



Universal credit in your area: a briefing for Elmbridge Borough Council

Universal credit, the new social security benefit that combines six previous payments into one, will soon be rolled out in your area. This briefing aims to help you understand what will happen, who will be affected, and any action you can take. If you have any questions, or feedback on this briefing, please contact Lizzie Flew on lflew@cpag.org.uk.

This briefing pack covers:

1. What universal credit is
2. When universal credit is due to start being rolled out at Staines Jobcentre Plus and Weybridge Jobcentre Plus
3. Who will be affected by the roll-out of universal credit
4. What to expect from the roll-out of universal credit
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1. What universal credit is¹

Universal credit is a new benefit being gradually introduced across the UK, replacing the following means-tested benefits and tax credits for working-age people: income support, income-based jobseeker's allowance, income-related employment and support allowance, housing benefit, child tax credit and working tax credit.

Universal credit can be claimed by those in and out of work. There are two components designed to increase the incentive for people to work, and to work more:

- The **work allowance** – the amount some claimants are allowed to earn before universal credit is reduced. Work allowances are only for people with children and people with limited capability for work due to ill-health or disability.
- The **taper rate** – net earnings above your work allowance, if applicable, are deducted from universal credit amounts at the taper rate of 63 per cent – i.e., your universal credit amount is reduced by 63p for every £1 of earnings above a certain level.

Everyone who receives universal credit must agree to a **claimant commitment**, and may be subject to **sanctions** (reductions in universal credit) if they don't meet that commitment.

Some people will not be required to work or look for work (for example people caring for very young children or who have recently fled domestic violence), whereas others must prepare for work or spend a set time each

¹ This information is not exhaustive – it covers what we think are the main points.

week preparing for work and looking for jobs. Some people already in work will be required to look for more work or increase their earnings (this is called **in-work conditionality**).

Universal credit uses HMRC's system to identify earnings in real time, so claimants paid through PAYE don't need to report changes in their earnings – the system picks these up and adjusts universal credit payments as needed. Self-employed claimants may be assumed to have a certain level of earnings, equal to the minimum wage for the hours they are expected to work. Self-employed people have to report profits every month.

Claims for universal credit normally need to be made and managed **online**, and couples must make a **joint claim**. Payments are usually made **monthly**, and **include the amounts for rent** (except where the claimant lives in certain categories of housing like temporary accommodation, refuges or supported accommodation).

Claimants can appeal against decisions, but must first request a **mandatory reconsideration**.

Changes made to universal credit in the November 2017 budget:

- The seven waiting days at the beginning of a new universal credit claim have been removed, so claimants will now **wait five weeks** for their first payment instead of six.
- People claiming housing benefit who move onto universal credit will now receive this benefit for an extra two weeks while they wait for the first universal credit payment.
- People waiting can claim up to the full value of their first payment in **advance** (repayable over the following 12 months).

2. When universal credit is due to start being rolled out at Staines Jobcentre Plus and Weybridge Jobcentre Plus

Universal credit is being introduced gradually – known as the 'roll-out'. At first universal credit was delivered in a reduced *live service* form, which was not fully digital and was generally only available to claimants who met certain conditions. Live service is now closed to new claims although there are still people receiving universal credit through the live service, largely single, unemployed people (known as 'Jobseekers') without children. They will be moved to full service over time.

Universal credit **full service** – the full digital system – will be rolled out to all eligible new claimants one Jobcentre Plus at a time. It will arrive at **Staines Jobcentre Plus and Weybridge Jobcentre Plus** from **November 2018**. From this date any new claim will be directed to universal credit. The exception is families with three or more children, who cannot currently claim universal credit so will continue to claim tax credits - the old set of benefits.

