

Report of the Strategic Director Corporate Resources to the meeting of the Corporate Overview & Scrutiny Committee to be held on 12 March 2020

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Subject:

Universal Credit

Summary statement:

This report examines the progress of, and future plans for, the roll out of Universal Credit, its impact, and the arrangements in place to support residents

Joanne Hyde
Strategic Director, Corporate Resources

Portfolio:

Leader of Council

Report Contact: Martin Stubbs
Phone: (01274) 432056
E-mail: martin.stubbs@bradford.gov.uk

Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1. This report examines the progress of, and future plans for, the roll out of Universal Credit, its impact, and the arrangements in place to support residents.

2. BACKGROUND

- 2.1. Universal Credit for working-age claimants has gradually been introduced across the Bradford District since November 2015. Previous reports to this committee (December 2016, January 2018 and January 2019) highlighted the challenges for residents that Universal Credit presents, particularly for the most vulnerable, and the work that was being done to prepare and support claimants for the change to the benefit new system.
- 2.2. As at December 2019, 30,588 working-age residents are claiming Universal Credit.
- 2.3. The benefits and tax credits that are being replaced by Universal Credit, often referred to as “legacy benefits” are;
 - Income-based Jobseekers Allowance
 - Income-based Employment and Support Allowance
 - Income Support
 - Working Tax Credit
 - Child Tax Credit
 - Housing Benefit
- 2.4. Those in receipt of Universal Credit are either resident’s that have made a new claim or existing benefits/credits recipients who circumstances have changed.
- 2.5. This process of moving residents to Universal Credit will continue until the Government roll out the Management Migration process; a process by which all remaining legacy benefit claimants are moved to Universal Credit.
- 2.6. Between 2015 and early 2019, differing arrangements were in place to help claimants prepare and make a claim for Universal Credit; delivered primarily by Customer Services, and by Citizens Advice and Incommunities on behalf of the Council. The Government introduced new arrangements for the provision of support from 1 April 2019. Citizens Advice has been contracted to provide support through a new, national, service – Help to Claim.
- 2.7. In January 2020, the Government announced that the planned completion date for the roll-out of Universal Credit, December 2023, would not be met and that the completion date is now expected to be September 2024.
- 2.8. Pension-age claimants do not fall within the scope of Universal Credit. The Government is not expected to confirm any decisions about the future of Housing Benefit for pension-age claimants until full implementation of Universal Credit approaches.

3. OTHER CONSIDERATIONS

Progress of Universal Credit

- 3.1. As at December 2019, there were 30,588 Universal Credit claimants across the Bradford District; 7,529 of whom were in work, and 23,059 who were not. It should be noted that of those not in work, 7,036 do not have to look for work; for example because they have a young child.
- 3.2. Since February 2019, most working-age residents making a new claim for help with their housing costs are required to make a claim for Universal Credit. Many existing housing benefit claimants will have a change in their circumstances (for example, starting work) but still require support: they will then be required to claim Universal Credit – a process known as natural migration.
- 3.3. Since Universal Credit first started, the working-age Housing Benefit caseload has reduced by 37%; a combination of natural migration, no longer being eligible (for example, an increase in income), and the reduction in the number of residents being eligible to apply. Table 1 profiles the reduction in caseload since the introduction of Universal Credit.

	2015	2016	2017	2018*	2019
UC Eligibility	Single claimants only	Single claimants only	Single claimants only	Singles and Families ≤ 2 children	All Households (exc. SDP&SEA)
Date Introduced	Nov. 15			June 2018	Feb. 19
W/A HB Caseload**	30,188	29,363	28,811	24,128	18,638
Annual Reduction	-	825	552	4,683	5,490
Total Reduction	-	825	1,377	6,060	11,550

Table 1

*Note: UC closed to new applications January to May 2018

**Working-age housing benefit caseload as at December in each year

- 3.4. Of the current working-age caseload, around 800 are in receipt of the Severe Disability Premium; current, and new, claimants in receipt of the premium cannot claim universal Credit until Managed Migration is introduced. There are also around 1,300 in Supported Exempt Accommodation that will continue to claim Housing Benefit until Government makes a decision to the contrary.
- 3.5. The number of housing benefit claimants that will eventually be moved to Universal Credit through Managed Migration - the process where the DWP actively move legacy benefit claimants to Universal Credit - largely depends upon when and how it is introduced.

