

WELFARE REFORM BRIEFINGS: UNIVERSAL CREDIT SUPPORT FOR CLIENTS

PART 1 - WHAT UC IS TRYING TO ACHIEVE AND HOW IT WILL WORK IN PRACTISE

To achieve its **policy purposes** Government says UC needs to:

- Maximise the number of people claiming UC with an employment focus;
- Remove barriers to employment in the operation of the welfare system;
- Inform the delivery of services post 2013
- Move claimants towards self- service and automation and away from face to face delivery;
- Move claimants towards self-sufficiency and financial independence;
- Reduce administration costs; and
- Reduce fraud and error.

For **potential claimants** there are the following steps for claiming UC:

- Learning about UC (what it is, how it is different etc.)
- Creating a UC account
- Providing details for the claim
- Seeing likely payment amount
- Submitting claim
- Preparing for an interview
- Attending an initial interview
- Proving ID
- Signing a Claimant Commitment
- Receiving award notification and payment.

To **keep** a UC claim, a claimant will need to

- Budget monthly and pay rent;
- Demonstrate they are “actively seeking work” (if they are in a claimant group where they need to);
- Take up work;
- Seek to increase their earnings from work; and
- Update their details (for example if they start work).

CLIENTS WHO NEED SUPPORT WITH UC

The shared objective for DWP, LAs and other delivery partners is to effectively and efficiently move claimants to a position where they can independently use the standard UC service,

whilst ensuring that we have adequate services in place to support the minority of claimants who may need extended support.

There is a list of groups who may need support with UC in Appendix 1 of this document. However, the Government's approach is not based on "labelling" claimants but on being able to understand specific needs outside the standard claimant process, and on creating services to meet those needs. Belonging to a particular group is not necessarily an indication of need or level of need. The focus is on ensuring that DWP identify everyone that needs support, when they need it, and then providing that support.

Lord Freud recently estimated a figure of 3.5 million people who will need Budgeting Support of some type under UC. The DWP recognise that some claimants will continue to need support throughout their claim; the overall aim is to move towards a reduction in claimant volumes and demand for support over time.

A LOCALIST APPROACH TO SUPPORT

The aim is to produce joined up holistic local services with the claimant at the centre of delivery, especially for those with the most complex needs

Initially local authorities as DWP's key partners are being invited to take a lead in supporting claimants but the longer term vision is of a more open delivery model which, it is hoped, will involve a much community of local providers.

Local partners are best placed to:

- Help claimants with accessing and using the online gateway;
- Use their experience to help claimants with money advice;
- Offer flexibility – the need for support will change over time, so we need a flexible evolving solution;
- Tap into existing infrastructure to support claimants locally;
- Help local employment initiatives and DWP labour market support mesh together effectively; and

Local Delivery Partnerships for UC will agree who will deliver which specific support services to claimants and include these in a Delivery Partnership Agreement.

To this end:

- Local DWP and LAs should identify local partnerships already in place within their respective local areas. They will need to review membership and ensure DWP and LA representation.
- Local DWP and LAs, in collaboration with others, should ensure that these partnerships and forums can fulfil the requirements of UC delivery groups, by making sure that they have the requisite skills (for example specialist knowledge to be able to deal with claimants affected by drug addiction or homelessness); that they have the delivery capability to meet anticipated requirements; and that they are able to plan and

arrange delivery of local support services. In some circumstances it may be necessary to set up a new forum to act as a delivery group.

PART 2 – SERVICES AVAILABLE

WHAT SERVICES WILL BE NEEDED?

DWP state “The current system involves a large number of delivery and advice organisations working locally and nationally to support people in accessing and managing their benefits. Under UC much of the support activity aimed at helping people navigate the benefit system and understand their entitlements will no longer be required”

However, although it is anticipated some services will reduce, levels of support for homeless claimants is one area specifically identified as being expected to remain broadly similar

Precisely who gets funding to provide support services will be decided locally. To ensure service provision that is flexible and sensitive to local needs, and makes the best use of existing local capacity.

