

Universal Credit in Sheffield – Briefing Note February 2019¹

This is the third briefing on Universal Credit (UC) in Sheffield – it includes information about the latest announcements from Government, the work that has been done to prepare for Universal Credit in Sheffield and its initial impacts.

Summary

- 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.
- 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.
- UC ‘Full Service’ rolled out in Sheffield from November 2018. New claims for the benefits above now require an application instead for UC and some claimants of legacy benefits who have a change of circumstances must also claim UC. This is called ‘natural migration’. Further information about Universal Credit can be found at www.sheffield.gov.uk/universalcredit and www.understandinguniversalcredit.gov.uk.
- Despite media reports of Universal Credit delays, **the only part of roll-out that has been put back is ‘managed migration’**: the process the DWP will use to bring current awards of legacy benefits to an end and require people to claim UC. There had been no start date for this managed migration in Sheffield anyway and we expect the process of ‘natural migration’ (new claims and changes of circumstance) to continue for the foreseeable future in Sheffield.
- If people move onto UC through natural migration they do not get transitional protection (which ensures they are not worse off financially when they move over). **Waiting for managed migration may be right for some people who could apply for UC now or remain on legacy benefits for longer** – this does not however apply to all.
- The Government recently announced that the ‘two-child limit’ for tax credits and Universal Credit will not apply to children born before April 2017. This was a welcome development, **but the two child limit will continue to apply to those born after April 2017**, meaning that the announcement makes no difference to the long-run generosity of the benefit system.

¹ This briefing note is based on our understanding of Universal Credit at 6 February 2019. 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.

- In Sheffield, Council staff are in job centres providing DWP-funded support to UC claimants. **The Government announced in October 2018 that Universal Support (the name given to the new support arrangements) would be delivered by Citizens Advice** from April 2019, rather than by local authorities. The Council, DWP and Citizens Advice are working closely together in Sheffield to manage the transition to the new service.
- Other recent Government changes: people who receive the Severe Disability Premium are now no longer able to apply for UC and must remain on legacy benefits; and from February 2019 families with three or more children will be able to apply for UC.
- 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 around UC²:
 - Communications: Universal Credit Information Sheet and website have been developed www.sheffield.gov.uk/universalcredit which set out key aspects of UC and where people can get help in Sheffield.
 - UC awareness sessions have been delivered to partner organisations by Sheffield's DWP Partnership Manager and by Citizens Advice Sheffield.
 - Community groups and public services are working closely together in localities to bring together support for people on UC and to provide information on UC.
 - Comprehensive signposting information about locality-based support is currently being compiled and will be available soon for staff in libraries, housing offices, job centres, GP receptions, community hubs and other services to help ensure that people are directed to the best support for them.
- It is still quite early to understand the impact of UC in Sheffield. Anecdotal evidence suggests people and services are largely coping so far, although issues have been reported with the (nationally-run) DWP UC helpline where some people seeking the non-digital UC pathway due to vulnerability have been met with resistance, and some people have had a long wait for job centre appointments in order to check their identity (before which they are not able to apply for an advance on their UC).
- Evidence from elsewhere in the country suggests that the impacts of UC are not felt until 6 months after initial roll-out.
- The UC Partnership is starting to track the impact of UC on people and organisations via data from partners. It is also planning to focus over the next few months on the experiences of people from particular communities or with particular circumstances to better influence solutions.

² 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.

Latest Government announcements and what they mean for Sheffield

I've heard Universal Credit isn't being rolled out anymore, is this true?

There have been quite a few reports of a delay to Universal Credit roll-out over the last few months, giving the impression that the whole UC process has been halted. However, this is not the case. UC has been rolling out across the country for new claims and for claimants of legacy benefits who have a change of circumstances (known as 'natural migration') for some time. Sheffield was one of the last places to see this roll-out.

The part of roll-out that has been delayed is 'managed migration': the process the DWP will use to bring current awards of legacy benefits to an end and require people to claim UC. MPs were due to vote in early January 2019 on whether to start managed migration to UC; however this has been deferred and they will now vote on transferring just 10,000 people from July 2019 as a pilot.

There had been no start date for managed migration anyway in Sheffield. We expect the process of natural migration (new claims and changes of circumstance) will continue for the foreseeable future in Sheffield. The government still expect to finish moving people to UC by 2023 but the latest delays may have an impact on this end date.

Does it matter whether people move to UC through 'natural' or 'managed' migration?

Yes, it makes a big difference because the Government have indicated that people moving to UC through managed migration should get transitional protection, which ensures they are not worse off financially when they move over. If people move onto UC through natural migration they are not protected in this way and they are not allowed to go back onto legacy benefits even if it was a mistake to make the UC claim. As a result, waiting for managed migration may be right for *some* people whose circumstances mean that they could apply for UC now *or* remain on legacy benefits for longer – this does not however apply to everyone. People who receive 'Severe Disability Premium' have been particularly affected by this and have experienced a substantial reduction in level of benefit if they have moved to UC through natural migration. However, the rules have just been changed to deal with this (see below for details).