Managed Migration

- 3.6. The January 2019 Universal Credit report to this Committee detailed the 'Managed Migration' process for claimants and how they would be engaged in that process; subject to the findings of the managed migration pilot. However, the Government remains silent on how managed migration will be rolled-out nationally.
- 3.7. A Managed Migration pilot has been running in Harrogate since July 2019. Once the pilot phase is finished (planned to be June 2020) and the necessary legislation is in place, the Government intends to roll out managed migration nationally.

However, as at January 2020, the numbers are relatively small; with fewer than 80 in the process and only 13 having moved on to Universal Credit.

- 3.8. The Government has said that *“...we need to keep the numbers low, so we can observe and adapt in the light of claimants’ experiences and reactions. We plan to add volume later in the pilot, once we are convinced we have workable propositions, to test our ability to scale the hypotheses, learn the safest way to do that and to draw conclusions from significant volume on likely patterns of claimant behaviour. By taking the approach of encouraging rather than forcing claimants to move, we want to understand why some claimants agree to move and others don’t, together with what supports claimants to make a positive decision. That can only be done by restricting the number of cases to a low number to allow for qualitative discussions.”*
- 3.9. In a recent announcement, the Secretary of State said that the rate at which legacy benefit claimants were moving to Universal Credit was happening less frequently than they had expected. Government estimates that 900,000 fewer households will naturally migrate than forecast. Consequently, the roll-out of Universal Credit will mean a new completion date of September 2024. It is not yet clear if or how this will affect the roll-out of the managed migration process.
- 3.10. People moving to Universal Credit through the managed migration process will be protected so that they are no worse off than under their legacy benefits - subject to any benefit cap that may apply. However, those that move to Universal Credit through natural migration, even during the managed migration phase, will not receive that protection.
- 3.11. Currently, there are around 480 households that have a benefit cap applied to their Housing Benefit. Of these, around 60 households could be capped more under Universal Credit. It is not possible to determine, at this stage, how many of these will move before Managed Migration.

Support for Claimants

- 3.12. Helping residents to prepare for and maintain their Universal Credit claim
Budgeting advice and digital support for residents has been provided by the Council, Citizens Advice and Incommunities. The support helped to prepare residents in advance of, and to make a claim for, Universal Credit; and to equip them with the skills to manage their claim on-line. Support was provided to 1,858 people In 2018/19,
- 3.13. From April 2019, Citizens Advice has been responsible for the provision of support through a new delivery framework known as Help to Claim. As part of the local provision arrangements, the Council has supported 1,600 customers with digital assistance since April 2019, primarily in Britannia House. Over 3,100 telephone enquiries relating to Universal Credit have been dealt with. Citizens Advice, locally, has provided an overview (Appendix 1) of how Help to Claim is working across the district.

Online submission and maintenance of a claim

- 3.14. This committee (14 February 2019) expressed concerns that lack of access to IT, or an inability to claim and manage a Universal Credit account online, could lead to claimants being subject to a sanction.
- 3.15. Jobcentre Plus has responded to these concerns, saying that claimants will not be sanctioned because they cannot make or maintain an online claim, for example because they do not have access to IT or that they cannot read and write. Claimants are, however, expected to engage in the Universal Credit process as their circumstances dictate.
- 3.16. Jobcentre Plus provided a number of scenarios about how different circumstances would be dealt with;
- Someone that has the ability to use IT, but has no access, would be directed to available IT, such as in the Jobcentre
 - If someone does not have the capacity to use IT, then the Citizens Advice Help to Claim process would be used, although they also have the ability to make a telephone claim; and following that, the claim will be managed via the telephone
 - If someone has managed to make a claim online, perhaps with support from help to claim or a relative/friend, but is not able to maintain it themselves, they can discuss this with their Work Coach at the Jobcentre and ask them to change the communication method
- 3.17. Jobcentre Plus did emphasise that, whatever the circumstances, claimants are still expected to look for work unless particular circumstances means that they would not be required to do so. It is, therefore, extremely important that claimants tell their work coach everything so that any claimant commitments truly reflect what a resident is able to do.

