



Policy and Public Initiatives Panel

Item

8

4 March 2020

Report of	Assistant Director Customer	Author	Jason Granger
Title	Universal Credit		☎ 508824
Wards affected	All Wards		

1. Executive Summary

1.1 The Welfare Reform Act 2012 introduced significant changes to the national Welfare Benefit Landscape. Universal Credit, alongside other Welfare Reforms, were introduced nationally from 1 April 2013. This report highlights Colchester Borough Council's and Colchester Borough Homes' response to the Welfare Reform agenda, summarises the work of specialist officers and details the partnerships formed to best support residents.

2. Action Required

2.1 The Panel is invited to review and comment on the actions taken to date by Colchester Borough Council, Colchester Borough Homes and the Department for Work and Pensions.

3. Reason for Review

3.1 The subject matter was suggested by a member of the public. It was then approved by Cabinet at its meeting on 13 March 2019 for future consideration by the Policy and Public Initiatives Panel.

4. Background Information

- 4.1 The Welfare Reform Act 2012 introduced various Welfare Reforms including: removal of the spare room subsidy, the benefit cap, freezing of benefit rates, localisation of Council Tax Support and the introduction of a new benefit - Universal Credit.
- 4.2 Alongside this package of reforms central government increased our funding for Discretionary Housing Payments. In addition, Colchester Borough Council has provided an additional £50k per annum to the scheme since 2013.
- 4.3 In response to the reform agenda Colchester Borough Council formed cross-service strategic and operational groups. These groups included senior leads from all relevant areas of our organisation and allowed for effective planning and adjustment ahead of the introduction of the reforms commencing on 1 April 2013.
- 4.4 Operationally, officers were used to form a team that commenced a programme of proactive support to best help residents manage changes in their income levels. This team included officers from Colchester Borough Homes, Colchester Borough Council and the Department for Work and Pensions. The team contacted all affected residents and provided support and advice tailored to residents' specific needs. This proactive and collaborative approach was recognised nationally as being highly effective.
- 4.5 As the reform agenda progressed the model of support evolved, and this included the forming of the Customer Support Team, based in the Library and Community Hub, and in addition Colchester Borough Homes Financial Inclusion Team. Both teams included officers who were skilled in technical benefit knowledge, employment and training, carried a wide understanding of support networks/partners and were, of course, adept in providing practical yet sensitive advice.
- 4.6 Colchester Borough Homes' Financial Inclusion Team offer one-to-one financial support, Welfare Benefit advice and debt resolution specifically to Council Tenants. The team have developed key partnerships with other agencies to support tenants to sustain their tenancies.
- 4.7 Universal Credit is a significant adjustment to the Welfare Benefit Landscape, incorporating six means-tested benefits/tax credits into one monthly payment, including Housing Benefit. Entitlement is paid to a resident after the end of a monthly assessment period and payments will be generally made directly to the resident. Universal Credit was introduced in Colchester in March 2015 to a single group of claimants. From July 2018 it was expanded to all working age claimant groups with full migration expected to be completed nationally by 2024.
- 4.8 Since Universal Credit has been introduced, working age Housing Benefit claims have reduced whilst take up of Local Council Tax Support has increased mainly due to officers proactively promoting this discount.
- 4.9 Discretionary Housing Payments awarded to those in receipt of Universal Credit has increased. For the financial year 2019/2020 the Discretionary Housing Payment fund is £375k. To date half of all applications awarded have been to those receiving Universal Credit.

4.10 The introduction and expansion of Universal Credit has provided challenges to some residents in the maintenance of a Universal Credit claim and in meeting rent / Council Tax payments. This has required services to adjust and provide different types of support to resident and tenants. Overall, Colchester Borough Homes is managing the impact on tenants and rent accounts but at a cost. There has been a sharp increase of households on Universal Credit from 4% in 2018/2019 to 10% 2019/2020. Arrears have increased £100k from the same point last year. However, the average arrear of CBH tenants claiming UC is below the national average £250 (national average £320).

There have been several factors that are having a positive impact:

- Increased resources in the rent collection team and Financial Inclusion Team
- Investment in financial wellbeing services – which include funding a Citizens Advice Officer, Family Intervention resource and Open Road Officer to extend financial support and debt advice to our tenants.
- Financial Inclusion Team working with Signpost to open pathways of getting people back into work.
- Partnership with Colchester Borough Council and Department for Work and Pensions

4.11 The Department for Work and Pensions has funded a full time Community Support Officer within Colchester Borough Council. This role supports those furthest from the employment market and also residents who may have difficulties in making the transition from Housing Benefit to Universal Credit. This role has proved successful especially in the way organisational barriers are overcome to deliver quick resolutions.

4.12 Colchester Borough Homes have also extended their partnership working. In January 2020, a Citizens Advice drop-in surgery is now running out of the Greenstead Local Housing Office, co-locating with the Financial Inclusion Team. This service is already popular within the community.

5. Equality, Diversity and Human Rights implications

5.1 This report provides a summary of activities and interventions conducted since 2012. Individual policies would have been assessed using Equality Impact Assessments.

6. Standard References

6.1 There are no particular references to consultation, publicity considerations health and safety, risk management implications or environmental and sustainability Implications.

7. Strategic Plan References

7.1 The Council's Strategic Plan sets out four themes, one of which being: 'Wellbeing - Making Colchester an even better place to live and supporting those who need most help'.

One of the five priorities under the Wellbeing theme is to:

'Target support to the most disadvantaged residents and communities'

7.2 Colchester Borough Council has created specific roles and support mechanisms in recognition of the difficulties some residents will have. These proactive interventions have provided a range of services including flexible payment plans, debt and back to work advice as well as administration of discretionary funds.

8. Financial implications

8.1 As Universal Credit expands, working age claims for Housing Benefit will begin to fall. It is expected the Department for Work and Pensions grants which partly cover the administrative cost of awarding Housing Benefit will also decrease.

9. Health, Wellbeing and Community Safety Implications

9.1 The proposals contain provision for dealing with welfare concerns of residents, particularly vulnerable people. It is intended to limit hardship to avoid giving rise to crime and disorder.