

CABINET

Date of Meeting	Tuesday, 19 th October 2021
Report Subject	Ending of the Universal Credit Uplift
Cabinet Member	Deputy Leader of the Council (Governance) & Cabinet Member for Corporate Management & Assets
Report Author	Chief Officer (Housing & Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

On 20th March 2020 the Government announced the equivalent of a £20 per week increase to the Universal Credit (UC) standard allowance basic element worth up to £1,040 for one year for those facing the most financial disruption as a result of the COVID-19 pandemic. This applied to all new and existing UC claimants.

This uplift officially ends on 6th October 2021 and this report provides some high level information in relation to residents in Flintshire who will be affected by this change and highlights the support that the council provides.

RECOMMENDATIONS

1	That Members note the report and the negative impacts on those in Flintshire's communities.
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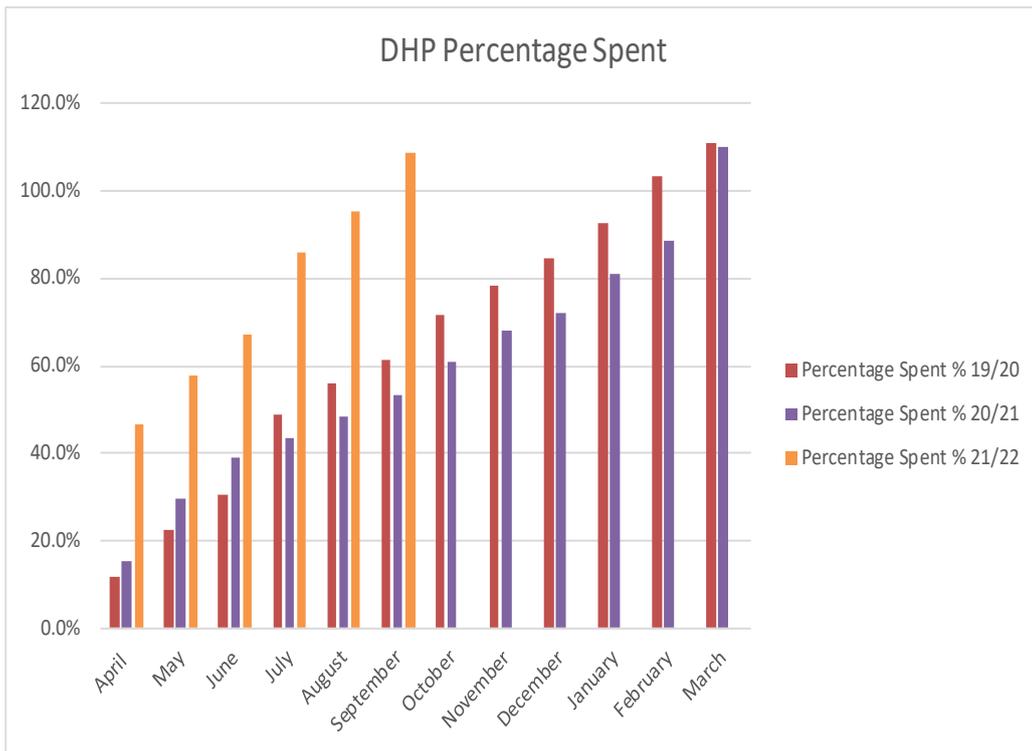
REPORT DETAILS

1.00	EXPLAINING THE UNIVERSAL CREDIT (UC) UPLIFT
1.01	<p>On 20th March 2020 the Government announced the equivalent of a £20 per week increase to the Universal Credit (UC) standard allowance basic element worth up to £1,040 for one year for those facing the most financial disruption as a result of the COVID-19 pandemic. This applied to all new and existing UC claimants.</p>
1.02	<p>At this year's Spring Budget, a further 6-month extension of the UC uplift was agreed.</p> <p>In August 2021 all three devolved Governments sent a letter to the UK Government expressing concern regarding the end of the UC uplift but the uplift was not extended further.</p>
1.03	<p>As at August 2021, 13,266 residents in Flintshire receive UC.</p> <p>It is not clear from the data that DWP provide, what proportion of these customers are receiving the £20 per week uplift so it is difficult to state what the annual collective income loss would be.</p> <p>What we do know is that each person affected will lose over £1,000 per year. If only 50% of the 13,566 residents received Universal Credit this would equate to £6.6m, the economic impact alone is significant let alone the personal impact.</p>
1.04	<p>The uplift officially ends on 6th October 2021 however, due to UC payment dates varying throughout the month, the actual date that the payments are affected will vary depending on the UC payment date.</p>
1.05	<p>This reduction in monthly income will impact our residents in varying degrees but it is safe to say those affected are some of our most vulnerable residents who are already in a financially challenging position. This position is deteriorating as fuel price and energy costs are increasing quickly as are food prices leading to increased numbers of households falling into poverty.</p>
1.06	<p>For some context the following paragraphs show some data and charts in relation to council tenants that are receiving UC and residents who are already supported via Council Tax Reduction (CTRS).</p>
1.07	<p>Council Tenants: A total of 2,989 Council tenants receive help with rent due to being in receipt of UC.</p> <p>The breakdown is as follows; 2,246 tenants receive Housing Costs from UC 743 tenants received HB based on UCI</p>

