

ANGLIA REVENUES PARTNERSHIP

Report of Adrian Mills – ARP Strategic Manager (Billing & Benefits)
To: ARP Joint Committee, 22nd June 2021
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 Joint Committee.

2.0 Matters of interest

2.1 Universal Credit – situation to date. Update at para 2.1.8 to 2.1.9

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 customers 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 direct 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 In April 2019 DWP changed their strategy, awarding a 12-month contract, subsequently extended to the 2021-2022 year, to Citizens Advice (CAB) to provide these services. CAB nationally have, through their various CAB networks throughout Cambridgeshire, Norfolk and Suffolk, established the following arrangements locally:

- Advisors dial into a national call centre
- Web chat
- Initially Face to face arrangements – remote working this year has improved customer accessibility, assisted by corporate funding to CAB.

2.1.5 Concerns have been raised that CAB are only funded to help to the first payment. Given DWP's processing figures show approximately 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.

- 2.1.6** The partner Customer Services teams 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** DWP are yet to publish a review of the CAB Help to Claim service but have confirmed the CAB arrangement will continue into the 2021-2022 year, with a review underway for provision from 2022.

2.1.9 Summary of the current position on the expansion of Universal Credit

- Due to redeploying staff to deal with the Covid-19 pandemic, DWP pulled the Harrogate pilot of managed migration of existing cases in Spring 2020. DWP now plan to recommence the pilot this Spring and report to Parliament with the aim of completing migration by 2024. DWP have not released any further details or indicative timetable at this stage.
- DWP are launching a UC awareness campaign to encourage voluntary migration as numbers are very low and not meeting UC business case volumes or costings. Difficulty presents that voluntary customers will not receive the transitional protection afforded to managed customers – DWP itself estimates 30-50% will be worse off at the point of transfer, with Ministers advocating caution when advising customers.
- Pensioner Housing Benefit to continue until at least 2025
- As a response to the Covid-19 pandemic, Universal Credit rates were temporarily increased by £20 per week for the 2020-2021 year and extended in the recent budget to 30th September 2021. It should be noted all the partner Local Council Tax Support schemes provide for customers to receive the full benefit of that uplift.

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

- How DWP will monitor and report Citizen's Advice performance delivering Universal Support
- The lack of Managed Migration detailed plans and schedule
- Failure to take advantage of existing data to prepopulate UC systems with legacy systems data – all existing customers including Housing Benefit will be expected to make a new claim. DWP say they cannot 'lift and shift' existing known data held on their systems to the UC system. I have challenged that as a missed opportunity to smooth the customer migration journey.
- Concerns the Managed Migration process will leave customers without benefit during the transfer - DWP adopting a 'who knows me approach'
- The five weeks wait for UC payments – rent element often lags behind
- Alternative Payment Arrangements and data share for Private Landlords
- Housing Benefit Debt
- DWP and HMCLG administration and New Burdens funding
- Management Information including LA access to UC Information

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. For the 2020–2021-year DWP increased funding to offset the impact of private sector rents increasing above the Local Housing Allowance (LHA) rates used to calculate Housing Benefit.
- 2.3.2** However, funding for 2021-2022 has returned to 2019-2020 levels, despite concerns the pandemic will increase demand throughout this year. We are in close conversations with individual Housing teams to plan, profile and monitor demand and expenditure to meet requirements to ensure full spend, but not to exceed funding levels, given a budget does not exist to top up.

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.

2.5 Social rented sector rent restrictions – no new matters arising

- 2.5.1 In August 2020 Government responded to consultation on funding for supported housing, dropping proposals to move away from a subsidised demand led model to a grant model. For the foreseeable future, supported accommodation, including hostel tenancies, will remain in Housing Benefit and will not move to Universal Credit.

3.0 Welfare Benefit Up-rating April 2021 – no new matters arising

- 3.1 Government ended the four year Benefit uprating freeze in 2020. From April 2021 all Benefits increased by the September 2020 CPI inflation measure which is 0.5% with the State Pension rising by 2.5% due to the 'Triple Lock' (lower of CPI, average earnings or 2.5%).

4.0 Options

- 4.1 The report is for information purposes

5.0 Reasons for recommendations

- 5.1 The report is for information only

6.0 IMPLICATIONS

6.1 Risk

The report is for information only

6.2 Financial

The report is for information only

6.3 Legal

The report is for information only

6.4 Equality and Diversity

Not applicable.

Background papers: - None

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