

## **Appendix 1 Universal Credit Issues and Preparation**

### **Current Application Information**

*(NB these may be subject to further improvement)*

- Anyone applying will need to do so online. Jobcentre Plus estimate it takes about 30 minutes to apply on average, If unable to apply online, claimants can also ring the Universal Credit helpline on 0800 328 9344
- As part of the claim process, claimants will also need to verify their identity using Gov.UK Verify. This process can take around 15 minutes the first time it is used. In current full service areas where someone needs help to claim online and go through all of this process, it has taken between 60 and 120 minutes on average, with around 6% of those claiming needing digital support. The claim can be saved part way through and returned to if need be.
- Applicants will need to sign a Claimant Commitment. For those not working, or only working part time, they may be expected to spend up to 35 hours a week doing “work requirements” i.e. looking for work/training. If a person does not fulfil these commitments they will be subject to a sanction.
- UC is paid monthly in arrears and paid directly to the majority of claimants although in a number of circumstances which are being increased, the housing cost element may be paid to landlords. From the date a claim is made, an assessment period of one month commences. The claim is reviewed at the end of each assessment period and payment is made based on the circumstances during the period.
- In general, it currently takes between 6 and 8 weeks before someone will receive a payment although full advance payments will be made available to everyone from January 2018 so will be in place by the time UC FS is implemented in Sunderland
- All the information about their UC claim, including the amount of the award and how it has been calculated, will then *only* be available to claimants using their online account – they will not be sent any letters or documentation about this.
- UC does not cover help with Council Tax. People will therefore still need to claim Local Council Tax Support (LCTS) from the Council and this has been reported as a national issue due to significant under claiming.
- UC is administered and paid by the Department for Work and Pensions (DWP). If people have any queries or questions about their claim, they should initially be referred to the DWP. However, the Council still has a significant role to play, in relation to some of the statutory services which may be called on to mitigate the impacts and also in relation to signposting and support services.
- Some of these (Budgeting Support and help to make on- line claims) are currently funded by the DWP but they are currently reviewing requirements and funding - and details for these are not expected until February / March 2018. The current arrangements for these are detailed in the next sections.

### **Preparation and Support**

#### **Implementation Plans and Activity**

The council, Gentoo and DWP worked successfully together to implement UC Live Service from 2015, and have continued to work together. Regular operational meetings are continuing and cover both UC and other welfare reform issues (such as Benefit Cap, DHP and other council schemes). The council and Gentoo have also

shared high level information on UC impacts on residents / tenants for inclusion in wider updates including JSNA.

Given the scale of UC FS the council intends facilitating a series of events In March to bring together stakeholders with an objective of developing a City Implementation Plan. The council will retain an on-going roll in coordinating, mapping and monitoring activity. By that time also future DWP funding intentions should be known and the improvements made to UC FS may be feeding through.

### **Websites**

The Council and Gentoo websites already contain easy to use and user friendly UC information. The council's website has itself been significantly improved with better navigation and improved transactional content – This includes information and links to the online Housing Benefit and Council Tax Support application forms, and also to the councils DHP scheme and Local Welfare Provision Schemes

Where residents are in receipt of UC the current HB / CTS form is intelligently designed to only ask a shortened series of questions

### **IT Support**

- **Customer Service Centres / Libraries:** Residents are currently able to use the free of charge IT facilities in these locations and staff are often on hand to assist if needs be. It is the case though that capacity is more limited than will be needed in UC FS given the nationally reported increase in demand for both access to IT and help needed to manage UC transactions on line.
- **Job Centre plus Offices:** UC claimants that approach the Job Centres are currently assisted by Job Centre staff in situ although they can currently be referred to the councils contracted provider SNCBC also. Again the support currently provided to claim UC is intended to be a 'one off basis ' rather than equipping people with the skills they need to manage all UC transactions on line
- The number of customers receiving digital and budgeting advice through formal local authority support arrangements is lower than anticipated so the DWP are doing further work to examine how customers are being supported
- See Appendix 2 for details of Digital Sunderland which is intended to provide the required and wider response to improving resident's digital skills and confidence

### **Local Council Tax Support Scheme**

The proposals are due to be heard by Cabinet 10.1.18, one of which is to treat a notification of Universal Credit as an indication of a claim under the LCTSS. Subject to Cabinet agreeing the amends, they will take effect from 1/4/18.

