

## Universal Credit – Briefing Note

Primary Care Commissioning Committee meeting

25 July 2018

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<b>Purpose of Paper</b>	
<p>The purpose of this briefing is to raise awareness amongst the CCG membership of the upcoming roll out of Universal Credit across Sheffield. The roll out will begin in November 2018 and is a 4 year programme of change to the welfare system.</p> <p>The briefing (Appendix 1) has been prepared by Sheffield City Council and Sheffield Citizen’s Advice Bureau and is circulated on behalf of the citywide Universal Credit Partnership Group .</p> <p>1. The purpose of this briefing note is to:</p> <ul style="list-style-type: none"> <li>• Provide an introduction to Universal Credit (UC), including the latest announcements from Government.</li> <li>• Capture what we know so far about the potential and likely impacts of UC on the city, including on specific customer groups and organisations.</li> <li>• Provide an update on the most recent work that has been done to prepare for UC in the city.</li> </ul>	
<b>Key Issues</b>	
<p>As well as the predicted impact on citywide services highlighted, the briefing also describes the likely impacts UC will have on some of our most vulnerable patient groups including those with a long term disability, socially disadvantaged families with young children, families with English as a second language and the increased risk of overdose to substance misusers of welfare payments being made directly to patients instead of to landlords. Of significant concern is the likely time periods claimants will be left without an income and their subsequent ability to maintain a healthy diet and afford adequate heating and shelter.</p> <p>Evidence from Citizens Advice in parts of the country with experience full UC rollout indicates that debt and housing problems increase significantly. This, in turn, has a significant impact on mental wellbeing, homelessness and demand on other public services, including the local authority, health services and voluntary and community sector organisations.</p> <p>This increased demand on services is likely to be experienced in general practices as increasing numbers of patients seek support from healthcare professionals with their claim completion/appeals and through increased demand for mental health support.</p> <p>Representatives from the Health Inequalities Steering Group are already engaging with the citywide UC Partnership Group to ensure that practices within CCG localities likely to be</p>	

<p>most affected by UC roll out are plugged into and informing the city's preparedness plans.</p> <p>We are starting to plan specific training for receptionist staff on UC, signposting and suicide awareness and we hope to prepare additional briefings and signposting information for practices as the city's plans become clearer in September 2018</p>
<p><b>Is your report for Approval / Consideration / Noting</b></p>
<p>Our report is for noting</p>
<p><b>Recommendations / Action Required by the Primary Care Commissioning Committee</b></p>
<p>The Primary Care Commissioning Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note the likely impact of UC roll out on patients in Sheffield</li> <li>• Note the potential for UC roll out to push patients who are 'just about managing' into crisis</li> <li>• Continue to receive updates from the Health Inequalities Steering Group on work with Localities (especially North and Central) to increase awareness and preparedness</li> </ul>
<p><b>Governing Body Assurance Framework</b></p>
<p><i>Which of the CCG's objectives does this paper support?</i></p> <ul style="list-style-type: none"> <li>• To improve patient experience and access to care</li> <li>• To improve the quality and equality of healthcare in Sheffield</li> <li>• To work with Sheffield City Council to continue to reduce health inequalities in Sheffield</li> <li>• To ensure there is a sustainable, affordable healthcare system in Sheffield</li> </ul>
<p><b>Are there any Resource Implications (including Financial, Staffing etc)?</b></p>
<p>Locality Support Manager time to attend and develop work following UC Partnership Group meetings</p>
<p><b>Have you carried out an Equality Impact Assessment and is it attached?</b></p>
<p>No</p>
<p><b>Have you involved patients, carers and the public in the preparation of the report?</b></p>
<p>No</p>



## Sheffield City Council and Citizens Advice Sheffield

### Universal Credit – Briefing Note July 2018<sup>1</sup>

This is the second briefing on Universal Credit in Sheffield – it includes information about Universal Credit itself, what is being done to prepare for it, and how people and organisations can find out more.