Looked After Children

- 3.18. There is no specific exemption within the Universal Credit regulations that bars a care leaver from receiving a sanction. However, Jobcentre Plus locally has reported that when a care leaver is identified, they are treated with a light touch, so it is unlikely that they would be sanctioned; but they are subject to conditionality like anyone else.
- 3.19. The Care Leavers Service has confirmed that there is a good partnership working relationship and that arrangements between the service and Jobcentre Plus are working well.
- 3.20. The Care Leavers service has provided training so that the work coaches can better understand care leavers and their needs. To ensure care leavers are well supported through their Universal Credit claim, their status it is noted against their claimant history, together with any other information relevant to their particular circumstances.

Support for 18-21 Year Olds

- 3.21. The DWP reports that work-related training or work experience is an essential element in employers' recruitment decisions. Their analysis shows that 56% of businesses are not satisfied with school leavers' work experience, 76% believe a

lack of work experience is the reason young people are unprepared for work, and 66% of employers say that evidence of work experience is a critical factor in their recruitment decisions.

- 3.22. The DWP has introduced a programme of support for all 18 to 21 year olds making a new claim to Universal Credit - known as the Youth Obligation Support Programme. The programme aims to encourage and support all young people into employment, work-related training or an apprenticeship.
- 3.23. The programme consists of;
- Intensive Activity Programme - workshops and exercises to help claimants think more broadly about their skills and job goals, and improve their CV and interview skills
 - Work search reviews - work coaches provide support and coaching for 6 months following the Intensive Activity Programme
 - If the claimant is still unemployed after 6 months, they will be offered a sector-based work academy placement or a traineeship experience;
 - Sector-based work academies – developed with local employers to provide claimants with the right skills to fill vacancies in the local labour market
 - Traineeships - a minimum of 6 weeks and can last up to 6 months
- 3.24. If work-related training is not the best way to help the claimant into employment, they will be offered 3 months guaranteed work experience.
- 3.25. Members will be aware of the two established work experience programmes and teams in place in the Council - the Xperience team and the ICE programmes.
- 3.26. The Xperience team have since February 2018, hosted **333 work placements** across the Council. These placements have been unpaid with the majority offered during curriculum time. These hosted work placements are mainly offered for the duration of one or two weeks,
- 3.27. The ICE (Industrial Centres of Excellence) programme is a comprehensive collaboration between Industry, Schools, Education providers for Further and higher education and provides industrial centres of excellence for industry sectors to provide education and employment skills throughout the education journey that are directly linked to employment skills and experiences.

Financial Support

- 3.24. The main reason that housing benefit claimants have been migrating to Universal Credit is because of a change in their employment. Housing benefit claimants that do migrate 'naturally' to Universal Credit receive an additional two weeks housing benefit payment to help households as they move to the new system. This money does not have to be paid back.
- 3.25. The Government has announced that, from July 2020, existing claimants in receipt of income based job seekers allowance and income based employment and support allowance will also receive two week 'run-on' payment when they move to Universal Credit.

