March 2021

Universal Credit & Lancashire County Council

Cllr Gillian Oliver, reportage – for the External Services Committee

Summary This note highlights three LCC services where the administration of Universal Credit (UC) has a direct impact on front line services and budgets. It is the culmination of evidence received by the External Services Committee 2017-2021 in response to the roll out of Universal Credit which culminates in 2024. It incorporates experience of the pandemic and resulting restrictions 2020/1.

What follows forms the basis for a letter to from LCC Cabinet Lead to the Secretary of State, Feb 2021

It does not cover all the problems the council's Welfare Rights team encounters.

In House Carers

Carers provide a home for people who need support to live in the community, including disabled residents and fostered children. The person being cared for receives benefits in their own right, and they pay the carer 'bed and board' as part of a licence agreement. LCC pays a further amount to top up the client contributions to an agreed level as outlined in the agreement. As carers and the people they care for begin a transition to Universal Credit, they will both lose out financially, and their benefit income could reduce to nil.

- Currently there are 268 active carers ('Shared Lives Carers') supporting 352 individuals.
- Under UC the housing element award paid to the carer can be £20 to £30 per week less than for those on legacy benefits (varies depending on Local Authority area). The service users have a lower income and are either left with a much lower disposable income after paying their contribution to the carer, or in some cases cannot afford the board payments.
- There is no data available to identify how many carers are themselves in receipt of welfare benefits, and it will take more time to see if LCC loses any carers as a result of UC rules. Therefore the council will need to monitor this issue.
- There is a DRAFT Cabinet item with a new proposed financial framework to mitigate some of the impact of UC to the carers and service users.

(Contact: Mike Schofield, Registered Manager, Shared Lives Service)

Care Financial Assessment Team (CFAT)

This team undertakes financial assessments to determine whether a service user should make a financial contribution to the cost of their care package. Again, residents of working age will not have the same level of income under UC as they would have had before. This will eventually mean that all working age service users who are reliant on UC will pay less or nothing at all. Moreover, as pension age increases more service users will necessarily be of working age. So, even if numbers are stable, the proportion who pay zero will continue to grow, and the income generated by the council will fall.

There will also be a period during the transition to UC where the CFAT team may need to undertake more than one annual financial assessment per resident as their circumstances change, putting further pressure on staff time. Crucially, financial assessors can struggle to undertake the charging assessment if service users are unable to speak to UC to clarify award amounts , and this can put more pressure on vulnerable service users and/or their carers to find and provide the information.

- There are currently 12,159 service users receiving non-residential chargeable services. Of these 6642 are working age, and 715 of these are in receipt of UC, the rest will be impacted if and when they are migrated on to UC.
- The average client contribution to the cost of care for the working age group is £27.13 per week, but the current average contribution for those on UC is only £5.26 per week.
- This indicates that from the client contributions LCC is already receiving approximately £800k per year less income than it would be if we had no service users on UC.
- Not all working age services users will move to UC due to other forms of income or savings, but if we project 50% of the service users do migrate, based on the above averages it indicates a loss of income of £3.5 million per year. If all 6642 service users were in receipt of UC, based on the above averages, LCC will receive £7.5 million less income a year (once any 'grace period' has expired).

(Contact: Karen Jones, Care Finance Assessment Manager, Corporate Finance)

Financial Safeguarding

Since Covid-19, the Department of Work/Pensions (DWP) has made no home visits. This, together with its insistence that all claims must be digital, has meant extremely vulnerable residents are prevented from claiming what they are entitled to. The DWP's response has been to push residents into appointing someone to claim for them. However, the Welfare Rights team has argued against this (vulnerable people can manage their finances with support, and should not have to accept an appointee because they are unable to make a digital claim). The DWP needs to provide its own solution to this, as support services can no longer instigate paper claims as they could in the past. This council has had referrals for people with no income - but pending benefit clarity - moving in to residential care, and the council needs to pay in full while the wait goes on.

- Even though there are a small number of clients on UC (22), council officers have highlighted a list of problems that mean they are spending far more time processing and managing the UC appointeeships than for those on legacy benefits.
- Most of the service users they support require a weekly payment to assist them in managing their budget. As UC is paid monthly and often the budget is very tight - this causes additional difficulties.
- There is also the matter of financial abuse, where friends and family retain the benefit for themselves and do not benefit the client with it. UC does not have a clear process to set up a corporate appointee where there is already a UC claim in payment. This inevitably means it is a very long process and a lot of chasing from the financial safeguarding team to have payments suspended where financial abuse is taking place, and to set up alternative payment arrangements. There is also no flag on the system that there is a corporate appointee, therefore the vulnerable adults can change their payment details and take out loans which continues to put them at risk of financial abuse.

(Contact: Karen Jones, Care Finance Assessment Manager, Corporate Finance)

Gillian Oliver, Cllr

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