The broad criteria for the success of local services are:

- Constructing a service that claimants, agents and intermediaries view as easy to use, easy to understand and easy to access - giving them confidence in the system;
- Helping individuals, especially those who need extra support, to make and manage a claim
- Providing a joined up and holistic support service to claimants ensuring minimum hand-offs between different agencies;
- Substantially improving work incentives and the recognition that work pays
- Increasing the number of people in employment when compared to the equivalent point of the previous economic cycle

The ultimate aim is the ‘creation of a “single claimant journey” from dependency to self-sufficiency and work readiness, as far as is possible, behind which all service providers should be aligned’

DWP will aim to ensure that within the local support services:

- There is appropriate triage to any support needed throughout the process;
- Claimants are encouraged to become self-sufficient;
- Current staff are trained and developed to identify and look after claimants who may need additional help;
- Claimants with a mental health condition, learning need or memory problem can be easily identified throughout the process
- Claimants are helped to access the UC service through a channel that is appropriate for their needs, bearing in mind the goal of digital inclusion.

SPECIFIC TYPES OF SUPPORT

1) Payment Exceptions -Under UC local support will still be needed to identify potential exceptions but determining which claimants are eligible for a change from the normal payment rules, and processing the change, will be the responsibility of DWP.

Payment Exceptions – Support available:

A claimant can have more than one exception. However, they will be prioritised in the following order.

1. Payment of the housing costs element of a claim to a landlord (to safeguard a claimants home);
2. More frequent payments of UC to help with budgeting(bi-monthly for claimants who will struggle to manage a monthly payment)
3. The splitting of the personal allowance element of UC between two adult members of a household where there is financial abuse (only in certain specific circumstances such as financial mismanagement by one partner or domestic violence where the couple stay together)

The set of factors for payment exceptions are based on an assessment of the claimant's circumstances, for example: addiction, learning difficulties, severe debt, homelessness etc. These are listed in Appendix 2

Alternative payment arrangements can be considered at any point during the Universal Credit claim. They may be identified at the outset when the personal budgeting support is decided, or during the claim.

Alternative payment arrangements should only be considered for those claimants who genuinely cannot manage the single monthly payment and as a result there is a risk of financial harm to the claimant or their family. **These arrangements are not available through choice**

Rent arrears can trigger an exception: At a yet to be specified point (possibly two or three months arrears) the claimant, their representative, their caseworker, and/or their landlord a landlord can notify Universal Credit asking for the housing cost element to be paid direct to them to protect the claimants home

The vast majority of claimants who have an alternative payment arrangements interview will be referred to money advice with a view to moving them nearer to full financial capability over time and removing the alternative payment arrangements when they are no longer needed.

Local Partners could have a role in:

- Helping to identify cases where an exception to the normal UC payment rules may be appropriate;
- Referring claimants to the alternative payments service to have their claim considered under the rules for alternative payments;
- Support to move off exceptional payments
- Mediating, at local level, between landlords and claimants to help retain a tenancy.

DWP will deliver:

- Identification of claimants who appear to meet the criteria for alternative payment arrangements from the outset of a claim and referring these claims for alternative payment arrangements; and
- Decision making on alternative payment arrangements (wherever the referral comes from) setting a review date and periodically reviewing exceptions that have been granted

SUPPORT OTHER THAN PAYMENT EXCEPTIONS

1) Intermediary support

This will be tailored, and sometimes specialist, support for claimants with complex needs (including home visits). The LHF mentions homeless clients who are currently supported by LAs and says DWP expect this arrangement to continue under Universal Credit.

Intermediary support will also presumably include money advice support:

2) Money Advice – Support available

Money advice will be offered to all Universal Credit claimants when they make a claim and will be given to those who have a clear need. There will be different levels and types of money advice based on need; some claimants will be signposted to online services, some may be offered a single session over the phone, others an intensive face to face session with follow up call(s).

Support will include:

- Online budgeting tools for claimants who can help themselves - such as those offered by Money Advice Service and Citizens Advice.
- Advice services offered by external organisations for those who need more support with, for example, getting a bank account or doing a monthly budget plan.

The Role of DWP and Local Support Providers Will Be

- DWP will identify claimants needing money advice that can be met through signposting or referral to an external provider;
- Local partners will make recommendations to money advice services for claimants who choose to self-serve in developing improved budgeting and financial management skills
- Local partners will include local money advice services to help claimants needing additional support to become more competent.