- 3.26. If a claimant cannot manage their single monthly payment, they can request a change to the way in which they are paid – known as an Alternative Payment Arrangement. The DWP will assess whether such an arrangement is appropriate and will consider:
- arranging managed payments to a landlord
 - changing how often the claimant is paid if they are finding it difficult to budget monthly, they can ask to have their Universal Credit payment divided over the month so it is paid more frequently, for example, twice monthly or, exceptionally, four times a month
 - splitting the payment of an award between partners
- 3.27. From April 2019, the work allowance (the amount that can be earned before deductions are made from the Universal Credit payment) was increased, which meant that people who are eligible (those with children or have a limited capability for work) could benefit by up to £630.00 per annum.
- 3.28. A £10 million Universal Credit Transition Fund will be available to partner organisations, from April 2020, to run programmes targeted at helping vulnerable people (including disabled people, care leavers and those with mental health issues) make timely Universal Credit claim. The Government says that some people delay making a claim, and that the fund will support innovative ideas for engaging with vulnerable people early, helping them to make timely claims.
- 3.29. As discussed in previous reports, the Council also offers support to residents through the Council Tax Reduction (CTR) scheme, Discretionary Housing Payments (3.40), the Fuel Payments Scheme and the Assisted Purchase scheme.
- 3.30. Changes were incorporated into the CTR scheme for 2018/19 to mitigate the impact of Universal Credit on CTR administration and to ensure residents could maximise their entitlement; including using the Universal Credit notification from DWP to assess eligibility without the resident having to make a claim, and changes in income are processed automatically without the need for the claimant to provide evidence – making adjustments to claims more timely and accurate.
- 3.31. The Council meets the cost of the Fuel Payments Scheme, run in conjunction with participating debt advice services. The scheme provides financial assistance in the form of Fuel Top Ups for those people who have a fuel meter up to a maximum of £80 per year, one off contributions of up to £300 towards fuel arrears for those with a large bill, and payment of the £90 Debt Relief Order administration fee for suitable cases.
- 3.32. The Assisted Purchase Scheme provides an interest free loan (682 by February this year) to help applicants obtain essential furniture or white goods, both new and pre used. The amount loaned is based on the applicant's ability to make repayments which are of a nominal weekly or monthly amount. Participating partners include Newlands, British Heart Foundation, CHAS and Sue Ryder.

Impact on Claimants

- 3.33. As previously reported, new claimants have a five week wait until they receive their first Universal Credit payment. Managing financially during this period can be difficult, and these difficulties can be exacerbated if the payment is delayed or they

only receive a partial payment.

- 3.34. DWP say delays and partial payments are invariably due to claimants failing to provide, in a timely manner, the right information so that their claim can be accurately assessed. Locally, Jobcentre Plus says it is working with claimants to ensure that delays in completing the application process are minimised. At the time of the last report to this committee, 80% of new claimants received their full payment on time; latest figures show that this has improved to around 84%, and that 98% of all claimants received full or partial payment on time.
- 3.35. For those that do not receive their first Universal Credit payment on time, or only a partial payment, budgeting becomes increasingly difficult. Any increase in debt or rent arrears is likely to increase demand for support from debt advice services; and from other support services across the district.
- 3.36. Since October 2018, the Homelessness Reduction Act places a duty on jobcentres in England to offer to refer a person who presents as homeless or threatened with homelessness to the local authority of their choice in England, with the claimant's consent. The DWP can apply a temporary easement to allow the claimant to secure stable accommodation.
- 3.37. The Council's Housing Options Service report that they haven't seen any changes in type and numbers of homeless presentations (either in the private or social housing sector) since the Universal Credit rolled out. Since the introduction of the new duty, Housing Options have been receiving regular alerts from Jobcentre Plus. The relationship is very positive and briefings were recently delivered at staff Jobcentre Plus team meetings.
- 3.38. Rent arrears, amongst those in receipt of Housing Benefit, is not a new phenomenon. Housing Benefit is paid in arrears, creating a 'technical debt' of up to four weeks. Moving to Universal Credit, which is paid monthly, will increase this 'technical debt' to some degree. In addition, tenants can accrue arrears in cases where their rent is greater than the amount of Housing Benefit payable and they fail to make up that difference.
- 3.39. The Council can help with housing costs for those in most need by way of a Discretionary Housing Payment (DHP). In general terms the policy aims in regard to awarding a DHP haven't changed with the introduction of Universal Credit. However, because some applicants have found arrears accumulating due to the longer period for Universal Credit payment, a degree of flexibility both in value of awards and the periods of awards is being taken. By February this year, 717 Universal Credit claimants have received support.
- 3.40. Some Registered Providers have introduced a rent-in-advance policy for Universal Credit claimants to mitigate this. Considering the costs associated with new tenancies (e.g. furniture, carpets, decorating etc.) having to pay rent in advance can place a significant burden and they could be at risk of not being able to meet their financial obligations.
- 3.41. The risk of increased rent arrears has been one of the main criticisms of Universal Credit. Currently, Universal Credit is paid to claimants on a monthly cycle, while

