# COMMUNITY SCRUTINY COMMITTEE

# DATE: 19TH NOVEMBER, 2019

## SUBJECT:
## UNIVERSAL CREDIT FULL SERVICE UPDATE FOR CARMARTHENSHIRE

**To consider and comment on the following issues:**

- **That the update and support provided be noted.**

**Reasons:**

**To provide an update on the effect of Universal Credit on Council tenancies, alongside support provision available to Carmarthenshire residents moving onto Universal Credit in the County.**

**To be referred to the Executive Board / Council for decision: NO**

**EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-**

**Cllr Cefin Campbell (Communities & Rural Affairs)**

**Cllr Linda Evans (Housing Portfolio Holder)**

**Cllr. David Jenkins (Resources Portfolio Holder)**

| **Directorate** | **Designations:** | **Tel Nos.** |
|---|---|---|
| Communities | | **01267 224659 / 01267 228960** |
| **Name of Head of Service:** | | |
| Jonathan Morgan | Head of Homes & Safer Communities | |
| Helen Pugh | Head of Revenues & Financial Compliance | **E Mail Addresses:** |
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| **Report Author:** | | HLPugh@carmarthenshire.gov.uk |
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# EXECUTIVE SUMMARY
# COMMUNITY SCRUTINY COMMITTEE
# 19TH NOVEMBER, 2019

## UNIVERSAL CREDIT

## POSITION STATEMENT FOR HOMES AND SAFER COMMUNITIES AND SUPPORT PROVISION PROVIDED BY THE COUNCIL SERVICES

With effect from 12th December 2018 Carmarthenshire became a Full Service Area for Universal Credit. Anyone making a new claim for one of the effected legacy benefits will now be required to claim Universal Credit.

Universal Credit contains a Housing Cost Element that replaces Housing Benefit. This is paid directly to the tenant, who is then responsible for paying their rent.

Universal Credit is paid monthly in arrears.

As at week commencing 30th of September 2019, there were 957 council tenancies on Universal Credit. This number is in line with predicted cases.

With this amount of tenants on Universal Credit, rent arrears have not increased as significantly as expected. This is due largely to having a robust plan in place with early intervention and support being key.

Currently tenants will move onto Universal Credit if they need to make a new claim to one of the effected benefits.

Managed migration will be the next stage of roll out for Universal Credit.

As yet, the Department of Works and Pension have not issued any information on how this will be carried out.

This report provides an overview of the current position within Homes and Safer Communities. It also outlines the package of support and advice provided by Council Services to help those affected with a view of minimising the financial impact and to help, where appropriate, people back into employment. This includes:

- Support for Council Tenants;
- Support for Housing Benefit Claimants;
- Support for Veterans
- Signposting to support through Yr Hwb'

| | |
|---|---|
| **Detailed Report Attached:** | **Yes**<br>**Appendix 1 – Supporting Welsh Government**<br>**Appendix 2 – Universal Credit Leaflet** |

# IMPLICATIONS

**I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :**

**Signed:** **Jonathan Morgan, Head of Homes and Safer Communities**
**Helen Pugh, Head of Revenues and Financial Compliance**

| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
|---|---|---|---|---|---|---|
| **YES** | **NONE** | **YES** | **YES** | **YES** | **YES** | **NONE** |

**1.Policy, Crime & Disorder and Equalities**

UC is a UK Government led programme introduced as part of the Welfare Reform Act 2012. The programme is being introduced in stages across Britain.

**3.Finance**

It is expected that rent arrears will rise in the short to medium term based on the experience of other social housing landlords. We will however be offering tailored advice and support to our most vulnerable tenants in order to navigate them through the process. Arrears have not increased in line with predictions and currently we appear to be bucking the trends in relation to UC rent accounts.

Provision for bad debt for 2019/20 currently stands at £494K. While we expect the impact of Universal Credit may influence this, we do not envisage any increase in this provision for the next 12-18 months.

**4.ICT**

The UC programme requires that applications are completed online. Assisted Digital Support is provided by CAB. The Council's Libraries and Yr Hwb provide access to IT equipment and free WIFI.

**5.Risk Management Issues**

2,756 of our tenants currently claim Housing Benefit and they are likely to all transfer to UC by 2023. UC could potentially effect a further 1570 tenants below pensionable age not in receipt of Housing Benefit. Currently 957 tenancies are already in receipt of Universal Credit, with half of these cases coming from tenants not in receipt of Housing Benefit. It is expected that rent arrears will rise in the short to medium term based on the experience of other social housing landlords there are robust plans to mitigate the impact.

**6.Staffing Implications**

We have completed the re-alignment of the Homes and Safer Communities Division where we reviewed our capacity to provide additional support to those affected. As part of that re-alignment we have created a dedicated Tenancy Support Team which will assist in providing the focus required.

Through additional funding provided by Welsh Government we have employed two new members of staff. In addition, new funding will provide three specialist welfare benefit and debt advisors via a 3rd sector partner.

## CONSULTATIONS

**I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below**

**Signed: Jonathan Morgan, Acting Head of Homes & Safer Communities**

**Helen Pugh, Head of Revenues & Financial Compliance**

**1.Local Member(s)**

All members have been invited to take part in numerous seminars relating to UC rollout.

**2.Community / Town Council**

The Council has supported circulation of information to all Carmarthenshire Town & Community Councils about the programme and officers from Department for Work & Pensions (DWP) attended the Liaison Forum on the 8 November 2018.

**3.Relevant Partners**

On-going discussions with Department for Work & Pensions and third sector support services.

**4.Staff Side Representatives and other Organisations**

N/A

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**THERE ARE NONE**