3) Housing Choices Support

Support will work with social landlords and mediation with private landlords at local level to ensure that they will continue to house benefit claimants. Local support will also be needed to ensure that accommodation is appropriate and meets any special needs that a claimant may have

Government want to maintain a joined up approach on a range of housing related issues, especially for those claimants most in need or at risk:

- maintaining housing connections to ensure housing provision and supply;
- Maintaining and enhancing relationships with housing providers to minimise the risk of homelessness, over occupancy and inappropriate accommodation including landlord enquiries; and
- Maintaining rent payments for both claimants and landlords in a way that is timely, effective and cost effective to the public purse.

4) Evidence Verification Support

DWP are open to local agencies helping to verify evidence of a claimant's circumstances to enable a claim to be processed quickly and efficiently

5) Digital Inclusion Support

DWP would like digital support to lead to the following outcomes:

- Claimants helped and encouraged to choose the online channel;
- Claimants helped to gain access to computers and broadband where they do not have a private connection at home. Rural areas are a particular challenge;
- Claimants getting direct help when making online claims - telephone or face to face support
- Claimants supported to increase their confidence dealing with UC online

6) Work related support

Statutory work support services will continue to be provided by DWP and Work Programme (WP) providers under their contracted provisions. However, DWP is keen for delivery partnerships to be able to consider how complementary job-related development, over and above that provided through statutory work services support, can be provided to claimants as part of the single claimant journey. Partners' activities to assist claimants to move closer to the labour market may be aimed at claimants who do not qualify for the Work Programme or may be special initiatives to meet local labour market needs

FUNDING FOR SUPPORT SERVICES

Where LAs become delivery partners but need additional support from other partners (such as VCS agencies). These will be commissioned by the LA after they have written a local Delivery Partnership Agreement with DWP. Funding for support services will be distributed at this partnership level (not nationally). The DWP's current view is that DWP should manage the local partnership funding during Phase 2, delegating the day to day management to District Managers

An outcome based approach is currently being explored for the payment of local support services

MORE INFORMATION

Please contact:

Paul Anderson

Interim Policy Manager
07738 8580685 paul.anderson@homelesslink.org.uk

APPENDIX 1 - References

This document is based primarily on the following two sources:

1) *"Universal Credit Local Support Services Framework"*

<http://www.dwp.gov.uk/docs/uc-local-service-support-framework.pdf>

2) *"Universal Credit Guidance On Personal Budgeting Support"*

<http://data.parliament.uk/DepositedPapers/Files/DEP2013-0266/GuidanceonPBS.pdf>

APPENDIX 2 – Claimant Groups and Support Needs Which May Require Help With UC Claims:

- Mental health
- Learning difficulties
- Drug or alcohol addiction
- Homelessness
- English language limitations
- Literacy difficulties
- Prisoners & Detainees
- 16 and 17 year olds
- Non EEA - including refugees
- Physical disabilities
- Working abroad
- Domestic violence victims
- Sensory disabilities
- Severely indebted
- Over 18 care leavers
- Gambling addiction
- MAPPAs claimants
- Numeracy difficulties
- Supported by the Troubled Families programme
- Rural isolation

APPENDIX 3 - Factors for DWP consider for alternative payment arrangements

Tier One Factors – Highly likely / probable need for alternative payment arrangements

- Drug / alcohol and / or other addiction problems e.g. gambling
- Learning difficulties including problems with literacy and/or numeracy
- Severe / multiple debt problems
- In Temporary and / or Supported accommodation
- Homeless
- Domestic violence / abuse
- Mental Health Condition
- Currently in rent arrears / threat of eviction / repossession
- Claimant is young either a 16/17 year old and / or a Care leaver

- Families with multiple and complex needs

Tier Two Factors - Less likely / possible need for alternative payment arrangements

- No bank account
- Third party deductions in place (e.g. for fines, utility arrears etc)
- Claimant is a Refugees / asylum seeker
- History of rent arrears
- Previously homeless and / or in supported accommodation
- Other disability (e.g. physical disability, sensory impairment etc)
- Claimant has just left prison
- Claimant has just left hospital
- Recently bereaved
- Language skills (e.g. English not spoken as the 'first language').
- Ex Service personnel
- NEETs - Not in Education, Employment or Training