For anyone already receiving one or more of the benefits universal credit will eventually replace, there won't be any change immediately. However, any claimant's change of circumstances that would otherwise trigger a new claim for any of the six previous benefits will now mean they will have to make a universal credit claim instead. This can include moving into work or a household having their first child, but the rules depend on exactly what the household is already claiming.² The exception again is families with three or more children. The government has stated that in the future people who get the Severe Disability Premium as part of their employment and support allowance (ESA) will also remain on the old benefit system. This has been announced but the law is not yet in place. Eventually, all existing claimants will be moved onto universal credit even if there has been no change of circumstances. **This process is referred to as 'managed migration' and is currently planned to happen between 2019 and 2023.** If you want to read more about CPAG's views on the proposed managed migration process please see our website: www.cpag.org.uk/managedmigration

² See https://www.entitledto.co.uk/help/changes_that_trigger_Universal_Credit for a full explanation of changes which may trigger a move to universal credit.

3. Who will be affected by the roll-out of universal credit

Once fully rolled out, universal credit will reach half of all children in the UK. In Elmbridge, there are **3,900 families** claiming tax credits (that includes **6,500 children**), so a similar number of families are likely to be claiming universal credit eventually.

The End Child Poverty coalition produces annual local child poverty statistics. **In Elmbridge, 3,965 children, or 13% of all children, are living in poverty.**³

4. What to expect from the roll-out of universal credit

CPAG's Early Warning System has been monitoring the effect of the universal credit roll-out on families. We report our findings to the DWP and work with them to find solutions to any problems. You can find [a report covering the issues we're seeing most often through our Early Warning System](#), and [a report with a particular focus on the monthly assessment period](#), on our website.⁴ Constituents may contact you with similar questions about universal credit. We have therefore included with this briefing a separate guide for advisers and caseworkers on some of the most common issues claimants may face, and recommended ways to prevent and solve problems. We hope this will help you and your staff to assist your constituents.

There is likely to be heavy demand on advice services in your area during the roll-out and we would encourage you to support these services in whatever way you can. In addition, as universal credit claims have to be made and managed online, there may be an increase in demand for computer access and other library services. In the wait for a first payment of universal credit, there may also be more demand for local welfare assistance schemes. We would encourage you to ensure procedures to manage any extra need for these services are in place for those who need them. Universal credit now pays lower rates than when first proposed and certain groups such as single parent families, disabled people and the self-employed may find themselves worse off on the new benefit.

If you would like to know more about how we think universal credit could be improved, please contact Lizzie at lflew@cpag.org.uk for more information.

5. Sources of more information

Runnymede and Spelthorne Citizens Advice (Sunbury) and Citizens Advice Elmbridge (West), or Surrey Law Centre, may be able to offer advice and support to universal credit claimants who have problems.

Universal Credit helpline

Telephone: 0800 328 9344

Welsh language (make a claim): 0800 012 1888

Welsh language (report changes): 0800 328 1744

Textphone: 0800 328 1344

Monday to Friday, 8am to 6pm

CPAG's Early Warning System is gathering information about how the changes to the social security system, including the introduction of universal credit, are affecting children and families.

You can sign up to our early warning system bulletin to keep abreast of emerging issues and our suggestions for tackling them. We are also pleased to offer talks from an expert welfare rights worker for local groups on

³ 60% of median income or less, after housing costs, as at September 2017:

<http://www.endchildpoverty.org.uk/poverty-in-your-area-2018/>

⁴ See <http://www.cpag.org.uk/policy-reports>

what to expect from the roll-out, subject to availability of our staff. Please contact lflew@cpag.org.uk to request these or for more information.

If you come across difficulties with universal credit, please [feed them into the Early Warning System using our online form](#) so that CPAG can work with the DWP to resolve them.

For more in depth information about universal credit and other social security topics, CPAG offers a wide range of training and publications: cpag.org.uk/training and shop.cpag.org.uk

6. About Child Poverty Action Group

Child Poverty Action Group (CPAG) has worked for over 50 years to prevent and relieve poverty among children and families in the UK. We author and publish *The Welfare Benefits and Tax Credits Handbook*, the authoritative guide to social security in the UK; provide specialist advice and training to first tier advisers; and provide the secretariat for the National Association of Welfare Rights Advisers.

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. Our vision is of a society free of child poverty, where all children can enjoy a childhood free of financial hardship and have a fair chance in life to reach their full potential.

Child Poverty Action Group is a charity registered in England and Wales (registration number 294841) and in Scotland (registration number SC039339).

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