid. Her Income Support and Child Tax Credit will stop from the date she makes her claim for Universal Credit.

Unfortunately her UC will be less than she gets on Income Support as there is a lower rate for lone parents who are under 25. She will be about £14.90 per week worse off on UC compared to Income Support and Child Tax Credit.

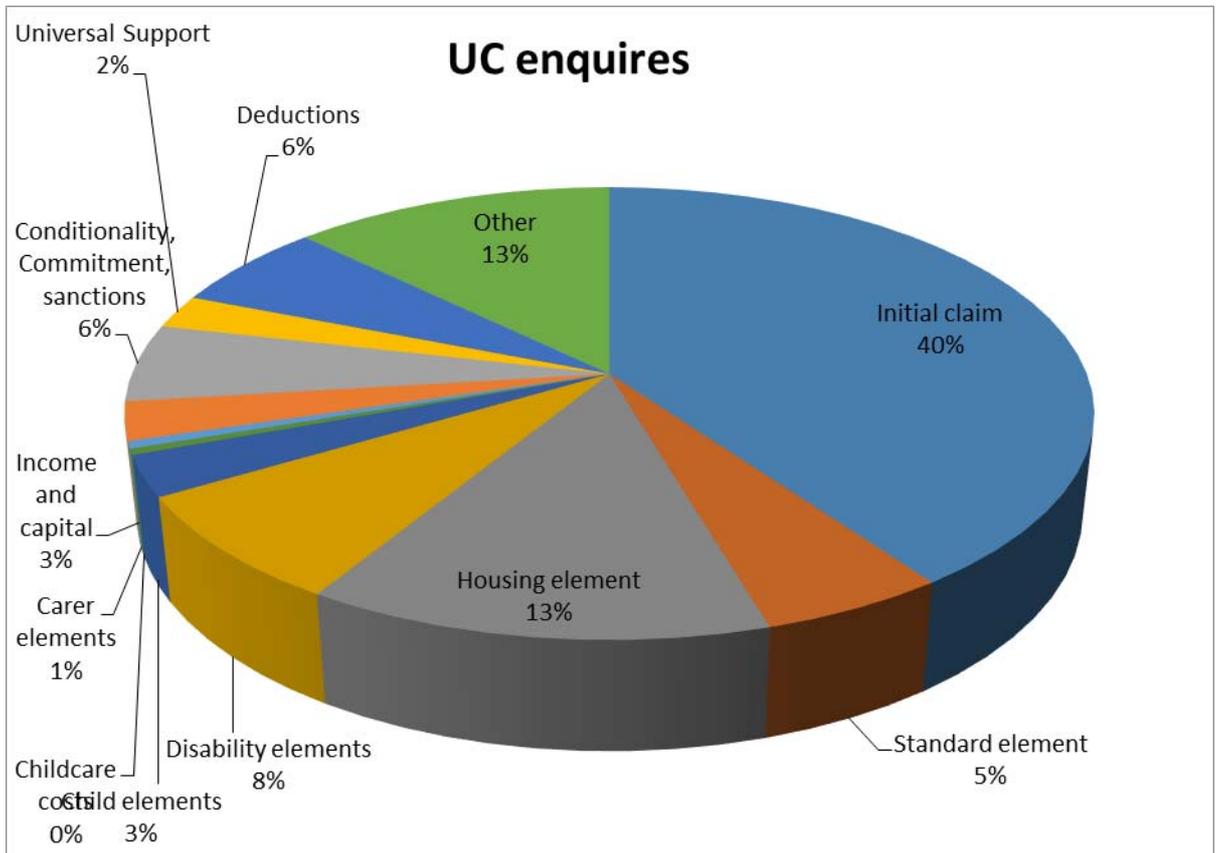
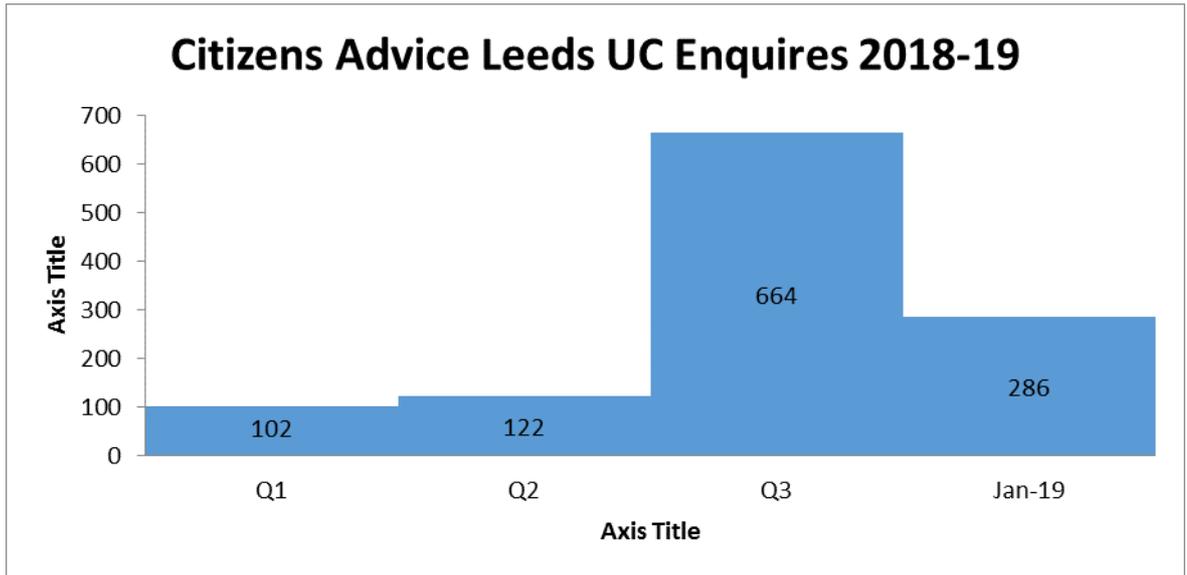
Her rent under UC will be the same as she would get under HB but paid monthly but she will also have to pay 25% of her council tax.

#### Case Study 4

Had a call from a client in Nov who needed help to claim new style ESA. Client had recently retired on health grounds. Service helped complete a New Style ESA claim, she then attended the jobcentre for an interview. At this interview she was informed that she had filled in the wrong forms and was helped to make a claim for UC. The Job centre member of staff then gave her back the ESA (UC) and her SSP1.

As a result she now has a live claim for UC which is nil because still getting half pay from previous employment, she has no housing costs and nothing has been done about her contribution based ESA. Case was escalated with DWP to ensure her ESA claim was accepted. Unsure how the client would have coped dealing with this on their own.

**Appendix 4 – Citizens Advice Leeds update**



## UC enquires by Ward

