

8 February 2018

Impact of Universal Credit Rollout in Oxford

Purpose / Recommendation

The Health Improvement Board is asked to note the contents of the report

It is recommended that the Health Improvement Board seeks data from advice providers and social landlords on the impact of Universal Credit

This issue relates to the following priorities of the HIB:

Priority 10: Tackling the broader determinants of health through better housing and preventing homelessness

Background

1. Universal Credit(UC) is a new benefit for working age people who are on a low income or out of work. It replaces a number of existing benefits and tax credits:
 - Housing Benefit
 - Income-based Jobseekers Allowance
 - Income-based Employment and Support Allowance
 - Income Support
 - Working tax Credit
 - Child Tax Credit
2. The rollout of Universal Credit will affect 33,300 claimants of legacy benefits in Oxfordshire. This report looks at the impact on Oxford City in the first three months of full service. The national rollout of UC accelerated from October 2017 as the Department of Work & Pensions(DWP) began to roll out the full service to 50 areas per month. Concerns were raised by a variety of bodies about the impact of migration based on the experience of those in areas which had already rolled out. Principally the concerns related to people suffering hardship due to a six week delay in receiving their first payment, and increases in rent arrears as a consequence.
3. The Government announced a number of changes to UC in the November budget in response to criticism about the delay in making the first payment, and the increase in rent arrears experienced by people migrating to UC. The changes are:
 - from January 2018, those who need it will be able to access up to a month's worth of UC within five days via an interest-free advance

(previously only half a month's payment could be obtained as an advance) repayable over a period of up to 12 months.

- from February 2018 the government will remove the seven-day waiting period so that entitlement to UC starts on the day of application
- from April 2018 those already on Housing Benefit will continue to receive their HB award for the first two weeks of their UC claim, this is in addition to any housing costs they will be entitled to in UC for the same period
- the Government will also make it easier for claimants to have the housing element of their award paid directly to their landlord

Key Issues

Rollout

4. UC full service was rolled out in Oxford on 18 October 2017. The City Council was well prepared for this, having been involved in two pilots testing out aspects of Universal Credit from 2012-14. Universal Credit live service was rolled out in Oxford from April 2016. This was a limited rollout for single people who had recently been in work. These experiences informed preparations for rollout of UC full service. In January 2017, a cross-service project team was established which assessed the risks posed by migration, visited other local authorities who had migrated already to learn from their experiences, and developed an implementation plan to mitigate identified risks. The main risks identified were people falling into rent arrears both in terms of the Council's statutory housing duties, and as a stock owning local authority, and the challenges that some customers would face in making and managing their claim online..
5. The key activities were to prepare potential recipients, staff and advice agencies for migration to UC. A detailed communications plan was developed using social media, print media and radio to deliver some key messages on the theme of "Getting ready for Universal Credit". Training was delivered to all council teams who were likely to come into contact with people migrating to UC. In addition the city council hosted two stakeholder events for third sector organisations, one for all Oxfordshire organisations, and one for those based in Oxford.
6. As of 9 January 2018, 716 claims for UC have been made which relate to 619 households (the difference is accounted for by joint claims). There were approximately 750 live service claimants when migration to full service began, so there are almost 1,500 people on UC in Oxford. 93% of UC claims in Oxford have received their first payment on time. DWP report that the most common reason for late payment is delays from social landlords to requests to verify housing costs.

Universal Support

7. Oxford City Council is being paid by the DWP to provide Universal Support services to claimants, these include Personal Budgeting Support (PBS) to help people manage the transition to monthly payments, and Assisted Digital Support(ADS) to help people make and manage their claim online. This work has been carried out by the Council's Welfare Reform Team who were

involved in the pilots referred to above. Their experience from these pieces of work informed the development of the new services required by DWP.