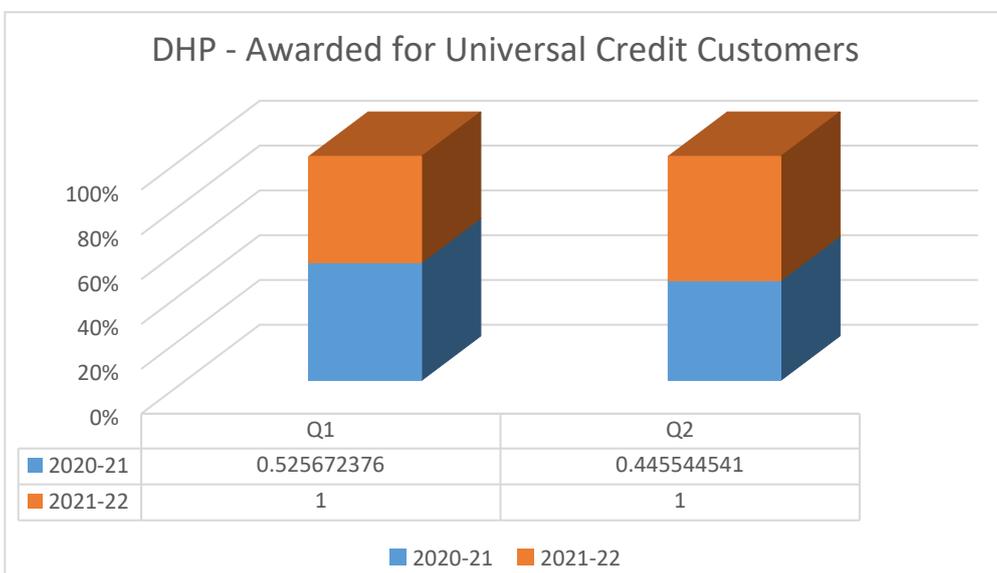
1.08 **Council Tax Reduction:**
3,406 council tax payers receive CTRS based on UC

1.09 **DHP:**
The chart below shows a comparison the percentage DHP expenditure showing continuous growth year on year.

The DHP funding arrangements by DWP for 2021/21 have been changed to provide a lump sum payment twice a year. WG have also committed to providing additional funds which will be claimed once DWP expenditure has been fully utilised. * The chart also includes committed DHP payments



The chart below shows the number of DHP applications granted for UC customers. Comparing to the previous year Q1 & Q2 the number remains static.



1.10	<p>This data shows the position ahead of the uplift being removed, which highlights that our residents are already facing challenging financial situation.</p> <p>This also demonstrates that we are expecting to see impacts in relation to CTRS expenditure and there are risks around rent arrears.</p>
1.11	<p>Support provision arrangements have been put into place with DWP so that direct referrals can be made from Job Centre Plus to local support agencies, including the Welfare Reform Team.</p>
1.12	<p>Welsh Government have provided a “top up” grant for Discretionary Housing Payments (DHP) and we have already seen through our committed expenditure that demand for this is already high before the ending of the uplift takes effect</p>
1.13	<p>There is a planned communication exercise to raise awareness of the various support services and schemes that are available for residents who may be affected.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>There is a need to increase the staffing levels within the welfare reform team, this is to ensure that the increased workloads are managed effectively and efficiently to ensure that residents receive the support they require.</p> <p>Workload increases have already been evident in relation to: Isolation Payments Tenancy Hardship Grant</p> <p>The additional work in relation to the removal of the UC uplift will likely be around supporting residents with budgeting or money advice an supporting with access to DHP or Tenancy Hardship Grant.</p>
2.02	<p>As the income customers are receiving from UC will decrease, this may result in a small increase in CTRS for current customers. In some cases, where customers UC was slightly too high to qualify for CTRS, they may now qualify. However, both scenarios will increase CTRS expenditure and may put further financial pressure on FCC budgets to meet the increase in the cost of the CTRS scheme. At present we don't have a list of affected customers so are unable to accurately forecast either scenario.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	None.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>https://www.gov.uk/government/news/chancellor-announces-workers-support-package</p> <p>https://gov.wales/devolved-administrations-call-reversal-uk-governments-universal-credit-cut</p>

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Jen Griffiths, Benefits Manager Telephone: 01352 702929 E-mail: jen.griffiths@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Discretionary Housing Payment (DHP) Discretionary Housing Payments (DHPs) are payments that may be made by the Council to people that are receiving Housing Benefit or Universal Credit (Housing Element), but who may still need further financial help with their housing costs.</p> <p>Universal Credit (UC) – is an integrated means-tested benefit for people of working age whose income is below a specified minimum amount. UC can be claimed by working age people in and out of employment.</p> <p>The Tenancy Hardship Grant is a grant to provide financial assistance for people in private rented accommodation who are struggling to pay their rent because of the Coronavirus (COVID-19) pandemic.</p> <p>Isolation Payments are for people on low incomes who have to self-isolate.</p> <p>The Council Tax Reduction Scheme provides financial assistance to people on a low income. As the scheme is means-tested; the amount you receive depends on your income plus the size and needs of your household.</p>