

Universal Credit update for Overview and Scrutiny – October 2019

Background

Universal Credit Full Service rolled out in Nottingham on 17th October 2018.

People move onto Universal Credit (UC) if they make a new benefit claim or have a change in their circumstances. Nottingham was one of the last places in the country where Universal Credit rolled out.

Universal Credit is replacing the following benefits:

- Child Tax Credit
- Housing Benefit
- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Working Tax Credit

Universal Credit does not include any other benefits, including Council Tax Support, which can be claimed alongside Universal Credit.

Nottingham context

- 13,394 people were on Universal Credit in Nottingham in August 2019 (latest figures).
- 3,546 people were employed but still claiming the equivalent of Tax Credits, Housing Benefit or both (to top up their earnings).
- 9,853 people were out of work claimants – people in this group are either actively looking for work; have no work requirements due to health reasons or caring commitments etc; are lead carers for children aged 1 or 2; or have health conditions which are likely to improve but currently prevent them from working.
- 28,000 (approx.) benefit claimants are still to move across to UC.

Impact

NCH

- 3,454 NCH tenants are claiming UC (out of an expected 12,000 eventually).
- NCH levels of rent arrears of tenants on UC are currently £1,374,326.64. In October 2018 arrears were £139,000.
- Average rent arrears of tenants on UC is £560.72.
- 795 Alternative Payment Arrangements (APAs) have been requested.
- 76% increase in foodbank referral since Universal Credit rolled out.
- There is a shortfall of £7.77 per week for people in supported accommodation for which people cannot get Discretionary Housing Payments – this affects NCH as it is classed as a metropolitan housing association rather than social housing.

Welfare Rights

We are awaiting specific details; Welfare Rights officers have confirmed anecdotally:

- Welfare Rights officers remain very busy.
- The five-week wait continues to cause problems for people.
- Most of the concerns about which people approach Welfare Rights relate to Council Tax debt, Personal Independence Payments (PIP) and multiple debt.
- The number of people asking Welfare Rights for foodbank vouchers has increased – they give out several each day.

- The single biggest cause of people requiring foodbank vouchers is UC payment delays and/or the five-week wait.

Trussell Trust

It has not been possible to obtain a breakdown of foodbank usage in Nottingham City, but we have information for the whole of Nottinghamshire which includes figures for Nottingham City. Note: this is for Trussell Trust foodbanks only.

- 26,678 three-day emergency food supplies were provided to people in crisis in Nottinghamshire between 1st April 2018 and 31st March 2019. Of these:
 - 15,955 were for adults
 - 10,723 were for children
- This represents a 14% increase from 2017/18.

Ongoing concerns

- The level of rent arrears continues to rise.
- The five-week wait before the first award is received is still causing problems.
- Repaying any advance payment.
- Council Tax support needs to be applied for separately.
- Help to Claim team funding post-March 2020.
 - This team helps people to make their first claim, and was funded by the Government directly through Citizens Advice. This funding was only granted for one year, to March 2020, and no certainty has yet been offered for after this period.
- Lack of capacity for providing advice across a number of agencies – we are awaiting further detail.
- Lack of understanding from citizens, leading to unnecessary claims.
- There have been instances of fraud which Job Centres have been addressing.

For more information please contact Elaine Fox, Corporate Policy and Performance Officer

Information received from:

- Nottingham City Homes
- Advice Nottingham (including Trussell Trust data)
- Welfare Rights
- NCC Data and Information Team