8. To maximise uptake of these services, the Welfare Reform Team developed a new service called Springboard which comprises Springboard Money (PBS) and Springboard Digital (ADS). These services provide support beyond that required by DWP, in order to ensure residents are able to maintain their tenancy, afford to live in Oxford and access any additional services they may require. In light of the concerns originally being raised about the migration to UC, Members agreed prior to rollout to make a fund of £50,000 available for residents facing hardship as they migrated to Universal Credit. The Welfare Reform Team have administered this as part of the Springboard service offer.
9. 109 customers have accessed the Springboard service, 40 have accessed Springboard Money, 62 have accessed Springboard Digital and 7 have accessed both. Foodbank vouchers have been issued to 18 customers, and 8 have accessed the Hardship Scheme, outlined above. In order to access the Hardship Scheme, you must have applied for UC and be waiting for your first payment, and have applied for an advance of UC from DWP. Awards of £310 have been made from the scheme in the form of supermarket vouchers and top-ups of energy prepayment cards. The changes outlined in paragraph 3 are likely to result in very few people requiring help from the Hardship Scheme.
10. The Welfare Reform Team have worked closely with Oxford JCP in designing the Springboard services and establishing referral routes in both directions, and form advice organisations so that customers are easily able to access the right support. A member of the Welfare Reform Team is based in the Oxford JCP office one day each week.
11. Customers are able to access the advance payments of UC from Oxford Jobcentre. This process seems to be working well and Oxford JCP report that 80-90% of applicants are accessing the advance payments. The only cases that have been unsuccessful in accessing an advance are people who have applied outside the permitted timeframe, and one customer who was declined as they lived with their parents, and had no housing costs.

Impact on Council tenants

12. A number of Council tenants have migrated to UC since the live service was introduced in April 2016. The impact is monitored on a monthly basis and the latest position is shown in the table below:

Number of tenants on Universal Credit (UC)	158
Number of tenants on UC who are in arrears	117
Total amount of arrears incurred by customers in receipt of UC since making their claim	£39,166.96
Number of tenants in Temporary Accommodation on UC, in arrears	11
Total amount of arrears incurred by tenants in Temporary Accommodation on UC since making their claim	£2,229.86
Number of Notices Seeking Possession served to UC customers	22
Number of UC customers evicted*	1
Number of Alternative Payment Arrangements requested and granted**	63

*The customer who was evicted had significant arrears prior to migrating to UC. This was the main reason for the eviction.

**An Alternative Payment Arrangement is requested when a landlord wants the Housing Cost Element in UC paid to them instead of the tenant. This happens when the tenant may have difficulty in managing their payments, or when they accrue two months arrears.

13. The average arrears for a tenant on UC is approximately two weeks, compared to one week for all tenants. This difference is largely accounted for by the change in payment of housing costs to one month in arrears under UC, compared to a week in advance for most tenants under Housing Benefit. The additional two week payment of Housing Benefit which will be paid from April (referred to in paragraph 3 above) will reduce the amount of rent arrears incurred for some tenants at the point they migrate to UC.

Other impacts

14. The migration to UC has had a significant impact on the workload of the Benefits team. Up to the end of December, the DWP had advised the Benefits team of 177 customers who needed their Housing Benefit claim to be stopped due to a claim for UC being made. However in respect of these customers a total of 1,719 notices have been received over the same period. Approximately half of these notices are errors or duplicates, but they all require some time to be dealt with. The DWP have acknowledged that there are some issues with this process, and are working to reduce the number of notices issued
15. Its too early to draw any firm conclusions about Universal Credit in Oxford as only 10% of expected cases have currently migrated to the new benefit, but early indications are better than originally anticipated. The HIB may wish to consider the impact on advice organisations across the County, as people experiencing negative impacts of UC are likely to go to these organisations for help. Tracking the volumes of these customers and nature of their enquiries would help inform understanding of the overall impact of UC. The HIB could also look at the impact on rent arrears for tenants migrating to UC across the larger social housing providers in the County to understand the implications for tenants and landlords.

Budgetary implications

16. DWP have advised local authorities that the Housing Benefit administration subsidy will reduce as cases migrate to Universal Credit. However the migration is creating additional work, and whilst new burdens funding is expected for this, it is likely to be less than the amount the administration subsidy has been reduced by, increasing the financial burden on LA's. We expect the final figures to be confirmed for 2018/19 in late January/early February.

Equalities implications

17. Not applicable.

Communications

18. The City Council began its external publicity campaign in September 2017. Its key messages have been to advise people what they need to do to get ready for Universal Credit. The advice is to Get a bank account, Get online and Get budgeting. Funding from DWP to support the rollout of UC has been used to finance the communications campaign and has been used for a radio campaign on Jack FM, promoted social media videos and printed literature.

Key Dates

19. Not applicable.

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