#### Summary

- Eventually Universal Credit will replace all working age income related benefits<sup>2</sup> (Income Support, income related Employment and Support Allowance, income based Jobseeker's Allowance, Housing Benefit and Tax Credits), but not Council Tax Support which will continue to be claimed separately through a different process.
- Further information about Universal Credit can be found here: [www.understandinguniversalcredit.gov.uk](http://www.understandinguniversalcredit.gov.uk).
- Universal Credit 'Full Service' will be implemented in Sheffield from November and December 2018.
- When this happens, any *new claims* for – or certain changes to – 'legacy' benefits<sup>3</sup>, will require an application instead for UC. At least 60,000 people in Sheffield will eventually claim Universal Credit. At some point there will be a migration process whereby everyone receiving legacy benefits will be moved onto UC. There is no date for this yet, but the Government's intention is to finish the whole process by 2023.
- The default position with UC is one monthly payment to a household, including housing costs, paid in arrears. People will then pay their rent, bills and other costs from that payment. UC is applied for and managed online. Different arrangements can be made for vulnerable people.
- Whilst some people will find UC straightforward, there is a risk that others will struggle with the additional demands put on them by the new system:
  - They may struggle with managing their money to ensure that all rent and bills are paid, complicated by the fact that UC is paid monthly in arrears (resulting in at least a five week waiting period for their first payment).

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<sup>1</sup> This briefing note is based on our understanding of Universal Credit at July 2018. There remain many uncertainties about how some aspects of UC will work, and there may well be further changes to the regulations and procedures. We will endeavour to cover these in future briefings.

<sup>2</sup> Income Support, income related Employment and Support Allowance, income based Jobseeker's Allowance, Housing Benefit and Tax Credits.

<sup>3</sup> The exception to this is that Universal Credit will not be available to families with more than 2 children. They will currently continue to make a claim for legacy benefits, though we expect UC to include them at some point in the future.



- They may find it difficult to get the regular online access they need in order to apply for, and manage, UC or lack the digital skills needed.
- They may be vulnerable due to other circumstances which make the transition particularly difficult. For those who are already struggling, this could push them into crisis. In addition, for some people with disabilities or health conditions, the move to UC will result in a reduction in income.
- A **Universal Credit Partnership** has been set up, with representatives from Sheffield City Council, DWP, Citizens Advice Sheffield and other voluntary, community and faith organisations, to share knowledge and create links between the different strands of activity taking place to prepare for UC, under the following workstreams:
  1. *Data and Intelligence*: initial modelling suggests approximately **800 new claims per week, or 3200 per month** across the city from November/December
  2. *Digital Infrastructure*: we are mapping where people will be able to get online in the city, including where they can use Wi-Fi with their own smartphones, and assessing where extra digital provision will be needed.
  3. *Support, advice and protection*: there will be personal budgeting and digital support available in job centres for UC claimants and work is taking place to map and assess other advice and support that will be available to those who are struggling.
  4. *Communications, engagement and training*: a communications plan is being developed which will focus on Sheffield-specific information about where people can get online and get support.
  5. *Eligibility*: Universal Credit impacts on eligibility for services such as Free School Meals. We are assessing where new eligibility criteria are needed and what form that takes.
  6. *Locality working*: we are working closely with Local Area Partnerships and community networks to ensure citywide preparations are informed by local needs.
- Please email [cat.arnold@sheffield.gov.uk](mailto:cat.arnold@sheffield.gov.uk) if you would like to receive periodic updates on Universal Credit preparation.



## What is Universal Credit?

Eventually Universal Credit will replace all working age income related benefits (Income Support, income related Employment and Support Allowance, income based Jobseeker's Allowance, Housing Benefit and Tax Credits), but not Council Tax Support which will continue to be claimed separately through a different process.

Further information about Universal Credit can be found here:

[www.understandinguniversalcredit.gov.uk](http://www.understandinguniversalcredit.gov.uk).

Universal Credit 'Full Service'<sup>4</sup> will be implemented in Sheffield from November and December 2018<sup>5</sup>. When this happens, any *new claims* for – or certain changes to – 'legacy' benefits, will require an application instead for UC.

Citizens Advice estimates that at least 60,000 people in Sheffield will eventually claim Universal Credit. At some point there will be a migration process in which everyone receiving legacy benefits will be moved onto UC. There is no date for this yet, but the Government's intention is to finish the whole process by 2023.

Claimants will usually receive one monthly payment of UC, including an element for their housing costs. This means that in future, the individual claimant will be responsible for making sure they pay their rent, whereas if they were previously claiming Housing Benefit, their Housing Benefit may have been paid directly to their landlord. Previously, all working age Council tenants, most housing association tenants, and some private tenants who received Housing Benefit had their benefit paid directly into their rent account. Under UC, the default position will be that the credit is paid directly to the tenant on a monthly basis, and they are then responsible for paying their rent to their landlord<sup>6</sup>.

The overall aim of the UC system is a reasonable one – to make it easier for people to move from benefits to work, to help them claim benefits more easily when, for example, temporary work comes to an end and to simplify a complicated system.