### **Prevention of homelessness**

Talks are underway with DWP to look at replicating the Homelessness Prevention Trailblazer currently being piloted in Newcastle

Some additional capacity will be created within the Councils Housing Options Team linked to the Homeless Reduction Act to offer tenant sustainment support which would cover people transitioning to UC

Information will also be shared with private landlords in the city to help them understand the issues and support available to people to ensure they continue to take on tenants who claim UC and support their tenants with transition issues

### **Making UC claims on line / Personal Budgeting Support**

The council currently contracts with local VSC partners to provide both of these support services –using DWP funding. Access to either / both of these is only via strict DWP gateway criteria so have not resulted in significant numbers of residents receiving support. These criteria and support required are being reviewed nationally by the DWP as part of the planned improvements necessary before wider roll out can recommence

### **Universal Credit and Free School Meals (FSM)**

While all current UC claimants are currently entitled to FSM for their children under what are effectively still pilot arrangements the government intends restricting entitlement. It has just concluded a consultation around the following proposals - due for implementation from April 2018

- Applying a net earnings threshold of £7,400 per annum for a household's eligibility for FSM. It is estimated that under this threshold, an extra 50,000 children nationally will become eligible for FSM, compared to today's number of claimants. The net earnings threshold does not represent a household's total income, as it does not include income from benefits, a typical family earning around £7,400 per annum would, depending on their exact circumstances, have a total household income of £18,000 - £24,000 once benefits are included.
- New FSM claimants earning above this threshold after its introduction would not be eligible however those already receiving them would retain them for a length of time thereafter ( linked to the child's current phase of education)
- While the Children's Society have criticized these proposals and as they estimate 1,000,000 children in poverty will miss out on FSM compared to providing these for all UC claimants , the draft proposals do at least seem to compare reasonably favourably to the current arrangements for FSM for people currently getting other benefits / tax credits.
- Currently people are disentitled if they do not receive Income Support, Income-based JSA. Income related ESA. Child Tax Credit, provided they are not entitled to Working Tax Credit and have an annual income of £16,190 or less, as assessed by HMRC.
- A bigger issue is that the Department for Education have previously advised that anyone who has applied for a benefit but not yet been awarded it is NOT eligible for FSM. This would include UC claimants where they may be waiting 6+ weeks for their entitlement to be confirmed. This will cause a major issue if not resolved by the time UC FS is implemented in Sunderland

### **Housing Advice and Discretionary Housing Payments**

- The new working arrangements in place within the Housing Options Team – including clearer referral pathways from TFC, will ensure housing advice is available when homelessness is a risk. Work is also underway to meet the requirements of the Homeless Reduction Act
- Discretionary Housing Payments also continue to be available where appropriate and although at this stage the number of applicants has reduced the number of successful awards has increased. This includes more one-off payments for removals and storage to support people to move into more affordable housing.

### **Information advice and guidance**

Both the council and Gentoo already provide information advice and guidance by way of in house welfare rights provision or commissioned services

The Gentoo Money Matters Team had been required to increase staff to support tenants to manage UC transitions and issues – including challenging significant UC decision and payment error rates. Despite this the majority of its tenants on UC were in rent arrears, at least initially.

The council have recently reconfigured its own 1<sup>st</sup> tier advice provision to offer more effective open access and more targeted interventions (using external funding wherever appropriate). Its in-house Welfare Rights Service concentrates on more specialised intervention such as representation and complex casework. Two additional posts are being created to support some targeted activity by this team.

The implementation activity will involve looking at joint messages and communications strategies to maximise impact.