

Benefits Bulletin

Universal Credit **13.12.2017** Full Service...

14th July 2017

Issue **9**

Background...

Universal Credit is a new benefit designed to simplify the benefit system and 'make work pay'. When fully rolled out it will replace the following means-tested benefits and tax credits (the so called, 'legacy benefits') available to people of 'working age':

- Income-based JSA
- Income-related ESA
- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit

Universal Credit is, like the benefits and tax credits it is replacing, designed to provide assistance towards the cost of day-to-day living and rent/mortgage costs for people who are unemployed, too sick to work, carers and people who are in part-time or 'low paid' employment. Universal Credit has been introduced across the country in stages by postcode area and under so called 'gateway' rules. This has meant that people living in Wolverhampton could not apply for Universal Credit until Universal Credit went '**live**' in the City on 8th February 2016.

However, even at this point, under the 'gateway' rules only a small group of people could claim - essentially single unemployed people who were fit for work. Anyone who was a member of a couple or who had children could not claim. Instead, they have been expected to rely on claiming a 'legacy benefit' - the means-tested benefits/tax credits Universal Credit is set to ultimately replace. The next phase of the roll out of Universal Credit, so called, '**full service**' will now follow. This Bulletin provides information on what we understand is going to happen under 'full service' in Wolverhampton.

Full Service...



Universal Credit 'full service' is due to be launched in Wolverhampton from 13th December 2017.

This means that from this date single people, couples and families (other than families with three or more children - see note below) living in Wolverhampton will be able to apply for Universal Credit.

Note: Even when Wolverhampton becomes a Universal Credit 'full service' area Universal Credit will not be available to families with three or more children until at least 1st November 2018. These families must instead claim the means-tested benefits/tax credit that Universal Credit replaces. This is all because of the 'two child rule'. Under this rule since 6th April 2017 families with three or more children have not been able to claim a personal allowance for a child born on or after 6.4.2017 unless the child may be considered to be an exempt child because the child was born as part of a multiple birth, or the child was adopted or conceived as a result of rape or coercion. Do seek further information and advice as necessary.

Applying for Universal Credit under Full Service rules...

Under Universal Credit 'full service' people will be expected to apply online.

www.gov.uk/apply-universal-credit

If a person is unable to apply online (e.g. because they do not have internet access or lack the required IT skills) then they can contact the Universal Credit Service Centre (Telephone: 0345 600 0723) whereby they will usually be sign posted to a local organisation which may be able to help them.



In exceptional cases a home visit by a DWP Visiting Officer can be arranged and they will assist the person to make a claim from their home.



Under Universal Credit 'full service' in order to apply a person will need:

- an email address
- a bank, building society or credit union account

They will also need evidence to prove their identity and the identity of their partner and any children they have. This may be done using a passport, driving licence and/or a birth certificate.



It is understood that the online claim should take approximately 20 minutes for a single person to complete and 60 minutes in the case of a couple.

Once a person has applied for Universal Credit they will have seven days to contact the Universal Credit Service Centre (Telephone: 0345 600 0725) to arrange a meeting with a Work Coach to sign-up to the 'claimant commitment' and evidence the particulars of their claim.

In the case of joint claims both members of the couple must attend the meeting. Failure to arrange a meeting with a Work Coach within seven days would result in the application for Universal Credit being cancelled.

The Account...

As part of the Universal Credit 'full service' requirement each claimant will have to create a Universal Credit online account (also known as the 'claimant's journal') before the actual application for Universal Credit. Once an account has been created the person has 28 days to actually apply for Universal Credit. Each account will require a username and password. In the case of couples, each member of the couple will need to have their own username and password.



People will no longer get letters from the DWP about their benefit entitlement and responsibilities. Instead people will get emails or text messages. It is up to them to indicate the preferred method of contact when making the application for Universal Credit.

The online account will enable people to keep a check on the progress of their claim and get details of when they will get paid. It will contain details of people's Universal Credit award - how much Universal Credit they are entitled to.

People will be expected to use the account to liaise with their Work Coach and show their attempts to find work. They will use their account to report any changes in personal and financial circumstance.

Payment...

Nothing will change in the way Universal Credit will be paid in the future. It will still be paid monthly in arrears with nothing being awarded for the first week (seven day 'waiting period') in the case of most claims. In practice, because of the way the system operates administratively most people will be left waiting up to 6 weeks before they will get their first payment.



If the delayed payment is likely to cause financial hardship, then a person may apply for a Universal Credit ('short-term advance') loan. Any 'short-term advance' will need to be repaid from any future payments of Universal Credit. A person can ask for a 'short-term advance' at their local Jobcentre Plus office.

Young People and housing costs...

Under Universal Credit 'full service' young single claimants aged 18 to 21 will not be eligible to claim help towards their rent. This rule will not apply to all young people. For example, it will not apply to those with children, care leavers and those who get PIP for their daily living or DLA middle or higher rate care component.

It will also not apply to young people who have been threatened with or are the victim of domestic violence, and young people who are unable to live at home due to a risk to their physical or mental health.



This rule will also not apply to young people who are working and whose earnings are equivalent to the amount they would be paid for 16 hours work at the level of the national minimum wage for a person of their age.

People from Abroad...

The benefit system presently has numerous rules and provisions excluding people from abroad from being able to access benefit entitlements.



