

## London Borough of Enfield

### General Purposes Committee virtual meeting

Meeting Date 26<sup>th</sup> November 2020

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**Subject:** Universal Credit  
**Cabinet Member:** Cllr Mary Maguire  
**Executive Director:** Fay Hammond

**Key Decision:** N/A

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#### Purpose of Report

1. To give an update on the continuing implementation of Universal Credit in Enfield and the associated risks

#### Proposal(s)

2. To highlight the risks associated with the implementation of Universal Credit in Enfield and the impact of Covid-19, and propose that in future reporting to the Committee that this is linked to the broader impact of poverty in Enfield on the cost of benefits, homelessness and debt to residents and the council.

#### Reason for Proposal(s)

3. Since the start of natural migration from legacy benefits to UC migration in 2017, the plans to mitigate it are now well embedded, while other variables continue to impact on poverty that subsequently alter the residents and councils experience of benefits, homelessness and debt. It is therefore proposed that future reports to this Committee could incorporate an update on the councils work to reduce poverty and the impact of poverty in the Borough.

#### Relevance to the Council Plan

4. The migration from legacy benefits to Universal Credit relates to the Council Plan's priority of Safe, Healthy and Confident Communities, and particularly the subset of this which is to deliver essential services to protect and support vulnerable people.

#### Background

5.1 The DWP started full rollout of Universal Credit on 1/11/17 through natural migration from legacy benefits onto Universal Credit when a relevant change in circumstances occurs. Changes include the need to have claimed one of the legacy benefits that Universal Credit has replaced (Housing Benefit, Job Seekers Allowance, Employment Support Allowance, Income Support, Working Tax Credit and Child Tax Credit) and moving into the borough.

5.2. Not all residents claim Universal Credit. Those that don't claim and will not need to claim for the foreseeable future include Pensioners and those entitled to a severe disability premium (claimants that live on their own and get high levels of disability

benefits). For those in Supported accommodation or Temporary accommodation they can claim Universal Credit for income but still must claim Housing Benefit to help with rental costs.

5.3. 'Managed migration' (describing the planned migration of all those residents that had not 'naturally' migrated as the result of a change of circumstances) was planned by the DWP to start July 19, but that date was put back to July 20 and (presumably due to Covid) has subsequently slipped again. We currently have no updated date for the start of managed migration. The aim of the DWP was to ensure all working age residents eligible for Universal Credit, on legacy benefits were transitioned to claim Universal Credit, leaving no one (apart from Pensioners and the vulnerable group noted in 5.2) on the legacy benefits by December 2023.

5.4 The LBE services that work with UC claimants are now well versed in their needs and the risks that were identified at the outset are now well managed – with the proviso that not all the risks can be completely managed since it's the DWP process itself that create the risk e.g. paying UC a month in arrears, having an average wait of 5 weeks after claiming until the first payment is made, and not sharing data on UC cases with the local authority). Some claimants continue to struggle with the consequences of moving into Universal Credit from legacy benefits. Regular LA/DWP engagement meetings to feedback issues and raise awareness cover the following key issues for claimants and landlords:

Monthly payment of benefits as a lump sum in arrears can have a negative impact on health and wellbeing, rent arrears, eviction and debts is mitigated by

- DHP claims to help with rent shortfalls
- Check UC awards first and if housing costs incorrect, advise UC customer to request DWP to correct with guidance
- The newly formed dedicated Welfare Advice and Debt team supports individuals to maximise benefits and manage debts
- Good liaison with DWP over issues with UC
- Appropriate referrals are made to the foodbank, citizens advice, other voluntary advice-giving organisations and social services to ensure broader health and wellbeing needs are resolved

LBE as a landlord – dealing with tenants that are getting into rent arrears due to UC is mitigated by:

- Verify rent through landlord portal
- request managed payments (housing costs paid direct to rent account)
- establish reason rent not being paid where housing costs not paid direct or not all covered by UC
- offer advice and help with UC issues; refer tenants for debt advice where needed.

5.5. The impact of Covid-19 on Universal Credit from March 20 – Sept 20, has been significant, with a much faster natural migration taking place due to claimants change of circumstances e.g. losing work and reducing working hours. Local Authorities do not get access to UC data, and therefore we can only measure the impact through monitoring changes to the demand for Housing Benefit and Council Tax Support, Discretionary Housing Payments, welfare advice and debt support, and homeless applications. During this period impacted by Covid-19, the following changes took place:

- HB case load reduced by 1,961 from 26,021 to 24,060
- CTS case load increased overall by 1,390 from 35,862 to 37,171

- Those receiving Council Tax Support on UC increased by 3,559, from 8,635 to 12,194

5.6 One of the most stark issues raised by this lack of access to UC data (which is controlled by the DWP) is that although we know that the households impacted by the Benefit Cap has increased significantly recently, we as a Local Authority, do not know who they are. We know all those households impacted by the benefit cap that are on legacy benefits and proactively work with them to help them avoid long lasting problems eg caused by the build-up of housing debt and potential threat of eviction. DWP statistics in May 2020 identified that Enfield had 3,431 Benefit Capped households. This puts Enfield in the top 5 local authorities in the country for high numbers of households impacted by the benefit cap. We are asking the DWP for this information, as are many other authorities, but as yet there is no promise that this will be made available.