However, whilst many people will find UC straightforward, there is a risk that others may struggle with the additional demands put on them by the new system:

- They may struggle with managing their money to ensure that all rent and bills are paid, complicated by the fact that UC is paid in arrears rather than in advance (resulting in at least a five week waiting period for their first payment).

<sup>4</sup> 'Full Service' differs from 'Live Service' UC: Sheffield has had the latter for some time, with around 3700 in the city claiming it. Live Service is a prototype version which no longer takes new claims.

<sup>5</sup> November 2018 (Sheffield Bailey, Sheffield Cavendish Court and Chapeltown JCPs) and December 2018 (Sheffield Hillsborough and Sheffield Woodhouse JCPs)

<sup>6</sup> There are ways to pay housing element of UC direct to landlord where appropriate through Alternative Payment Arrangements.



- They may find it difficult to get the regular online access they need in order to apply for, and manage, UC or lack the digital skills needed.
- They may be vulnerable due to other circumstances which make the transition particularly difficult. For those who are already struggling, this could push them into crisis. In addition, for some people with disabilities or health conditions, the move to UC will result in a reduction in income.

### **Universal Credit Process in summary:**

- People will apply online for UC. They will be asked a series of questions about their circumstances and finances. There is a free helpline and support in job centres for those who struggle. People will need a working email address, a bank or credit union account and a mobile phone number.
- Once they have completed the online questionnaire and submitted their claim, they will usually need to attend a Job Centre to verify their identification (this can, in some cases, be done online but is not common).
- There will be special arrangements for those who are not able to attend a Job Centre or to apply online due to disability or health condition.
- At the Job Centre they will meet with a Job Coach, who will check the details of their application and talk them through next steps. There will also be support to help them with personal budgeting or getting online if they need it.
- Universal Credit is managed online. This means that a claimant has an online journal which shows activity and history of the claim, and which they can use to communicate with their Job Coach. It also means that anyone supporting them can – with their permission – see their history and status if the claimant is logged on and shows it to them.

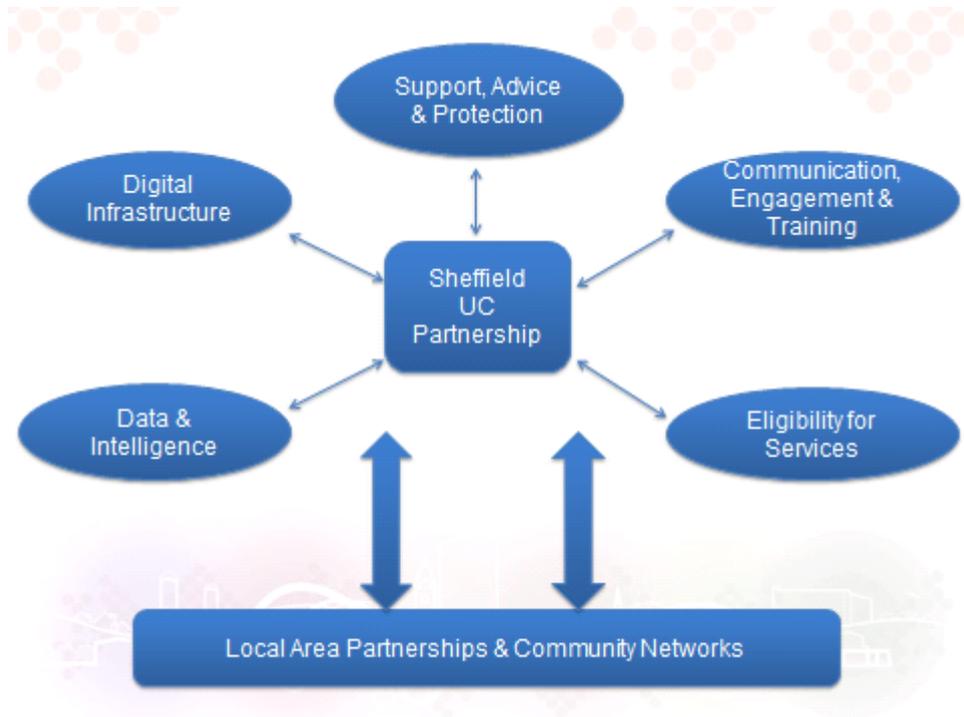
### **How is Sheffield preparing for the rollout of Universal Credit?**

A **Universal Credit Partnership** has been set up to coordinate the city's activity on Universal Credit, bringing together key representatives from Sheffield City Council, DWP and voluntary, community and faith organisations to share knowledge and create links between the different strands of activity taking place to prepare for UC<sup>7</sup>.