Natural migration happens when a fresh claim for means-tested benefits is needed. *Some* changes of circumstance leave no option but to claim UC, but for some changes of circumstances people may be able to make the choice to remain on legacy benefits and just notify changes to get them adjusted.

How can I check whether someone might get more money on Universal Credit than their legacy benefits?

There are some good on-line benefits calculators that you can use to check this, including www.entitledto.co.uk or www.turn2us.org.uk. It is worth remembering that it is not just about the money: UC needs to be managed online, the claimant responsibilities may be different from legacy benefits and UC is paid differently.

Limited changes to the two-child limit

The Government recently announced that the ‘two-child limit’ for tax credits and UC will not apply to children born before April 2017. This was a welcome development, but the two child limit will continue to apply to those born after April 2017.

The two-child limit, first announced at Summer Budget 2015, means that the child element of tax credits and UC is limited to the first two children in a family (with a small number of exceptions), and so families do not see any increase in entitlement for third and subsequent children³.

The first part of the policy came into effect from April 2017 and applied only to children born after that date. The original plan was, starting February 2019, to apply the two-child limit to any new claimant of means tested benefits, regardless of when their children were born. Under the recent policy change, however, the two-child limit will continue to apply only to children born after April 2017, which aligns UC with Housing Benefit and Tax Credits. This addresses the issue of ‘retrospection’ that some had objected to – it will no longer be the case that those who had decided to have three or more children before the policy was announced will be affected (apart from in respect to any children they have had since).

However, the announcement makes no difference to the long-run generosity of the benefit system. Eventually all children will be born after April 2017, and so the two-child limit will apply to all families with more than two children⁴.

Support to apply for Universal Credit to be delivered by Citizens Advice

When UC was first rolled out, the DWP decided to fund local authorities to provide support to people to apply for and manage UC. This support took the form of help with the UC digital platform (‘assisted digital support’) and help with budgeting to manage the different

³ It should be noted that this limit does not apply to child benefit. This is currently worth £1,079 per year for the first child and £714 for each subsequent child and, subject to its own different form of means test, continues to be available for all children.

⁴ The Institute for Fiscal Studies have a good article on this: www.ifs.org.uk/publications/13804

kind of payment system of UC ('personal budgeting support'). Anecdotally it seems that the success of this approach across the country was patchy, with some areas seeing very little extra support for claimants.

In Sheffield, Council staff have been located in job centres for some time providing support to UC claimants.

The Government announced in October 2018 that Universal Support (the name given to the new support arrangements) would be delivered across England and Wales by Citizens Advice from April 2019, rather than by local authorities. As a result, the Council, DWP and Citizens Advice are working closely together in Sheffield to manage the transition to the new service.

The service that Citizens Advice will provide in Sheffield will not be the equivalent of that provided by the Council, which has been almost exclusively face-to-face support in job centres. The Citizens Advice service will include national web-based support and a telephone helpline (with local calls generally being answered locally) as well as face-to-face support expected to be delivered in existing Citizens Advice locations across the city, as well as potentially in job centres. They are currently testing the Universal Support 'Help to Claim' service in various locations. A job centre has been in Phase 1 of the pilot. Once they have evaluated Phase 2 they will confirm locations.

A significant difference in the Government's agreement with Citizens Advice is that support is only funded up to the first UC payment. In other words, this is support *to apply for* UC. Previously, the Government was funding the Council to support a claimant at any point of their UC journey, including help with ongoing management of UC (which can be a significant challenge for those who struggle digitally). The DWP, Citizens Advice and Council are working together locally to understand the implications of this and to find ways to reduce the negative impacts of this change.

Severe Disability Premium

As mentioned above, claimants who have an entitlement to the Severe Disability Premium in their legacy benefit have had a substantial reduction in benefit when moving to UC. Recent rule changes have recognised this and now **people who have the Severe Disability Premium are now no longer able to apply for UC and must remain on legacy benefits**⁵. We also understand that the DWP will contact claimants who have moved to UC already and lost their premium although it is not yet clear what solution is going to be put in place for them. These changes help to protect those already receiving Severe Disability Premium,

⁵ This applies to people who have the Severe Disability Premium included in their award of legacy benefits, or who were entitled to it within four weeks of their claim for UC.

but do not address the fact that an equivalent payment to Severe Disability Premium does not exist in UC. Therefore new claimants who are severely disabled and would have been eligible for the premium under the legacy system will get significantly less money under the new UC system.

Families with three or more children now able to apply for UC

Until recently, families with three or more children have not been able to claim Universal Credit because the system did not have the right functionality. However, this changed from 1 February 2019 meaning that these families will be expected to apply for UC in the same way as smaller families⁶.

Why all these changes?

