

Guide to Universal Credit in Camden

November 2018

1. What are the timescales for Universal Credit (UC) in Camden

The roll-out of UC is taking place in three phases based on catchment areas of Job Centre Plus offices rather than borough boundaries and only affects those who make a new claim or have a substantial change in circumstances at this point. This is likely to be people who have started or ended employment and need to claim or their entitlement to their existing benefit has ended (e.g. on ESA but found fit for work or on income support and youngest child turns 5.)

The first phase of roll-out for single adult new claims started in Camden in 2017. The next phase started on 20 June 2018 when new claims from couples and families with 2 or fewer children living in the catchment areas of Barnsbury and Marylebone JCPs (approximately one third of Camden) could claim UC. Residents living in postcodes NW2 3, NW6 1, NW6 2 and NW6 5 started to make new claims from 21 November with the rest of the borough applying from 5 December 2018. Families with more than 2 children will be able to claim UC from February 2019. At this point we expect there to be approximately 100 new UC claims a week.

From 16th January 2019 a new 'Gateway Condition' will be introduced into the UC rules meaning that anyone who has the Severe Disability Premium included in their Income Related Employment and Support Allowance, Income Based Jobseekers Allowance, Income Support or Housing Benefit will not be able to make a claim for Universal Credit. They can only claim UC when invited to claim by the DWP as part of managed migration.

The final phase of roll-out will see existing claimants being required to apply for UC (called Managed Migration). This is expected to take place at some point between 2020 and December 2023 with just a few small pilot sites starting from July 2019.

2. What benefits does UC replace?

UC replaces the following benefits for people of working age:	These benefits will not be part of UC and will need to be claimed separately:
Housing Benefit Income Support Child Tax Credit Working Tax Credit Income-Based Job Seekers Allowance Income-Related Employment and Support Allowance Also known as Legacy Benefits	Contribution based JSA and ESA (DWP call them new style JSA and ESA) Attendance Allowance Disability Living Allowance Personal Independence Payment Carer's Allowance Child Benefit – no two child limit Council Tax Reduction State Pension & Pension Credit Bereavement Benefits Disablement and War Pensions Maternity Allowance Statutory Sick Pay, Maternity, Adoption and Paternity Pay Industrial injuries disablement allowance

3. Who will need to claim UC?

At this point only those needing to make a new claim for benefit will apply for Universal Credit. Residents of pension credit age can continue to claim legacy benefits and will not need to claim Universal Credit. Residents living in temporary or supported housing will need to apply for both Universal Credit and Housing Benefit.

A new claim can be someone claiming tax credits or out of work benefits for the first time or they could be existing claimants who has had a significant change in their circumstances that changes their eligibility to their existing benefit/tax credit. Some examples are below for information:

- ESA – found fit for work
- Receiving benefits or tax credits and change in employment status – starting work or losing job
- Receiving tax credits and change in marital status
- Failing to respond to a Housing Benefit request for information
- Youngest child turns 5 so income support ceases
- Carer's allowance and income support stops

4. Making a claim

Universal Credit claims are made and managed online at [gov.uk/universalcredit](https://www.gov.uk/universalcredit) with one claim per family. In order to claim, they will need:

- An email address
- A bank account
- Evidence of their housing, income and childcare costs.
- Evidence of identity for verification (e.g. National Insurance number)

People unable to claim online should contact their **local Jobcentre** or call their **Freephone helpline** on **0800 328 5644**. They will help claimants create an online account and talk them through how to claim.

Claimants will also need to book an appointment at their local Jobcentre within seven days to sign a claim commitment. The claim will not proceed if the appointment is not made/missed or if the individual refuses to accept their claim commitment.

Free wifi is available in all Camden Libraries and at other locations including over 30 TRA halls by end of December – visit [Camden.gov.uk](https://www.camden.gov.uk) for a list of where you can go. A drop in session will take place at Kentish Town Library every Friday afternoon from Friday 7 December from 1.30- 3.30. If claimants want to develop their digital skills, **Camden Adult Community Learning** offers a range of free courses:

- **020 7974 2148**
- **[camden.gov.uk/adultlearning](https://www.camden.gov.uk/adultlearning)**

5. Universal Credit payments

Universal Credit payments are made monthly in arrears, the first payment will be made five weeks from the date of making a claim. Payments are then made every month on the same date into one account based on the previous month's earnings.