the housing costs are paid to landlords every four weeks. This discrepancy makes housing cost payments difficult to monitor, and housing cost payments are often received well after Universal Credit benefit payments – creating rent arrears difficulties for both the Landlord and the Tenant.

- 3.42. The DWP has confirmed that it has started a “small-scale test” that will see the payment of a claimant’s ‘managed payment’ go to landlords at the same time the claimant is paid their Universal Credit payment. If successful, this new system will be rolled out to all social landlords in early 2020.
- 3.43. Incommunities have undertaken an analysis of the arrears of tenants in receipt of Universal Credit; a summary of which is provided in Appendix 2. Their analysis shows that customers go into or further into debt initially and then this stabilises and reduces over time.
- 3.44. Customers previously in credit are seeing their credit balance erode. Debts for other services also become a bigger problem for more customers. Managing Council Tax, utility bills and other household expenditure is proving challenging for many customers used; many of whom have been used to not having to handle cash for rent and have a two weekly payment cycle for living costs.
- 3.45. The Council is working with Incommunities to establish ways of working that ensure resident’s joint indebtedness is taken in to account.
- 3.46. It is clear that customers that have small amounts of savings to make an initial rent payment and those that have some budgeting skills are far less likely to get into debt or go further into debt than those who have no access to initial funds to pay an initial month’s rent.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1. Current expectations are that the housing benefit caseload will continue to reduce so that by September 2024, at the latest, there will be no working-age claimants. To date claim numbers have reduced from 38,283 in April 2018 to 32282 in January 19 and to 27,080 in January 2020. Housing Benefit administration funding has consequently reduced from £1,911,684 in 2018/19 to £1,612,423 for 2020/21 and will, therefore, also reduce further in subsequent years. Housing Benefit administration funding will, therefore, also reduce. This may be off-set to some extent by an increase in administration funding for increases in workload created by Universal Credit.
- 4.2. The reduction in the housing benefit caseload has also reduced the administration requirement; and will reduce further as working-age claimants move to Universal credit. However, as discussed in the previous Universal Credit report, Council Tax Reduction processing has changed as a consequence of Universal Credit, increasing the administration requirement. This increase has, to an extent, mitigated the reduction in housing benefit administration.
- 4.3. The full, longer-term implications for staffing are not yet known; as these become clearer and better understood, consultation will take place with trade unions and

affected staff. Staffing reductions to date have been managed through vacancy control.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES⁹

- 5.1. The Council is working closely with Citizens Advice to ensure that provision under the new Help to Claim service is well embedded and that residents get the support they need to make and maintain their Universal Credit claim; and to be better able to budget and manage monthly payments.

6. LEGAL APPRAISAL

- 6.1. The primary legislation enabling the introduction of Universal Credit is contained in the Welfare Reform Act 2012.
- 6.2. There is no statutory requirement for the Council to participate in the development and delivery of support arrangements for residents affected by the introduction of Universal Credit.
- 6.3. Section 17 of the Children's Act 1989 places a duty on Local Authorities to safeguard and promote the welfare of children in need. Those unable to move into work may not be able to mitigate the impact of the welfare reforms that reduce entitlement to benefits. This could increase demand for support from Council services and other providers.
- 6.4. The Council can provide financial support for certain housing costs. The legislation enabling the payment of Discretionary Housing Payments by the Council is contained in the Discretionary Financial Assistance Regulations 2001.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

There are no Equality and Diversity issues for the Council arising from the introduction of Universal Credit as this is a Government scheme.

