

Appendix 1. Universal Credit Briefing

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Universal Credit

- Universal Credit replaces six benefits - Child Tax Credits, housing benefit, Income Support, ESA, JSA and Work Tax Credits – with one to simplify the system and make work pay. As a result, people claiming Universal Credit move into work faster, stay in work longer and spend more time looking to increase their earnings.
- Universal Credit also provides more help with childcare costs, a dedicated Work Coach and scraps the 16-hour 'cliff edge'.
- Moving people to Universal Credit extends the benefits to legacy claimants. It's the next phase of Universal Credit in 2020-23 and will open up work, allowing people to increase their hours without the penalties they would normally be subject to with Tax Credits.
- The roll out of Universal Credit is now complete and is available in every Jobcentre across the country. By 2023, all existing legacy claimants will be moved to Universal Credit.

Acton & Ealing Jobcentre rolled out Universal Credit on 27th March 2018n – there are currently 10,240 claimants claiming UC in Ealing and 4940 claimants claiming in Acton. Ealing Borough has been identified as in the top 20 challenge areas following the Race Disparity Report as there is a 14.1% disparity between the white employment rate compared to the BAME employment rate.

More Tailored Support

Under UC, claimants are better supported with tailored support from their Work Coach. Unlike the old system, UC provides 'in and out of work' support and the Work Coach stays with the claimant throughout. DWP are investing up to £200m to provide budgeting advice and digital support to those who need it which will be delivered by Citizens Advice. This didn't exist under the legacy system and is yet another example of the extra support available under UC.

Over the last year the number of claimants and Jobcentres delivering Universal Credit Full Service has increased fivefold while the number of complaints from claimants have halved and are below levels seen in the legacy system. 83% of claimants are satisfied with the service and the majority agree that it 'financially motivates' them to work.

In Work Progression

Evidence demonstrates that UC supports in-work progression. It shows an increase in earnings for those in work and on UC - this equates to an average increase of £600 per year.

Test and Learn

Ministers and DWP senior officials meet and listen to feedback from stakeholders and claimants and have already made 1,500 changes to UC following feedback and ongoing monitoring. Changes to date include:

- Advance payments of up to 100 per cent, available on the same day if there is urgent need.
- Direct payments to landlords.
- 2 weeks' housing benefit run-on.
- Removing waiting days.
- Support for kinship carers.
- Changes to Universal Support.
- All 18 to 21 year olds who get Universal Credit can now get payments to help with their housing costs, subject to the normal qualifying conditions. Before 31 December 2018, people who were 18 to 21 years old were required to meet certain exception criteria to get help with these payments. This change will assure them that if they secure a tenancy they will be entitled to receive support in the normal way.
- From 24 July 2019, previous SDP recipients will be considered for backdated payments covering the time since they moved to UC.
- These claimants will also gain access to the ongoing monthly transitional payments reflecting the SDP they previously got.
- We have reviewed the rates of these payments to ensure the most vulnerable receive increased support – they will now receive payments of up to £405 per month, alongside their UC award - increased from the previous proposed maximum of £360.
- Following the High Court judgment on the SDP, these regulations also bring to an end in 2021, the barrier that currently prevents its recipients moving to UC through a change of circumstances:
 - until 2021, anyone currently receiving SDP, whose circumstances change, will continue to be held on legacy benefits (as they are now);
 - after 2021 the barrier will be removed - SDP claimants will be able to move onto UC, gaining access to the transitional payments available.

Moving to UC

DWP recently brought over 70 stakeholders together to discuss next steps for UC Managed Migration which started in July 2019

- On 22 July 2019 the Secretary of State laid the regulation to allow the department to run a pilot where up to 10,000 legacy benefit claimants in Harrogate jobcentre will be managed migrated to Universal Credit.
- The Managed Migration Pilot Regulations will provide essential support for claimants. They will ensure that:
 - additional protection is in place for claimants who we previously in receipt of SDP;
 - a two-week run-on of DWP legacy benefits will be in place from July 2020 to support claimants with the transition; and

- an additional Discretionary Hardship Payment is in place to provide financial support for claimants who appear to be in hardship as a consequence of managed migration.

Work Pays

Work is the most effective route out of poverty. DWP is committed to helping people find work through a wide-range of support, targeted to each individual's personal circumstances. Overall, DWP continue to spend more than £90bn a year on working age benefits to support individuals and families so that there is a strong safety net in place.

UC adjusts to an individual's earnings (unlike the previous system where people lost access to benefits once they worked over a certain number of hours). UC adjusts to an individual's earnings using a 'taper rate' to ensure more work always pays. It is predicted to increase the total number of hours worked by 113 million per year for those already in work.