If people were previously receiving Housing Benefit, they will continue to receive it for a further 2 weeks. (From April 2020, new claims will also receive a two week roll-on of Jobseekers Allowance, Income Support and ESA)

If claimants think that they will not be able to cope with a delay they can request an advanced payment by contacting their local job centre, the helpline or through their online UC account. This will be paid back by deductions from a person's monthly Universal Credit payments over 12 months (from October 2021, this will be extended to 16 months).

If they are concerned that they will not be able to cope with budgeting and/or one payment into one bank account, they (or their social landlord or advice worker) can apply for an 'Alternative Payment Arrangement' at any point in their claim.

There are three types of APA's:

- Managed payment to landlord (housing costs paid directly to landlord instead of the claimant) mandatory when 2 months worth of rent arrears.
- Twice-monthly instead of monthly UC payments
- Split UC payments between couples

Tier 1 highly likely DWP will grant APA	Tier 2 – possible need for APA
Addicts – drugs, gambling and alcohol	Claimant has history of rent arrears
Learning disability/literacy or numeracy	3 rd party deduction in place (fines , utility arrears)
Severe debt/ in rent arrears / threat of eviction/ repossession	Refugee or asylum seeker
In temporary or supported accommodation	Previously homeless
Homeless	Has a disability
Domestic violence/ abuse	Just left prison or hospital
Care leaver or 16 or 17 years old	Limited language skills
Families with complex needs	Recently bereaved
	Not in education , employment or training
	Ex service personnel

6. Claimant commitment and sanctions

Every Universal Credit claimant will need to accept their claimant commitment. This sets out what the claimant needs to do to prepare for/ look for work or to increase their earnings. It is tailored to a person's circumstances and every claimant will get a copy of their claim commitment even if they do not have any work related requirements. Both members of a couple need to sign the claim commitment and the work coach can review the claimant commitment if a person's circumstances change or if it does not reflect the claimant's circumstances. There are no appeal rights for work related requirements.

Not everyone is expected to seek work, e.g.:

- Caring for a severely disabled person at least 35 hours per week.
- They have limited capability for work and work related activity.
- Main carer (or foster parent) for a child under one.
- Pregnant and its 11 weeks or less before the baby is due or they had a baby not more than 15 weeks ago.
- Adopted a child and it is not more than 12 months since the child was placed with them for adoption.
- Experiencing or threatened with domestic violence (13 week no work related requirements)
- Working and earning as much as is expected by the DWP, known as the individuals earning threshold (this set according to the national minimum wage and the number of hours they are expected to work each week)

To avoid sanctions claimants must comply with work related requirements even when they are waiting for the DWP to review their claimant commitment.

Sanctions will apply to the standard allowance element of Universal Credit therefore people will still receive their housing, child, disability and childcare elements if applicable.

If someone has been sanctioned they can:

- **Challenge the decision** - get advice and request a mandatory reconsideration. If refused then appeal. Most UC sanctions have been successfully challenged at appeal stage.
- **Apply for Hardship payments through the Universal Credit help line.** They need to show that they cannot pay for essential items and that they have met their work related requirements before applying. Hardship payments will be recovered from ongoing UC payments and usually covers 60% of the amount that was sanctioned.

7. Work Allowances

Under Universal Credit the amount a person can earn before their UC starts to reduce is lower than under legacy benefits. As part of the budget announcement the Government announced an increase in work allowances from April 2019, allowing resident to earn an additional £1000 each year. So for those with housing costs the monthly work allowance will be £281 instead of £198 and for those without housing costs it will be £492 instead of £409 per month. The taper still applies after this time, so for every £ earned over the work allowance, Universal Credit is reduced by 63 pence. There is no work allowance for people without children or disabilities so as soon as they start earning their UC allowance is reduced. 420 households in Camden will benefit from the revised work allowances.

8. Self-employed

Under UC, self employed people are expected to achieve an income threshold based on minimum wage for hours worked (usually 35 hours/week) – called the ‘minimum income floor’. However we know that many of Camden’s self-employed earn below this threshold. Under UC their actual income will be ignored and instead the calculation will be based on the ‘minimum income floor’, leading to many self-employed in Camden being worse off under UC. Self-employed will have a 12 month grace period before the minimum income floor calculation starts.

