

## Universal Support

### **Summary and Recommendations**

This report provides an update to the Community Well Being Board on COSLA actions following the recent UK Government announcements on the provision of Universal Support to claimants of Universal Credit. Leaders approved this report at their meeting on 26 October and the Board is asked to consider on going actions in the light of the discussion at Leaders. The report has been updated from that which went to Leaders to take account to include Universal Credit changes announced in the budget.

This paper invites the Board to:

- i. Note the actions taken to date by COSLA in response to the recent DWP announcement on the provision of Universal Support and;
- ii. Note the direction of travel as approved by Leaders and outlined in paras. 19 to 21 of the report.
- iii. Advise on particular implications for local areas and consider any further actions that the Board wishes officers to take in this area.

### **References**

- COSLA Leaders 26/10/18 – Universal Support
- CWB Board 22/6/18 – Universal Credit Update

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**November 2018**

## Universal Support

### **Purpose**

1. This report provides an update to the Community Well Being Board on COSLA actions following the recent UK Government announcements on the provision of Universal Support to claimants of Universal Credit. A version of this report was considered by Council Leaders at their meeting on 26 October. The Board is asked to consider on going actions in the light of the contributions of Leaders’.

### **Current COSLA Position**

2. Members of the Board will be aware that COSLA has sought to engage closely with the Department for Work and Pensions (DWP) to highlight potential impacts, modify the Department for Work and Pensions’ planning and to smooth impacts on individuals and local authorities of the introduction of Universal Credit. As part of this approach, local authorities have been providing Universal Support to assist those claiming Universal Credit in their areas.
3. ‘Universal Support’ is a programme whereby local authorities have been funded by the DWP to provide support for residents in making and maintaining a claim to Universal Credit. All Scottish local authorities signed up to deliver this support for 2018/2019. It consists of two main strands – ‘Assisted Digital Support’ and ‘Personal Budgeting Support’. The total funding pot from DWP to Local government across Great Britain provided this year is £17m. Some local authorities directly employ staff to provide the support while others commission third sector organisations to deliver it.

### **What is Changing**

4. Esther McVey, Secretary of State for Work and Pensions announced on 1 October 2018 that from April 2019, Universal Support would be delivered through £39m being made available to Citizens Advice. In parallel with this announcement COSLA received a letter from Neil Couling, Director General at the DWP responsible for the Universal Credit Programme. Similar letters were also sent to all local authority chief executives to indicate that funding will not be provided to local authorities from 1 April 2019 to provide the Universal Support service.
5. DWP had been undertaking a review of Universal Support which at this stage had not concluded with any clear or robust evaluation. From a local authority perspective, there has been an ongoing issue regarding the narrowness of the Universal Support offering and the ability to integrate with other support needed by claimants and the funding of these arrangements. DWP had raised understandable concerns about the levels of Universal Support take-up and referrals in some places. In COSLA’s view, however, this often reflected the impact of restrictions placed on delivery, rather than a lack of need for locally tailored support. These restrictions included only 50% up-front funding and funding which was narrowly-prescribed.
6. Despite this, there is clear evidence that the need exists amongst claimants. One of the reasons for limited take up has been that the Universal Support offer is very limited and is not able to meet the diverse need of claimants. Combined with the DWP’s poor track record of identifying potential vulnerability and claimant need and in making referrals,

this has meant those claimants in need of support aren't necessarily receiving it as effectively as they should. Local authority concerns were echoed in the National Audit Office's report on Universal Credit and it is not clear how these will be addressed by the decision to transfer delivery from Local Authorities to Citizens Advice

### **COSLA Position**

7. In response to the announcement which was taken without any prior engagement with COSLA or the other local authority associations, COSLA's Community Well Being Spokesperson, Cllr. Elena Whitham, wrote immediately to Esther McVey, Secretary of State and COSLA's Chief Executive, Sally Loudon wrote to Neil Couling, Director General, Universal Credit.
8. COSLA's responses emphasised that these new arrangements appear short-sighted given the critical stage with Universal Credit rollout, the relative newness of support arrangements and a lack of a robust evaluation of its effectiveness. COSLA also said that the decision puts in jeopardy the hard-won trusted partnership that has been achieved nationally in Scotland and in our local areas.
9. The point was made that Scottish local authorities work strategically with key partners in their areas to best support their residents and communities. Those key partners typically include the independent citizens advice bureaux, the core funding for whom most often comes from the local authority. Personal Budgeting Support and Assisted Digital Support are planned together with local DWP managers and delivered by local authorities and their partners depending who is best placed to offer that support.
10. In putting together our response, COSLA consulted both with the other local authority associations and with a number of our member authorities. Particular concerns highlighted included the lack of presence of citizens advice bureaux in some areas and the difficulties in covering rural populations.
11. No response has yet been received from the Secretary of State, but COSLA has received a disappointing response from Neil Couling. While this response continued to assure that local authorities are vital partners for DWP, it provided inadequate rationale for the lack of prior engagement. It did not acknowledge the DWP responsibility for poor design of Universal Support or how deficiencies will be addressed in new arrangements.
12. Many local authorities have invested in support considerably beyond what DWP funding provided for to support claimants in the rollout of Universal Credit. COSLA officers are continuing to engage with councils about the practical consequences of this withdrawal of funding from next year and we will also engage with Citizens Advice Scotland on how they plan to deliver support. Early discussion with Citizens Advice Scotland indicate that they had sought DWP funding to support their services in the wake of Universal Credit and had not sought to supplant local authority services.

