

ANGLIA REVENUES PARTNERSHIP

Report of Adrian Mills – ARP Strategic Manager (Benefits)

To: ARP Joint Committee, 11th June 2019

Subject: Welfare Reform

Purpose: To provide an update on welfare reform

Recommendation(s):

- That the report is noted

1.0 INTRODUCTION

1.1 Background

1.1.1 Welfare Reform was introduced by Government in 2012 as part of wider fiscal measures to reduce deficits, with the intention to encourage work whilst reducing welfare expenditure. This report contains the latest updates on welfare reform and builds on previous reports to the Joint Committee.

2.0 Matters of interest

2.1 Universal Credit – situation to date

2.1.1 Universal Support

2.1.2 The Department for Work and Pensions (DWP) established Universal Support to help people to claim Universal Credit and budgeting support to help customer's to manage their payments.

2.1.3 Since the introduction of Universal Credit the DWP has funded Local Authorities to provide these services, who in turn have been free to do so either directly or through commissioning arrangements. The ARP partner Councils provided help to claim within their Customer Services teams, with all bar one of the Councils funding Citizen's Advice to provide budgeting support.

2.1.4 From the 1st April 2019 the DWP awarded a 12 month contract to Citizens Advice (CAB) to provide these services. Having met with various CAB networks throughout Cambridgeshire, Norfolk and Suffolk, we have established the following arrangements are being implemented:

- Local advisors will dial into a national call centre
- Web chat will be provided
- Face to face arrangements will be in place – some on an appointment basis, others on a drop in basis or a mixture of the two. Rural provision may be patchy
- Thetford & Diss CAB are trialling the new service from January
- The help to claim service is funded to the point of first payment only.

2.1.5 Concerns have been raised that CAB are only funded to help to the first payment. Given DWP's processing figures show 80% of claims are paid on time (at five weeks) and given that the Housing Element (for rent) is typically the cause of delay, concerns have been expressed that vulnerable people may be affected and at risk of falling into rent arrears and subsequent consequences. CAB have said they will continue to help such customers, drawing on their usual funding streams. Through

regular liaison meetings we will monitor this as increasing demand might jeopardise this approach.

2.1.6 The partner Customer Services teams intend to continue to help customers to claim, which may include signposting to CAB.

2.1.7 ARP continues to monitor the position and through meetings with the LGA and DWP, will continue to raise issues and concerns.

2.1.8 Summary of the latest position on the expansion of Universal Credit

- Funding to smooth the transition to Universal Credit, including an additional two week run on of existing DWP benefit, will apply from 2020 to help with the gap to customers first Universal Credit payment. NB – Housing Benefit has provided a two week run on since April 2018
- Funding to increase in work allowances - thereby boosting UC payments
- Managed migration of existing cases to commence from November 2020, but only after testing of up to 10,000 claimants from July 2019 and completion set by December 2023
- Reductions in maximum deductions from Universal Credit – to offset criticisms advance payments were being deducted too quickly and at punitive rates
- For newly self-employed the introduction from September 2019 of a longer grace period before a minimum income floor calculation is applied
- Pensioner Housing Benefit to continue until at least 2023

2.1.9 At a national level the following concerns have been raised:

- How Citizen's Advice will deliver Universal Support from April 2019
- The lack of Managed Migration detailed plans and schedule
- Failure to populate UC systems with legacy systems data – all existing customers for HB will be expected to make a new claim
- Concerns the Managed Migration process will leave customers without benefit during the transfer
- The five week wait for UC payments
- Alternative Payment Arrangements and data share for Private Landlords
- Housing Benefit Debt
- LA funding
- Management Information
- LA access to UC Information

2.2 Universal Credit – new matters arising

2.2.1 DWP have started work on a managed migration trial at Harrogate Jobcentre, scheduled to commence July 2019, subject to Parliamentary approval. This will test:

- The 'who knows me' approach
- methods to 'warm up' customers selected to migrate to UC
- options to explain the UC claiming process
- how to UC claim – on line and evidence requirements
- how to understand monthly UC payments and how to budget
- understanding award letters and customer journal requirements to ensure UC conditionality compliance
- testing pre population of existing customer data
- testing how transitional protection can work
- those participating in the trial will not have their legacy benefit stopped without UC entitlement established

2.2.2 On 15TH May 2019 DWP introduced new legislation that means new claims from mixed age couples, where one partner is a pensioner and the other working age, must claim UC and be subject to UC conditionality rules, with certain exceptions. Given benefit rates are higher for existing pensioners, this will have the effect of reducing benefit entitlement.

Protections are in place for existing customers and a number of significant exemptions are being clarified by DWP.

2.3 Discretionary Housing Payment - no new matters arising

2.3.1 Discretionary Housing Payment grant is funded by DWP, designed to help customers remain in their homes or to move to affordable and sustainable accommodation. Generally the allocations for 2018/19 have been reduced with further reductions due for 2019/20.

2.3.2 Spend continues to be within DWP grant. The main area of expenditure continues to be to assist customers with rent shortfalls, in particular due to restrictions on Housing Benefit rent levels. The scheme is promoted through our stakeholder contacts.

2.4 Benefit Cap – no new matters arising

2.4.1 DWP introduced the reduced Benefit Cap on the 7th November 2016; the maximum family income before the Benefit Cap applies reduced from £26,000 to £20,000 (£13,400 for single adults with no children).

2.4.2 The Benefit Service continues to work with colleagues in Customer Service and Housing Options teams to seek to avoid homelessness and the cost of temporary housing.

2.4.5 DWP have provided New Burdens funding to assist Councils with extra administrative costs and have increased Discretionary Housing Payment grants to help customers with the reduction – it should be noted the increase does not cover all the reductions.

2.5 Social rented sector rent restrictions – no new matters arising

2.5.1 In August Government finally responded to consultation on funding for supported housing, dropping proposals to move away from a subsidised demand led model to a grant model. Therefore, for the foreseeable future, supported accommodation, including hostel tenancies, will remain in Housing Benefit and will not move to Universal Credit.

3 Options

3.1 The report is for information purposes

4.0 Reasons for recommendations

4.1 The report is for information only

5.0 IMPLICATIONS

5.1 Risk

The report is for information only

5.2 Financial

The report is for information only

5.3 Legal

The report is for information only

5.4 Equality and Diversity

Not applicable.

Background papers: - None

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