9. Impact assessment

It is expected that 18,517 residents will transfer to Universal Credit over the next 5 years. Based on September 2018 data, if they all applied tomorrow, 4459 (24%) would be worse off, 4746 (25.6%) better off and 9312 (50%) would be the same. (These figures include the new work allowances that start in April 2019 and people housed by Camden out of borough).

The analysis assumes people make a new claim for Universal Credit before the national ‘managed migration’ phase due to take place at some point between 2020 and December 2023. If people are required to apply for UC under managed migration (i.e. when the government tells them to claim even though nothing has changed) and they are worse off, they will receive ‘transitional protection’ that will make up the difference until they have a significant change in circumstance.

As it is impossible to predict who will need to make a claim for UC, the impact assessment assumes no transitional protection.

Of the 4459 worse off under UC:

- 2210 (49%) are in work
- 2077 have children, 1181 of which are lone parents.
- Of the families worse off, 72% are in work
- 1616 are disabled (65% of which are council tenants)
- 2622 are council tenants - 48% are families, 40% are disabled and 45% are in work

- 42% of Council Tenants forecast to be worse off are already in arrears
- 502 are private rented tenants - 37% are families, 14% are disabled, 82% are in work
- 980 are Social tenants - 42% are families, 40% are disabled, 44% are in work
- 1080 are self-employed and hit by the minimum income floor (DWP assume a minimum income of minimum wage even though someone may be earning less)
- 57% are worse off by more than £100 a month

10. Debt and budgeting advice

This year the Council is funding Camden Citizen's Advice Bureau to provide budgeting and debt advice to Universal Credit claimants. Claimants can call the UC SmartMoney line **0300 303 0308** for help and advice with budgeting and there is face to face advice for those that need it. They will be trialling operating out of a number of different locations to learn more about how we can support those that need help early. Alternatively residents can call Citizens Advice Bureau on 0300 330 1157 for general advice on UC and other benefits. From April 2019, Citizens Advice Bureau will be funded by central Government to deliver UC support.

Anyone can refer to the Camden Citizens Advice UC SmartMoney support offer including advice workers in all fields and sectors. See the referral form and details attached.

11. Support for Council Tenants

Council tenants in debt should contact the Housing Rents team who can ensure that they receive advice and support and refer to the Council's welfare rights and debt advice workers if required.

Proactive support for council tenants is already happening with each new claimant being contacted proactively at the point of claim and consideration given to whether they would benefit from an alternative payment arrangement (e.g. housing costs paid direct to landlord or split payments into different accounts/more regular payments). Additional debt and welfare rights advisors have been recruited to provide support for tenants. The Council's Rents Team now have access to the DWP Landlord Portal that alerts them to new claims and enables them to verify housing costs (a common reason for UC delays) and apply for alternative payment arrangements for vulnerable tenants or those already in debt. This portal is only available to social landlords (including housing associations).

Camden is committed to ensuring that no council tenant is evicted for rent arrears that arise as result of Government delays in UC payments.

12. Private landlord and tenants

Private landlords do not have access to the landlord portal so we are holding sessions to dispel some of the myths of Universal Credit (if someone meets the criteria set out in Q5 above, the claimant does not need to wait until they are in arrears before seeking an alternative payment arrangement) and advise on how they can help their tenants make the transition. The Council's homeless prevention service will be supporting tenants at high risk and continuing to talk to private landlords.

13. Digital support

Camden's libraries and a number of TRA halls offer free wifi. A series of drop in sessions will be held from December 2018 to provide assistance with getting online and making a claim, starting at Kentish Town library on Friday 7 December. For those that need further digital skills training, Camden Adult Community Learning will be offering a range of courses to support residents. Visit www.camden.gov.uk/adultlearning for details of training.

14. More information and support

More information and advice is available on the Council's and Citizens Advice websites below:

www.camden.gov.uk/universalcredit

www.citizensadvice.org.uk/universalcredit

People can test out their entitlement to Universal Credit and other benefits under different scenarios at www.betteroffcalculator.co.uk. The calculator also helps people with budgeting and to identify opportunities to reduce their living costs.