The Government has said it is committed to listening to the problems that have cropped up with UC. Citizens Advice and others continue to gather evidence and report what's happening on the ground. The courts have also upheld some legal challenges to UC. When this happens the Government has to develop new policy responses to any aspects that the Courts have ruled against. This means that there may well be more changes to come as more people across the country start claiming UC.

Universal Credit in Sheffield so far

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 UC⁷. It has structured preparations for UC through the following workstreams: data and intelligence; digital infrastructure; support, advice and protection; communication, engagement and training; eligibility for services; and working with localities.

Summary of preparation work and impacts so far:

- Communications: Universal Credit Information Sheet and website have been developed www.sheffield.gov.uk/universalcredit which set out key aspects of UC and where people can get help in Sheffield. These are available to all partners,

⁶ www.gov.uk/guidance/universal-credit-and-families-with-more-than-2-children-information-for-claimants

⁷ 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.

including those in the NHS, and are designed to ensure that those affected are able to access support as soon as possible.

- Training: over 30 awareness sessions have been carried out by Sheffield's DWP Partnership Manager with approximately 800 people from partner organisations, including those in health and social care. These awareness sessions continue to be available to ensure that all partners are able to access them. Citizens Advice Sheffield has also delivered awareness sessions for partners. Different organisations will be accessing relevant training according to their needs.
- Support and Advice: DWP-funded support, delivered by Council staff, is available in job centres to help anyone who is struggling to claim for or manage UC. Citizens Advice will deliver support from April (see above for further information). The DWP locally have circulated escalation charts with contact details for job centre staff so that partners supporting people on UC know who to contact if there is a problem.
- Community groups and public services in many parts of the city are working closely together to structure support for people on UC and to provide information on where to get help.
- Comprehensive signposting information about locality-based support is currently being compiled and will be available soon. This can be used by staff in libraries, housing offices, job centres, GP receptions, community hubs and other services to help ensure that people are directed to the best place for them. This will include information about online access, digital skills support, help to apply for UC, guidance/information about UC, food banks and job clubs.
- Work is being carried out to better understand issues with digital inclusion in the city, particularly relating to UC. This will help us find solutions to help more people get online and feel confident online over the next few years.
- A summit is being held on 28 February 2019 as part of People.SHF⁸, bringing people with frontline and policy experience of UC together with those with digital expertise aiming to reduce some of the barriers UC claimants face in the city. To inform this work, an online survey is being used to help build a map of the current 'user journey' by gathering the experiences of people who have applied for UC since November 2018.
- It is still quite early to understand the impact of UC in Sheffield:
 - Anecdotally we believe that people and services are largely coping so far. However, evidence from elsewhere in the country suggests that the impacts of UC are not felt until 6 months after initial roll-out.
 - Some issues have been reported with the (nationally-run) DWP UC helpline: there have been instances where people seeking the non-digital UC pathway

⁸ <http://wearedotshf.org.uk/>

due to vulnerability have been met with resistance, which has forced them to apply online even if they do not have the means to continue managing their account online. Local DWP managers are working to address this, as well as a related issue that there is currently no pathway back out of the digital service for people who aren't able to cope with it due to vulnerability.

- There have been reports of people having a long wait for job centre appointments in order to check their identity (before which they are not able to apply for an advance on their UC). DWP managers are aware of this and seeking to bring the waiting times down.
- The UC Partnership is starting to track the impact of UC on people and organisations via data from partners. It is also planning to focus over the next few months on the experiences of people from particular communities or with particular circumstances to better influence solutions.

More information about 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 Benefit⁹ 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.sheffield.gov.uk/universalcredit and here: www.understandinguniversalcredit.gov.uk.

Universal Credit 'Full Service'¹⁰ started rolling out in Sheffield from November 2018. Most *new claims* for – or certain changes to – 'legacy' benefits, now 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 usually receive one monthly payment of UC, including an element for their housing costs. This means that the individual claimant is responsible for making sure they

⁹ There are a few exceptions where Housing Benefit will continue to be paid for working age claimants in 'specified' and 'temporary' accommodation.

¹⁰ '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 and everyone on it has now been transferred across to Full Service.

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 or to their landlord. Under UC, the default position is that the credit is paid directly to the tenant on a monthly basis, and they are then responsible for paying their rent to their landlord¹¹.

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).
- 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 Work 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.

¹¹ There are ways to pay the housing element of UC direct to landlords where appropriate through Alternative Payment Arrangements.

- 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 Work 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.

Further information

Previous briefings (February 2018 and July 2018) on Universal Credit in Sheffield can be found here <https://citizensadvicesheffield.org.uk/get-involved/about-us/our-impact-and-outcomes/report-list/>

An information sheet about UC in Sheffield is available to download from here: www.sheffield.gov.uk/universalcredit

Please email cat.arnold@sheffield.gov.uk if you would like to receive periodic updates on Universal Credit in Sheffield.