### **Wider context of Universal Credit delivery**

13. DWP has now accelerated Universal Credit Full Service to cover all areas of Scotland and the UK by December. The issues with delivery are by now familiar. While DWP has made some changes and improvements to delivery arrangements, there remain problems of hardship, debt and rent arrears associated with the long wait for the first payment, which, even if it is on time, is at least five weeks. COSLA has previously gathered data from early authorities on costs and issues and will be refreshing this in coming months.
14. We intend to seek data from the 13 local authorities who have been 6 months into the full service from April 2018 and will raise these costs and issues further with DWP. To

date, much of our data has focussed on rental impacts, administrative burdens and costs and extra demand on welfare payments. However, it is important to note that many councils invest in a variety of supports and services well beyond any money DWP ever provided which they have maintained and often increased in the wake of welfare reforms and UC and we want to gather fuller information on this (although it cannot all be said to UC specific).

15. There are currently around 1.2m Universal Credit claimants across Britain. This is expected to reach around 2m early in the new year. Press coverage indicates that DWP has decided to pause the plans for Managed Migration to Universal Credit of those on legacy benefits from next year. In reality, it is COSLA's understanding that DWP was never in any position to move forward with these plans to any scale in 2019. There has been a very large response to the consultation on these plans by the Social Security Advisory Committee and regulations have yet to be laid in parliament. In COSLA's response, we particularly highlighted the risk to vulnerable claimants who are expected to make their own claims for Universal Credit rather than be migrated directly by DWP. The full consultation response is available at <http://www.cosla.gov.uk/cosla-managed-migration-consultation-response-ssac>.
16. DWP is now characterising 2019 as a year of consolidation. COSLA expects that up to about 10,000 claimants currently on legacy benefits will be 'managed migrated' to Universal Credit next year as part of a pilot approach. However, it is important to bear in mind that the number of claimants will grow throughout 2019 from new claims to Universal Credit throughout the UK. DWP anticipates around 3m claimants by the end of 2019, which will include around 500,000 previously on legacy benefits who will 'naturally' migrate to Universal Credit due to some change in their circumstances. These people will not be entitled to any transitional protection where they stand to lose financially as a consequence.
17. Certain groups lose significantly once they come onto Universal Credit, in comparison with what they received on legacy benefits. These include lone parents, primarily because UC is less generous than tax credits, some people with disabilities who stand to lose severe or enhanced disability premiums and self-employed people because of the application of the minimum income floor.
18. These issues are partly down to the original design of Universal Credit and partly down to changes announced in the 2015 Spending Review which were reversed for tax credits but not for Universal Credit. Some claimants will gain from UC, although the Resolution Foundation concluded that Universal Credit is now generally less generous with weaker work incentives than originally designed.
19. The Chancellor announced further measures to support Universal Credit in the Budget on 29 October. Current Work Allowances (for those with children or classed as sick) will be increased by £1,000 per year (that's around £83 per month) from April 2019, costing £1.7 billion by 2023/2024. This will strengthen work incentives but there has been no change to the 2 child limit nor announcements on the benefits freeze.
20. Disappointingly, further measures to smooth the wait for the first payment of Universal Credit by an additional 2 weeks of support from income related elements of Jobseeker's Allowance and Employment and Support Allowance and Income Support will not come into effect until July 2020 so for many the issues arising for the long wait for their first payment will remain for some time.

## **Summary and Next Steps**

21. It is clear that many issues remain in the delivery of Universal Credit and it remains COSLA's view that local authorities are vital strategic partners for DWP to support claimants going forward. We are deeply unhappy with the way we are being treated. Local Government is not just another stakeholder, we are a key strategic partner
22. COSLA will continue to make the point strongly to DWP going forward that they need to work closely with Local Government, particularly in the next critical phase around Managed Migration and that they need to fund local authorities fully for the role we play.
23. COSLA will also continue to engage closely with member authorities about the practical consequences in their areas. We have opened discussions with CAS and are seeking a meeting with DWP Scotland with a view to developing an overall Scottish framework to support discussion that must take place locally to deliver these services effectively and in a way which aligns with locally planned and delivered supports and services in local authorities throughout Scotland

**November 2018**