

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
Finance, Assets and Performance Scrutiny Committee**

Date: 19 September 2019

REPORT TITLE Impact of universal credit roll out in NULBC

Submitted by: Benefits Manager, Jane Spencer

Purpose of the Report

To provide information relating to the impact on benefit claimants and NULBC since the introduction of Universal Credit.

1. **Background**

Housing Benefit has been administered by Local Authorities since 1982, and over the years expenditure has increased to the extent that the Government looked at introducing a fairer and simpler scheme to support claimants who need financial assistance paying their housing costs and to support their living costs.

Universal Credit is a national scheme rolling six working age benefits into one; Job Seekers Allowance, Employment and Support Allowance, Working Tax Credits, Child Tax Credits, Income Support and Housing Benefit. Claims have to be made and maintained on-line, requiring internet access. It is a monthly based payment calculated on the claimant's income from the previous month. The entitlement is paid directly to the claimant as one payment.

Universal Credit was first introduced in April 2013 and was rolled out across the country in phases. Only claims for single people were initially accepted (live service), followed by couples and families in January 2018 (full Service). Full roll out of Universal Credit to all Job Centres was completed in December 2018. Newcastle Job Centre Plus was one of the last to go live and has provided a Full Service Universal Credit scheme since December 2018.

Claimants already on Housing Benefit at this time remain on this benefit until they have a significant change in their circumstances, at which time they will "naturally" migrate to Universal Credit. All new claimants for Housing Benefit who meet the Gateway criteria since December 2018 have received help with their housing costs through Universal Credit.

The Government's intention is to have all claims transferred by way of a "managed" migration to Universal Credit by December 2023. Pension age claimants are currently not included in this scheme.

2. **Impact on residents**

Statistics for Universal Credit by Jobcentre Plus as at 11 July 2019, show the number of people Nationally on Universal Credit at 11 July 2019 was 2.3 million. This is a 5% increase from 13 June 2019 of these the number of people on Universal credit in Newcastle is 2817, and for Kidsgrove 1275.

Major issues identified since the roll out of this benefit, include:

- Wrong advice about which benefit should be claimed in live and full service areas, and who is entitled to UC.
- One in five claimants do not receive their payment on time, according to the National Audit Office report produced in June 2018
- Failure to pay housing costs because tenancy agreements are lost.
- Tenants without a standard tenancy agreement are being refused housing costs.
- Housing costs incorrectly calculated and claimants not being paid full housing costs when they move during the month.
- Difficulties establishing and maintaining a claim due to no computer access or lack of digital skills.
- Issues with the award of disability related elements of UC.
- Communications with the DWP and processing of evidence.
- Housing benefit paid to claimant and not being paid over to Landlords to pay rent.
- UC assessment period not falling in line with four weekly paid salaries, meaning two salary payments could fall within one month's assessment period.
- Excessive deductions for UC for court orders etc, leaving a claimant with little money for that month.

3. **Impact on NULBC**

The Housing Benefit caseload in April 2013 prior to the introduction of UC was 7945 claims. In December 2018, the start of full service, the case load had fallen to 6894. Current caseload has reduced to 6101 as at 31 July 2019.

Caseload statistics Quarterly from 01 April 2018 to 31 July 2019		Performance figures for processing new claims and change of circumstances for Housing Benefit
	Number of Housing Benefit claims	Number of days to process
April 2018	6986	3.95
July 2018	7009	5.60
September 2018	6969	5.87
December 2018	6894	5.86
March 2019	6487	4.36
June 2019	6195	4.93
Current figure	6101	5.04

This reduction has had an impact on the resources needed within the benefit team. Staffing levels have reduced since 2013 by means of part time flexible retirement; when this has occurred the loss of working hours has been absorbed with the loss of workload. However, since December 2018 and the substantial loss of new Housing Benefit claims received, more resource has been put in to the recovery of Housing Benefit overpayments.

Administration of Pensioner claims and Council Tax Reduction is still a significant part of the workload. Staff have also been allocated additional work from within the Revenues and

Benefit service, we are now providing cover to the customer service team and processing work relating to council tax administration.

The reduction in new claims has also had an impact on the number of claimants contacting the Customer Services team. The below figures show the difference in visitors to Castle House and Kidsgrove Town Hall from July 2019 to current date, and the number of phone contacts to the benefit line:-

Footfall July 2018-August 2019	Castle House ¹	Kidsgrove Town Hall ²
July 2018 - September 2018	1236	460
October 2018 – December 2018	1387	373
January 2019 to March 2019	1415	350
April 2019 – June 2019	1023	315
July and August 2019	617	186
Telephone calls received ³		
July 2018 - September 2018	3455	
October 2018 – December 2018	3080	
January 2019 to March 2019	3215	
April 2019 – June 2019	2593	
July and August 2019	1960	

Notes

¹ Benefits enquiries only

² Revenues and Benefits enquiries

³ Benefits enquiries only

4. **Financial and Resource Implications**

Housing Benefit administration is mainly funded by the Department for Works and Pensions, by way of an annual Administration Grant. This funding is calculated by applying a flat rate efficiency saving reduction (applied after Universal Credit reductions are deducted) to the 2019-20 HB administration subsidy, which is consistent with DWP's baseline funding. The new methodology uses the latest available HB caseload and Universal Credit housing element caseload volumes. This combined total is used to determine the proportion of core HB administration subsidy allocated to each local authority.

NULBC's grant for 2019/20 is £311,345, compared with £547,327 in 2013/14. As local authority caseloads reduce the admin grant will reduce accordingly, to the point that the grant will only support the admin of Pensioner claims, which currently for NULBC is 2372.

5. **Outcomes**

All NULBC benefit and customer services staff are fully trained in order to provide the correct advice to claimants regarding claiming the correct benefit. They are also capable of assisting a claimant on making an online claim and to maintain their journal online. Citizens Advice are currently running a project funded by the DWP called "Help to claim". This supports a UC claimant from the start of their claim to the first payment. A secondment arrangement has been in place since May 2019 for two members of the Revenues and Benefits Customer Service team to support the CA with this project until 31 March 2020.

Job Centre Plus, Aspire Housing and other agencies also provide support to UC claimants, as they are aware of the complex details that can be involved with the claiming of UC.

Future resourcing needs and service delivery model for the benefit service are currently being addressed within the restructure of the Resource and Support Services directorate, under the interim Head of Customer and Digital Services. The intention is to implement more flexible and integrated ways of working that offer improved efficiency and resilience as well as providing a better customer experience.