

# **Committee: Healthier Communities and Older People Overview and Scrutiny Panel**

## **Date:**

Wards: All

## **Subject: Rollout of Universal Credit – Experience in Merton**

Lead officer: Caroline Holland

Lead member: Councillor Mark Allison

Contact officer: David Keppler

### **Recommendations:**

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1. For Healthier Communities and Older People Overview and Scrutiny Panel to note the contents of the report and advise of any further information required
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. To provide Healthier Communities and Older People Overview and Scrutiny Panel an update on the roll out of Universal Credit in Merton and the impact on residents as perceived and experienced by officers in the Benefits Service

## **2 DETAILS**

- 2.1. The implementation of Universal Credit was always planned to be a phased and controlled roll out that only affected new claims to the benefits that were replaced by Universal Credit. The initial phase was for single claimants only, then families and households and then at a later stage the transfer of all other claimants that had not transitioned to Universal Credit.
- 2.2. Universal Credit is only for working age claimants and pensioners are not affected by the change.
- 2.3. Universal Credit has to be claimed on line and every claimant requires an on line account.
- 2.4. Initially Universal Credit was to be paid direct to the claimant including the rent element of Universal Credit. Early pilots saw increase in rent arrears and alternative measures were put in place so that the rent element could be paid direct to the landlord.
- 2.5. Universal Credit was implemented across Merton for single claimants only in January 2016 . These claimants had no rent liability and were classified as the simplest types of claims to move on to Universal Credit.
- 2.6. In November 15 Sutton Council commenced a pilot with the Sutton Job Centre for Universal Credit full service which was for families and household with children and included the rent element which meant that these claimants would cease claiming assistance for their rent from housing benefit.

- 2.7. This pilot was rolled out slowly with selected post codes only and a very small number of claims and with daily communication between the council, Job Centre and Department of Work and Pensions (DWP). .
- 2.8. In February 2016 the pilot was extended to all post codes covered by the Sutton Job Centre. Without anyone from the Job Centre or DWP advising the council this pilot affected all Merton residents living in SM4.
- 2.9. In effect all residents in SM4 making a new claim had to claim Universal Credit from February 2016 and could no longer claim housing benefit for assistance with their rent.
- 2.10. Initially there was a lot of confusion for Merton residents who thought that they had a choice whether to claim Universal Credit or housing benefit and we had many residents tell us that they did not want to claim Universal Credit.
- 2.11. We saw examples of where claimants had to wait 9 to 10 weeks for their Universal Credit to be paid.
- 2.12. Universal Credit is not paid for the first week of the claim, so in effect the claimant would not receive any help with their rent for the first week whereas under the housing benefit regulations assistance with the rent is paid from the following Monday from when the claim was made or in the first week of a new tenancy the Monday of that week.
- 2.13. The council were required to put in place a Universal Credit Support Framework to help and assist residents claim Universal Credit, maintain their on line account and help with budgetary management.
- 2.14. A multi agency approach was adopted for this framework with support being provided by residents individual council support workers, the council's Welfare benefits team, Libraries staff and the CAB.
- 2.15. Access to computers and assistance with on line applications is available at Merton Libraries
- 2.16. The CAB provides a budgetary advice on a referral basis.
- 2.17. Individual council officers and the Welfare Benefits team help residents with claiming Universal Credit and maintaining their claims.
- 2.18. The DWP provide the council with funding based on the number of residents assisted.
- 2.19. In addition to this the council can pay Discretionary Housing Payments to claimants in receipt of Universal Credit. This payments help claimants who have financial difficulties such as they are affected by the benefit cap, the under occupation charge (bedroom tax). To qualify the claimant has to be in receipt of Universal Credit.
- 2.20. The government allocate the council with funding for Discretionary Housing Payments and residents in receipt of housing benefit can also claim this.
- 2.21. From 1 April 2017 to 16 February 2018 we paid £41,645 to 123 claimants. This additional money is funded by the DWP and there is a limited fund only.
- 2.22. On 6 December 2017 Mitcham Job Centre went live with full service and claims for families and households and includes assistance with their rent.

- 2.23. The Manager at Mitcham Job Centre reported on 30 January 2018 that the implementation had gone very well and all new claims for Universal Credit had been paid on time. They had processed 266 claims in the 8 weeks since implementation. As a comparison for the same period the council processed 610 council tax support claims and 551 housing benefit claims.
- 2.24. He also reported that emergency payments were being made very quickly following the request from the claimant. In some instances if the request and meeting was held in the morning the payment would be made on the same day. Alternatively, emergency payments were made within three days of the request.
- 2.25. The emergency payment has to be paid back but the claimant has 12 months to repay this.
- 2.26. From 13 February 2018 Universal Credit is payable from day one of the claim rectifying the issue of claimants not being paid for the first week of a claim. This change also results in the average payment being made after 5 weeks reduced from 6 weeks.
- 2.27. Similar to the roll out in SM4 residents are contacting the office thinking that they can choose between Universal Credit and housing benefit.
- 2.28. There has not been any indication from residents claiming at the Mitcham Job Centre of delays in payment of Universal Credit.
- 2.29. There are some types of circumstances for working age claimants where they do not claim Universal Credit for help with the rent but they claim housing benefit. These types of claims are:
- 2.30. 1. Where the property is classified as supportive exempt accommodation, this is where the claimant receives counselling and support from the landlord or from an external provider arranged by the landlord
- 2.31. 2. Where the claimant has more than two children in the household, these claims were initially assessed for Universal Credit but from April 2017 they had to claim housing benefit.
- 2.32. 3. From April 2018 claimants in temporary accommodation will have to claim their housing costs through housing benefit. At the moment it is through Universal Credit.
- 2.33. From 1 April 2018 every claimant in receipt of housing benefit who moves onto Universal Credit will be entitled to have their rent paid for two weeks during the wait for their first payment; that payment is always non recoverable (even if the claimant is later not entitled to Universal Credit).
- 2.34. There are still some post codes in Merton where Universal Credit has not been implemented, these are KT3 (go live 20 June 2018) SW17 0, SW18 and SW19 (go live 5 September 2018)
- 2.35. Once Universal Credit has been rolled out across the country for all new claims the intention is to transfer of the remaining existing housing benefit claims for working age claimants to Universal Credit.
- 2.36. There is no indication yet as to the timeframe for this transfer. There are approximately 11,300 live housing benefit claims and of these 5,800 are for

working age claimants and the majority of these will be transferred to Universal Credit at some stage in the future.

**3 ALTERNATIVE OPTIONS**

3.1. None for the purpose of this report

**4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. None for the purpose of this report

**5 TIMETABLE**

5.1. None for the purpose of this report

**6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

6.1. There will be a reduction in the amount of housing benefit paid and subsidy claimed from the DWP.

**7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. None for the purpose of this report

**8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. None for the purpose of this report

**9 CRIME AND DISORDER IMPLICATIONS**

9.1. None for the purpose of this report

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. None for the purpose of this report

**11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

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**12 BACKGROUND PAPERS**

12.1.