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<sup>7</sup> Organisations represented include: Sheffield City Council, DWP, Citizens Advice Sheffield, Housing Associations, Manor & Castle Development Trust, ZEST, SOAR, Sheffield Credit Union, Shelter, Good Things Foundation, Church Action on Poverty, CCG, and Sheffield Food Bank Network.

Preparation for UC is taking place under a number of workstreams and links closely with in work in localities.



**Data and Intelligence**

Ideally we would know where, and how many, UC claims will take place in the city from November/December 2018 in order to help us ensure that claimants have the right support. Unfortunately, since we cannot predict new claims we can only estimate how many claims there may be.

However, we have done some modelling based on the experience of other areas which have already had Full Service, along with DWP estimates of how many people will need Personal Budgeting and Assisted Digital support.

This gives us a potential figure of approximately **800 new claims per week, or 3200 per month** across the city. It should be noted that *claims* for UC are not necessarily the same as *people* on UC – the same person may make more than one claim over the period of a few months as they move in and out of work, or their claim may be unsuccessful or withdrawn.

The following table estimates the claims across different postcodes based on number of current Housing Benefit (HB) claimants. **It should be noted that whilst these figures may seem exact, they are informed guesses based on assumptions and should be treated accordingly.**

Postcode	Working HB Age Claimants	Estimated UC Claims per week	No Housing Costs per week	With Housing Costs per week	Council Tenants per week	Housing Association Tenants per week	Private Tenants per week
S5	6457	164.3	95.3	69.0	35.2	17.9	15.9
S2	4531	115.3	66.9	48.4	24.7	12.6	11.1
S6	2780	70.7	41.0	29.7	15.2	7.7	6.8
S8	2411	61.4	35.6	25.8	13.1	6.7	5.9
S9	2173	55.3	32.1	23.2	11.8	6.0	5.3
S13	2095	53.3	30.9	22.4	11.4	5.8	5.1
S3	1751	44.6	25.8	18.7	9.5	4.9	4.3
S4	1679	42.7	24.8	17.9	9.2	4.7	4.1
S14	1439	36.6	21.2	15.4	7.8	4.0	3.5
S12	1364	34.7	20.1	14.6	7.4	3.8	3.4
S20	1159	29.5	17.1	12.4	6.3	3.2	2.8
S35	1021	26.0	15.1	10.9	5.6	2.8	2.5
S11	821	20.9	12.1	8.8	4.5	2.3	2.0
S10	775	19.7	11.4	8.3	4.2	2.2	1.9
S36	509	13.0	7.5	5.4	2.8	1.4	1.3
S7	427	10.9	6.3	4.6	2.3	1.2	1.0
S17	287	7.3	4.2	3.1	1.6	0.8	0.7
S1	260	6.6	3.8	2.8	1.4	0.7	0.6
S61	11	0.3	0.2	0.1	0.1	0.0	0.0

NB: whilst the figures above may seem exact, they are *informed guesses* based on assumptions and should be treated accordingly.

### Digital Infrastructure (this focuses on digital *access*; digital skills are addressed below)

Universal Credit has to be applied for and managed online<sup>8</sup>. This may involve a lot of time navigating the system and/or carrying out job searches as part of the UC commitment.

<sup>8</sup> Although if someone has a disability that stops them from applying online there will be alternative arrangements: they can apply over the phone or they can appoint an advocate.



UC can be applied for and managed on a smart phone or tablet as well as a laptop or desktop.

We are working closely with Good Things Foundation and the DWP to map where in the city people can get online in order to apply for UC. This includes both where they can use IT equipment, and/or where Wi-Fi will be available for use with personal devices.

Libraries will be an important public resource (as long as people are registered with Sheffield Libraries). However, we need to consider the pressure put on their IT resources.

There may be trust issues with using public IT services. As a society we are told not to conduct personal business on public networks, but UC claimants may need to use public networks in full public view in e.g. libraries to input sensitive personal information. This will need further consideration.

Once IT resources are mapped, gaps in online provision will be investigated along with possible solutions for filling those gaps. For example, schemes which make tablets available through libraries have been trialled successfully elsewhere. Any solution will be subject to finding funding.

Some people will need assistance to get online – see below.

### **Support, Advice and Protection**

Some people will find the extra challenges of Universal Credit to be difficult. It is important that there is support for those people to help them through the process.