Table 1: Benefit Capped Households by Benefit Type Feb – May 2020

Borough	Universal Credit				Housing Benefit				Combined			
	Feb-20	Mar-20	Apr-20	May-20	Feb-20	Mar-20	Apr-20	May-20	Feb-20	Mar-20	Apr-20	May-20
Barking and Dagenham	272	406	869	1056	224	205	203	199	496	611	1072	1255
Barnet	814	1098	2187	2545	374	359	344	334	1188	1457	2531	2879
Bexley	113	169	413	479	138	132	130	134	251	301	543	613
Brent	950	1131	1924	2335	672	649	624	613	1622	1780	2548	2948
Bromley	141	221	560	666	119	113	103	114	260	334	663	780
Camden	383	437	691	880	220	216	208	199	603	653	899	1079
City of London	8	5	16	19					8	5	16	19
Croydon	664	901	1677	1881	250	243	229	229	914	1144	1906	2110
Ealing	994	1161	1867	2223	484	476	455	446	1478	1637	2322	2669
Enfield	869	1179	2402	2856	618	599	591	575	1487	1778	2993	3431
Greenwich	192	252	535	677	185	176	175	172	377	428	710	849
Hackney	574	688	1089	1235	540	530	497	488	1114	1218	1586	1723
Hammersmith and Fulham	426	498	805	932	107	102	100	100	533	600	905	1032
Haringey	317	499	1339	1608	357	354	347	347	674	853	1686	1955
Harrow	297	418	860	1012	185	182	180	179	482	600	1040	1191
Havering	172	264	588	673	124	121	116	120	296	385	704	793
Hillingdon	320	405	768	953	253	246	244	237	573	651	1012	1190
Hounslow	593	721	1207	1343	109	101	107	100	702	822	1314	1443
Islington	291	357	566	670	199	187	183	176	490	544	749	846
Kensington and Chelsea	250	290	458	570	103	95	105	99	353	385	563	669
Kingston upon Thames	183	226	463	533	85	80	78	75	268	306	541	608
Lambeth	306	446	1114	1328	233	228	227	216	539	674	1341	1544
Lewisham	328	521	1386	1585	276	267	247	243	604	788	1633	1828
Merton	217	264	528	624	97	93	93	98	314	357	621	722
Newham	401	533	1115	1473	395	385	373	373	796	918	1488	1846
Redbridge	218	340	869	1068	182	175	165	161	400	515	1034	1229
Richmond upon Thames	199	258	456	524	79	76	82	84	278	334	538	608
Southwark	295	409	914	1086	156	147	142	137	451	556	1056	1223
Sutton	202	277	524	583	50	45	49	45	252	322	573	628
Tower Hamlets	578	685	1112	1370	287	277	289	274	865	962	1401	1644
Waltham Forest	260	353	802	999	228	217	210	203	488	570	1012	1202
Wandsworth	426	505	801	946	244	239	239	238	670	744	1040	1184
Westminster	349	423	676	878	203	195	185	178	552	618	861	1056
London	12599	16340	31587	37607	7766	7515	7310	7194	20365	23855	38897	44801

## Main Considerations for the Council

6. Rising personal debt, pressure on homelessness and increase in the allocation of certain 'benefits such as CTS and DHPs, continue to be one the implications of UC alongside other key variables such as the changing the LHA rate (excepted to have been the cause of the rise in benefit capped households), the cost of housing in the private rented sector, and Covid-19 and the associated economic downturn.

<b>Risk to council</b>	<b>Mitigation</b>
Potential Increase in homelessness (from private sector)	<ol style="list-style-type: none"> <li>1. Homelessness Reduction Plan now in place. Housing restructure and process change too - made for dealing with customers in process of</li> <li>2. Closer working between Housing and Financial Assessment service ongoing. Referral path between services to be formalised.</li> <li>3. High level of ben cap cases on UC established. Request to DWP to get this data to do proactive prevention work on</li> <li>4. Maintaining homeless prevention officer in JCP and offering support to JCP when customers approach them with homeless issues</li> </ol>
Debt recovery	<ol style="list-style-type: none"> <li>1. Welfare Advice and Debt Support Team Manager and team from 23/3/20 providing support to most vulnerable residents with income and debt issues. Also in place to deal with financial hardship for those affected by Covid 19. Will be expanding from April 21 to do income maximisation and benefit claims assistance through campaigns</li> <li>2. Promote Council Tax support scheme</li> <li>2. Discretionary Housing Payments</li> <li>3. Agree corporate approach to multiple debtors as part of new debt strategy (currently being drafted)</li> <li>4. Increased risk with impact of Covid 19 and recovery delayed to highlight those struggling</li> </ol>
Lack of shared DWP data on UC claimants, leading to a lack of understanding of customer needs	<ol style="list-style-type: none"> <li>1. HB calculator advises when HB or UC to be claimed</li> <li>2. DWP LA support pack</li> <li>3. Lost DWP collocated workers (worked wit LA since 2012) March 20 due to UC pressures with more new claims. Increased risk to the LA in sorting out complex issues for those vulnerable - Putting other mitigations in place</li> <li>4. Lobbying DWP for access to ben cap data for UC</li> <li>5. expanding the Welfare Advice and Debt Support Team to support residents with claims</li> </ol>

### **Safeguarding Implications**

7. N/A

### **Public Health Implications**

8. N/A

### **Equalities Impact of the Proposal**

9. N/A (this is not a proposal)

### **Environmental and Climate Change Considerations**

10. N/A

### **Risks that may arise if the proposed decision and related work is not taken**

11. This is not a decision

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

12. N/A

### **Financial Implications**

13. N/A

### **Legal Implications**

14. N/A

### **Workforce Implications**

15. N/A

### **Property Implications**

16. N/A

### **Other Implications**

17. N/A

### **Options Considered**

18. This is an update with no options to be considered

### **Conclusions**

19. This update highlights the impact of UC on claimants and the council and proposes that in future reporting to the Committee that this is linked to the broader impact of poverty in Enfield on the cost of benefits, homelessness and debt to residents and the council

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Date of report 17<sup>th</sup> November 2020

**Background Papers**

None