7.2 SUSTAINABILITY IMPLICATIONS

None

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

None

7.4 COMMUNITY SAFETY IMPLICATIONS

None

7.5 HUMAN RIGHTS ACT

There are no Human Rights issues for the Council arising from the introduction of Universal Credit as this is a Government scheme.

7.6 TRADE UNION

The Revenues and Benefits Service has made changes to the staffing structure;

including changes made within Benefits administration reflect the impact of Universal Credit on current and expected future workloads. This process complied with Bradford Council's policies and procedures on Trade Union consultation and workforce change. The trade unions will continue to be kept up to date.

7.7 WARD IMPLICATIONS

None

**7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)**

N/A

7.9 IMPLICATIONS FOR CORPORATE PARENTING

None

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

N/A

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

N/A

10. RECOMMENDATIONS

That Corporate Overview and Scrutiny Committee;

- note progress made in the development of arrangements to support residents, and in responding to adverse impacts on Council service delivery
- consider the issues raised in this report, the likely impacts on the district's residents, the Council, and other providers and agencies and provide any comments and views for consideration by the local delivery partnership

11. APPENDICES

- Appendix 1: Help To Claim
- Appendix 2: Impact of Universal Credit on Incommunities Tenants

12. BACKGROUND DOCUMENTS

- CO&SC Report, 1 December 2016
- CO&SC Report, 25 January 2018
- CO&SC Report, 14 February 2019

Help To Claim

The Citizens Advice's Universal Credit Help to Claim service was set up hurriedly all over the country in April 2019. In Bradford, the plan to deliver the service was to have 2 telephone workers and 5 face-to-face advisers working in the 2 DWP offices in Bradford, Britannia House in Bradford and Keighley Town Hall and Keighley DWP.

Bradford Metropolitan Council continued to support the delivery of the service by not only providing public access to a bank of computers and free-phones in Britannia House and Keighley Town Hall but also the staff to assist clients with making digital claims for UC.

It was recognised by BMDC that although their staff had assisted with claims for UC in DWP in the Bradford District from April 2018-2019, they did not have the in depth benefits knowledge to deliver the help to claim service. So, in the local authority access points for UC Citizens Advice are able to give advice and where appropriate Council staff are available to help with making a digital claim.

As many will know, many people will not necessarily be better off claiming Universal Credit. Some will be better off on staying on legacy benefits such as Jobseekers Allowance, Income based Employment and Support Allowance, Income Support and child-tax credit and those mixed aged couples (one above pension age and one working age) already claiming Pension Credit. Advisers will need to know how to do better off calculations between legacy benefit and UC, and be able to advise clients how to prepare for and make a digital claim. This involves having all the information to make a claim for UC, time limits for verifying ID, signing the Claimant Commitment and advising the client on what work commitment UC is likely to want from them.

UC Advice covers a whole range of practical problems from how to get paid if a person doesn't have a bank account or ID documents, often the case for homeless people, or do not have a mobile, to how much benefit will be paid, how to get an advance payment, how much housing costs will be paid, how earnings will be assessed under the UC system, how the self-employed are assessed under UC and among many other issues, advising and assisting European clients through the habitual residence test and right to reside to see if they are entitled to claim UC.

Under the help to claim Universal Credit service funded by the Government through the DWP, there is a deliberate 'no wrong way to contact' the help to claim service policy. Both face to face advisers and a national telephone line are funded until the end of March 2020. The national advice line is able to take any call to the service from England or Wales and is able to either fully advise and assist the client with their UC claim on the phone, or refer the client on to the local Citizens Advice for assistance and access to make a digital claim. The local area DWP has the ability to refer into the local Citizens Advice telephone task list for clients who have already claimed but need assistance in completing it.

In Bradford, face-to- face advisers are available in Britannia House and Westfield House (DWP) and in Keighley Town. In each location, there is one adviser who is able to deliver 4 appointments a day. There are two workers on the help to claim national telephone line and a further telephone worker based in Keighley who gives advice by appointment to clients who have come through the local office in Bradford or Keighley.