This support might include: help getting online; help with personal budgeting (e.g. to be aware and ready to pay the rent at the end of a month); more specialist advice such as debt advice or help to challenge a benefit decision; support for those going through particularly challenging difficulties; support for those with disabilities; signposting or referral to other services; and protection from exploitation.

There are also options within the UC system, known as **Alternative Payment Arrangements**, which can be requested by claimants, or in some cases their landlords, to get different types of payment, such as housing costs paid direct to landlord, payments at different intervals (e.g. weekly or fortnightly), or individual rather than household payments<sup>9</sup>.

Advance payments will be available to people who need money before they have their first regular payment at the end of the month. However, this will be a loan which will need to be paid back over 12 months and will therefore reduce the amount of benefit people receive

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<sup>9</sup> Individual payments are an option in cases of financial abuse



over that period. Advance payments should therefore be treated with caution for most people.

DWP will fund **Personal Budgeting Support and Assisted Digital support** to help anyone on UC to manage their money and/or get online. This will be delivered by Sheffield City Council and will be located within a number of Job Centres in order to ensure that people have fewer barriers to taking it up (most UC claimants need to attend Job Centres to verify their identity after making an online application; some will attend in order to get support to make their online application in the first place). The support workers will be able to refer people on to other support and advice in the city if they are facing difficulties.

There is a lot of support available to people across the city, whether delivered by statutory or community organisations. The Universal Credit Partnership is mapping that support with the aim of ensuring people know where to turn if they are struggling, and that those organisations know who to contact in DWP if there is UC problem that needs to be resolved.

Council Housing and other social landlords are working closely with new and existing tenants to ensure that they are ready for Universal Credit and have support where they need it.

People will need digital skills in order to access Universal Credit. We are mapping where support exists to enable this and where there may be gaps. There is also an opportunity to use this as the beginning of a journey towards having more skills and confidence to be part of the digital world.

### **Communications, Engagement and Training**

*Communications* are a vital part of preparation for Universal Credit. There will be a programme of information provided by DWP to individuals and organisations affected. The UC Partnership is focusing on where Sheffield-specific information is needed to augment other communications. This is likely to take the form of an online resource with information that is easily available for printing where necessary, about Universal Credit in Sheffield, where people can get online and where support is available for those who are struggling. A citywide UC event was held on 17 July to gain feedback on the preparations for UC outlined in this briefing.

*Engagement* – In order to help ensure that UC preparations will work for the people who are affected, it is intended to gather together a group of people who are either currently on UC or likely to be in the future to help test and shape plans for the city. This will be done as part of Sheffield's Fairness and Tackling Poverty work.



*Training* – DWP is providing awareness sessions on UC to organisations in the city that need them in preparation for roll-out. It is intended for these to take place from September<sup>10</sup>. In addition, Citizens Advice Sheffield is considering what training it may be able to make available to advice workers in the city. This workstream is also considering how and where volunteers might be given additional training to help them support people apply for UC

## **Eligibility**

Under the legacy system, people's eligibility for certain services, such as Free School Meals (FSM), depends on them receiving certain benefits. Because UC replaces both these legacy benefits and others such as tax credits, there is no longer a simple 'short-hand' for determining who is eligible for these services.

*Free School Meals* – All children eligible for FSM who were already in the system on 1 April 2018 will continue to be eligible until the end of their schooling, regardless of their circumstances. The Government IT system<sup>11</sup> used by local authorities to assess families' eligibility for FSM *should* be updated to include UC families by November 2018 (this means the same information of Surname, D.O.B and NI number is needed as now in order to assess eligibility). The new eligibility is based on £7,400 income threshold, excluding benefits. So, a child in a household exclusively on UC will be eligible for FSM. However, if the parents earn over £7,400, they will no longer be eligible. This acts as a disincentive for parents to work.

There are complications around processes for 'non-standard' households, such as those who are self-employed, which are still being established.

Pupil Premium funding which goes to schools is linked to the number of FSM children at a school, which further underlines the importance of ensuring that children eligible for FSM receive them.

*Free Prescriptions* – Legacy benefits are used for Free Prescription eligibility. Eligibility for free prescription for UC claimants should be calculated and clearly visible on their UC account.

*Eligibility for other services for those on low incomes* – SCC and some other city partners also have other services which use benefits to identify eligibility. This will be affected by UC and cannot be solved in the same way as FSM. We will need to ensure that there is a common approach across SCC. It may be possible to link this back to Free Prescription UC eligibility but we need to better understand whether this is reasonable and practical.