In so far as people from outside of the EEA are concerned, it is not possible for nationals from outside of the EEA (i.e. non-EEA nationals) to claim Social Security benefits/tax credits (including Universal Credit) if they are a Person Subject to Immigration Control. That is to say that they do not have permission to lawfully remain in the UK.

Those who are EEA nationals may claim benefits but only if they can establish a 'right to reside' in the UK because they are, for example, a worker or self-employed person. EEA nationals who have been here as 'work seekers' have been able to claim Jobseeker's Allowance for a limited period. However, Universal Credit does not recognise EEA nationals who are 'work seekers' as having a 'right to reside'. In consequence, there is no provision for an EEA national to claim Universal Credit where their only right to reside in the UK is as a 'work seeker'.

Migration...

When Universal Credit 'full service' comes to Wolverhampton:

Existing Universal Credit Live Claimants:

People who are presently getting Universal Credit under Universal Credit 'live' will be migrated on to Universal Credit 'full service'. As part of this they will be expected to create a Universal Credit account (see above) and arrange to see their Work Coach and verify their identity. This is to ensure that the most up-to-date evidence is held for the person.



Existing Legacy Benefit Claimants:

Those who are presently receiving legacy benefits will be expected to move on to Universal Credit 'full service' upon a relevant change of circumstance. For example, when they move from in-work benefits to out-of-work benefits (or vice versa).

A person/couple would be expected to claim Universal Credit if they have a first child and they do not already get tax credits. In the case of couples, they would be expected to claim Universal Credit if they separate from a partner. A lone parent getting Income Support would be expected to move to Universal Credit when their youngest child reaches the age of 5.



It will be for Universal Credit (DWP) to advise Her Majesty's Revenue and Customs (HMRC) and Housing Benefit/Council Tax Reduction that a person has made a new claim for Universal Credit and that any existing claims to means-tested benefits/tax credits should cease.

People who are presently getting a legacy benefit who do not trigger migration on to Universal Credit 'full service' because there has been no relevant change in their situation will eventually be migrated across at some point in the future.



Challenges...

Universal Credit 'full service' will clearly present many difficulties for people living in Wolverhampton. Many of the challenges will be similar in nature to those faced by people presently claiming or seeking to claim Universal Credit under the Universal Credit 'live' system. The big difference is that the problems will now be faced by much greater numbers of people and couples and families with children.



The types of challenges people face include:

- accessing the internet
- having the skills to make a digital online claim
- being able to verify their identity, the identity of their partner and the identity of their children
- being able to verify their rent and landlord details
- being able to budget until their first Universal Credit payday
- being able to budget beyond the first payday where the amount of Universal Credit paid is substantially reduced to repay historic advances of Universal Credit and/or other loans and direct debits for rent and/or council tax arrears, fuel arrears and consumption payments
- being able to budget so as the money intended to be used to meet any rent liability will be paid to the landlord

- obtaining personal budgeting support to obtain budgeting 'good practice' and explore ways to save money on fuel and shopping bills
- needing assistance to apply for 'Alternative Payment Arrangements' - resulting in payments of Universal Credit being made fortnightly/weekly or being split between couples
- needing assistance to apply for 'Managed Payments' - ensuring rent payments are made direct to a landlord to avoid rent arrears and the risk of eviction
- getting information that separate claims must be made for Council Tax Reduction thus avoiding the risk of high level council tax arrears
- understanding the rules and conditionality surrounding the 'claimant commitment' which for most claimants will involve a combination of attending 'work-focused interviews', undertaking 'work preparation' activities and demonstrating active job search undertakings - some groups of people will be expected to look for work 35 hours per week, if someone works part-time they will be expected to look for additional work and increase their earnings
- in the case of young single people getting help to avoid rent arrears and homelessness
- in the case of EEA nationals being present in the UK and not being able to claim benefit for day-to-day living whilst looking for work.

There will be a need for clear information on the expectations of the 'claimant commitment' so people will know what can be expected of them as a condition of their claim and the penalties for failing to do so. Those who do not adhere to the requirements of their 'claimant commitment' will face sanctions under which payments of Universal Credit may be reduced or removed altogether for between 28 days and three years depending on the nature of offence and whether it is their first, second or third offence. There will be a need for information and support on challenging and appealing sanction decisions.

People will also need to be made aware of 'hardship payments' (Universal Credit loans, which must be repaid, that are designed to provide financial support during times when no or reduced Universal Credit is paid due to a sanction) and provided with support in making application for 'hardship payments'.



There will be greater pressures placed on services such as food banks and soup kitchens. It is likely that more couples and families will be dependent on these types of services.

More info...

The following link may be used to obtain more information about how people may apply for Universal Credit and what is involved in both making and maintaining a claim.

www.youtube.com/watch?v=4WgJU8Y_bQg

The arrival of Universal Credit in Wolverhampton has meant big changes to the way 'working age' people claim and receive benefit both now and in the future. The following link may be used to access the Universal Credit Hub created by organisations in Wolverhampton to help people understand the changes and access support to avoid getting into financial difficulty.

www.universalcreditwolverhampton.co.uk/

**Welfare Rights Service
Specialist Support Team
City of Wolverhampton Council
A&C.WRS@wolverhampton.gov.uk**