The most vulnerable clients are those that have mental health or physical problems, language problems and manage and communicate with a work coach through an online 'journal'. These clients are assisted to claim over the telephone by the DWP helpline and then managed by the local DWP through text or telephone by their work coach. If the client isn't able to communicate over the phone to make a claim, then the DWP will arrange a home visit.

If a referral comes from another Citizens Advice, the Bradford UC telephone workers have to attempt to contact the client 3 times, over 3 days, to either give further advice or arrange face-to-face appointments to assist with the claim. The UC team, including the telephone advisers, are able to fully advise and assist vulnerable clients by contacting the DWP helpline through a priority line and assist the client through the UC telephone claim line (by use of conference call). All UC staff have immediate access to interpreters via the telephone.

As with most new projects, the UC team wasn't fully operational until September 19. There were 2 rounds of recruitment, one in March 2019 and one in June 2019. The initial training of the original staff took 2 months to June 19. The training of the 3 members of staff also took about 2 months and completed by August 19. After another member of the team leaving, the UC team of 6 was fully operational by September 19

To the beginning of February 2019, the service has advised a total of 1,941 *new* clients. This does not include clients who have had two or three appointments to help with their claim. The telephone service has advised and assisted just over 507 clients. Some 233 clients have been assisted via webchat. Face to Face advice and digital assistance has been given to 1201 clients at three locations in the city, helping people who are the most vulnerable and those that have the most complex need in the city.

Council Advice Officers have supported 1600 customers with digital assistance since April 2019, primarily in Britannia House, they have also answered over 3100 enquiries relating to UC

Impact of Universal Credit on Incommunities Tenants

Incommunities have undertaken an analysis of their tenants to examine the impact Universal Credit has had on rent arrears. 4,829 Incommunities customers are claiming UC; this is over 40% of all working-age customers expected to ultimately claim UC. Benchmarking with 37 other organisations nationally shows this is one of the highest rates of migration when comparing claimants to customer base.

The table below shows the starting position at the time a customer makes acclaim for UC. 62% of the group had pre-existing debt with an average balance at Universal Credit application of £799.

BALANCE STATUS	No.	AVERAGE BALANCE @ APPLICATION	% of claimants
IN ARREARS WHEN APPLIED	2,856	£799	62%
IN CREDIT WHEN APPLIED	1,777	£105CR	38%
TOTAL/ AVERAGE	4,633	£571	100%

Analysis shows that 46% of customers now have a worse rent balance than at the time of their Universal Credit application.

Rent debt statement	Number of households	% of applicants
Decreasing debt or no change	2271	54%
Increasing debt	1962	46%

The table below show the balance of customers at each month anniversary of their Universal Credit claim.

Customer Group profiled	Rent debt statement	Number of households	Average change in rent debt	
First 1,000 UC applications	Decreasing debt	473	-£376	60%
	Increasing debt	309	£603	39%
	No change	3	£0	0%
First 1,000 UC applications Total		785	£11	19%
Next cohort of UC apps - 1k+	Decreasing debt	1765	-£325	51%
	Increasing debt	1653	£674	48%
	No change	30	£0	1%
Next cohort of UC apps - 1k+ Total		3448	£157	81%
Grand Total		4233	£130	100%

Analysis shows that customers go into or further into debt initially and then this stabilises and reduces over time; this can be evidenced when looking at the pattern of the initial 1,000 claimants against the overall group. Customers previously in credit are seeing their credit balance erode. Debts for other services also become a bigger problem for more customers; managing Council Tax, utility bills and other household expenditure is proving challenging for many customers used; many of whom have been used to not having to handle cash for rent and have a two weekly payment cycle for living costs. It is clear that customers that have small amounts of savings to make an initial rent payment and those that have some budgeting skills are far less likely to get into debt or go further into debt than those who have no access to initial funds to pay an initial month's rent.

This analysis confirms initial modelling which shows that short-term collection rates will decrease but this will recover with a higher level of base customer debt.