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<sup>10</sup> These are run by the DWP Sheffield Partnership Manager. Cat Arnold can provide her contact details on request (see end of briefing).

<sup>11</sup> This systems links to HMRC and DWP data



## Work with localities

There is a strong link between the city-wide UC preparations and locality/neighbourhood responses. The UC Partnership aims to provide a structure for them to feed into each other to reduce duplication and ensure that preparations are appropriate to the needs of different parts of the city.

Locality work so far includes:

- Ecclesfield Universal Credit Working Group
- Woodhouse Sub Group of the South East Sheffield Health Partnership
- Southey Universal Credit Working Group
- North East Officer Group
- East VCF Consortium UC event held on 29<sup>th</sup> June.

## Impacts for particular communities/circumstances

Some parts of the population will be affected differently by the introduction of UC and/or have access to different types of support. We are considering these groups in our preparation for UC.

1. **People with disabilities or medical conditions.** Some disabled claimants who have would previously received income-related Employment and Support Allowance (ESA) or Income Support may receive UC payments significantly less than the payments they receive from the legacy benefits because UC does not include the Severe Disability Premium or enhanced Disability premium that were part of the legacy benefit. Claimants will also no longer be able to make use of ESA “permitted work” rules, as these are not replicated in UC. Claimants who previously received the disability element of Working Tax Credit will no longer do so as it is not replicated in UC. Initial indications are that some disabled people may see income reductions of between 25% and 40%, with no transitional protection.
2. Work incentives embedded in the tax credit system have been reduced in Universal Credit although the Minister announced in November that he would keep this under review.
3. Some disabled job seekers in receipt of Personal Independence Payment or Disability Living Allowance will no longer qualify for a disability premium as this is not included in UC.



4. People with disabilities and health conditions, including mental ill-health, are also disproportionately more likely to face money-management and digital access/skills barriers than other UC claimants.
5. Further analysis needs to be done on the impacts of UC on people with terminal illnesses.
6. Vulnerable **substance misusers** are likely to be particularly affected by the new UC system. Opiate users in particular could suffer from a greater risk of overdose if they receive all their benefit direct to them in one monthly payment, as is the default for UC. There are Alternative Payment Arrangements which can pay housing costs direct to landlord and pay UC weekly, and these will need to be put in place quickly for the most vulnerable UC claimants. There are currently approximately 3000 people who are receiving treatment for substance misuse in the city in addition to those who are not currently receiving treatment.
7. **Private-rented tenants.** Approximately 30% of private tenants who currently claim Housing Benefit have it paid direct to their landlords. There are suggestions from Government that they will seek to replicate the current arrangements but if this does not happen, this group will be expected to manage their rent themselves. Regardless of payment arrangements, these tenants may be affected by the digital access issues presented by UC.
8. The most significant issue for private-rented tenants is that they do not have the access to support from landlords that most social-rented tenants have. They can also be harder to reach with the support that is available.
9. **Social-rented tenants:** All Council and Housing Association tenants who claim housing benefit currently have it paid to their landlords. It will therefore be a significant change for them to move to managing their own rent. Many of these tenants are also likely to be affected by the digital access issues presented by UC. Social landlords, include Council Housing, have been working with their tenants to help them with this transition.
10. **People experiencing domestic abuse:** There is greater potential for financial abuse because of the default single household payment. Alternative Payment Arrangements can be used to split payments within a household if claimants state that financial abuse is happening. However, making that statement will not be straightforward for those living with their abuser – it may expose them to further abuse.



11. **People with language or other barriers.** These are likely to struggle more with the transition to a new system as well as with the money management and digital access. It will be important to find ways to identify vulnerability to ensure housing costs get paid direct to landlords where appropriate.
  
12. **Lone Parents:** like some of the groups above, this group are likely to be more vulnerable and struggle more with the transition to a new system.
  
13. **Large out of work families that have already been affected by the Benefit Cap.** These families have already had to manage a reduction in their income as a result of the benefit cap, which is likely to exacerbate the money-management and digital access issues presented by UC. In addition, some current cap cases will see further reduction income when they transition to UC – this is likely to affect around 100 households in Sheffield. Universal Credit will not be available for families with more than two children at roll-out, so these families won't be affected until the UC system is updated.

### **Further information**

Please email [cat.arnold@sheffield.gov.uk](mailto:cat.arnold@sheffield.gov.uk) if you would like to receive periodic updates on Universal Credit preparation.