

## **Universal Credit**

### **Policy Development**

To inform the Board of activity and engagement with Department for Work and Pensions on Universal Credit social security since the Board's September meeting.

### **Summary and Recommendations**

This paper provides detail on recent COSLA activity on the rollout of Universal Credit..

Members are invited to:

- i. Note and approve the contents of this report; and
- ii. Consider further lobbying COSLA should engage in on the delivery of Universal Credit.

### **References**

Previous reports covering

- COSLA Leaders 27/10/17 – Welfare Reform
- COSLA Leaders 24/02/17 – Welfare Reform and Devolved Social Security
- CWEG 17/03/17 – Welfare Reform
- CWB 22/09/17 – Universal Credit Rollout

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## Universal Credit

### **Policy Development**

1. To advise members of the Board of activity and engagement with the Department for Work and Pensions on Universal Credit since its September meeting.

### **Current COSLA Position**

2. COSLA has been opposed to many of the welfare reforms introduced by the UK Government. There are two areas of concern. Firstly the impact upon vulnerable people and communities who often turn to local government services for support and secondly because much of this increases burdens on and threaten income streams of local authorities.
3. COSLA did not oppose the original aims of Universal Credit (UC), which were to simplify benefits and increase work incentives. However, we believe that the UK Government seriously underestimated the complexity and scope of launching UC. Consequently, we have sought to engage closely with the Department for Work and Pensions to highlight potential impacts, modify Department for Work and Pensions (DWP) planning and smooth impacts on individuals and local authorities.
4. Members of the Board should note that Council Leaders approved a report at their meeting on 27 October 2017, on welfare reform based on the September report to the CWB and covering recent developments on Universal Credit. An oral update may be provided at the meeting.

### **What is changing?**

#### Universal Credit

5. Following approval by the September Board, the Spokesperson, Cllr. Parry wrote on 30 September 2017 jointly with Jeane Freeman MSP, Minister of Social Security to David Gauke MP, Secretary of State for Work and Pensions, calling again for a pause in rollout of the full Universal Credit service until effective improvements were put in place.
6. The letter highlighted data gathered by COSLA and the Scottish local authorities who were first to experience in the Full Universal Credit service in their areas. Salient evidence cited in the letter included:
  - Average rent arrears for the first two local authorities in full service (East Lothian and Highland) shows for those in receipt of UC are over 2.5 times for those on Housing Benefit.
  - The first four Scottish authorities on the full UC service (East Lothian, Highland, Inverclyde and East Dunbartonshire) showed a total increase in Discretionary Housing Payments attributable to Universal Credit, of £343,010, and in Scottish Welfare Fund crisis grant payments of £94,131 in 2016/17.

- Additional administrative costs for the four local authorities were calculated at £832,612 attributable to Universal Credit full service.
7. A reply to the letter is still awaited. However, on 2 October, David Gauke announced that Universal Credit rollout will continue to the planned timetable (i.e. it will accelerate to 50 Job Centres each month). It is understood that over half of claimants are currently receiving advance payments. The Secretary of State indicated that guidance to DWP staff would be refreshed to ensure that anyone who needs an advance payment will be offered it up-front. The intention is that claimants should now receive this advance within 5 working days and if someone is in immediate need, then the payment can be fast tracked so that they will receive it on the same day.
  8. A reply has been received from the Non- Executive Chair of Universal Credit Programme Board to a different letter COSLA sent jointly with other British Local Authority Associations highlighting issues contributing to the problems being experienced in rollout. This response highlighted a number of improvements being developed including steps to support vulnerable claimants, the introduction of the 'Landlord Portal', some work in the automation of data sharing with local authorities and plans to address particular problems acknowledged for those in emergency temporary accommodation. While welcome, these are developments which COSLA has been aware of and will not, of themselves, address many of the underlying problems.
  9. Public concern has continued to focus on the time to receive the first payment under Universal Credit from the initial application being made. This has featured heavily in parliamentary debates both at Holyrood on 3 October and at Westminster on 18 October. It remains to be seen whether the Government will consider any further easements in the policy or the way Universal Credit which is delivered which could reduce this period. COSLA will continue to lobby on these matters.

#### Universal Credit Flexibilities

10. Members may also be aware that new Scottish claimants in the areas where the full Universal Credit service has begun have been able to choose from 4th October to:
  - be paid monthly or twice monthly; and
  - have the relevant housing costs in the Universal Credit award paid to themselves or to their landlord.
11. COSLA has supported the introduction of the 'Scottish flexibilities.' However, they do not change the fundamental design of Universal Credit and while welcome, they are unlikely to resolve all the issues which have been arising.

#### **Proposed COSLA Position and Next Steps**

12. It is proposed that COSLA staff continue to gather data and feedback from member authorities on how Universal Credit is impacting in local authorities as the rollout proceeds. We will seek more detail from DWP of improvements in processes which are planned. We also further propose to provide opportunities to share experiences and engage between local authorities and with DWP. To this end we organised a local authority seminar on 26 August attended by 80 council officers representing 30 Scottish local authorities. On 31 October, we are jointly hosting a workshop with DWP for all Scottish councils where the full UC service will commence before the end of 2017.
13. Members of the Board may wish to consider or recommend further lobbying COSLA could be engaged in, particularly in relation to what else could be considered on an

earlier first payment of Universal Credit e.g. writing to all Scottish MPs prior to the budget.

### **Summary and Recommendations**

14. This paper provides detail on recent COSLA activity on welfare reform, particularly the rollout of Universal Credit, and devolved social security.

The Board is invited to note and approve the contents of this report and consider further lobbying COSLA should engage in on the delivery of Universal Credit.

**November 2017**