

Universal Credit Impact in Lancashire

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Welfare Rights Service

What is Universal Credit?

- A means tested-benefit introduced by The Welfare Reform Act 2012
- For working age claimants – Pension Credit remains for pension age claimants/couples
- Payable to people who are working as well as those not working, depending on their means

Which benefits is UC replacing?

- Income Support
- Income related Employment & Support Allowance
- Income related Jobseekers Allowance
- Housing Benefit
- Child Tax Credit
- Working Tax Credit

Many people are still receiving these benefits which are now being referred to as 'legacy benefits'.

People on UC (September 21)

People on UC - September 21					
	Not in Employment	In Employment	Total		% in work
Burnley	7673	4986	12659		39.4%
Chorley	4398	3502	7900		44.3%
Fylde	2864	2254	5118		44.0%
Hyndburn	5863	3745	9608		39.0%
Lancaster	7598	5636	13234		42.6%
Pendle	5947	3767	9714		38.8%
Preston	9297	6250	15547		40.2%
Ribble Valley	1283	1217	2500		48.7%
Rossendale	3676	2297	5973		38.5%
South Ribble	3826	3135	6961		45.0%
West Lancs	5208	3597	8805		40.9%
Wyre	4879	3656	8535		42.8%

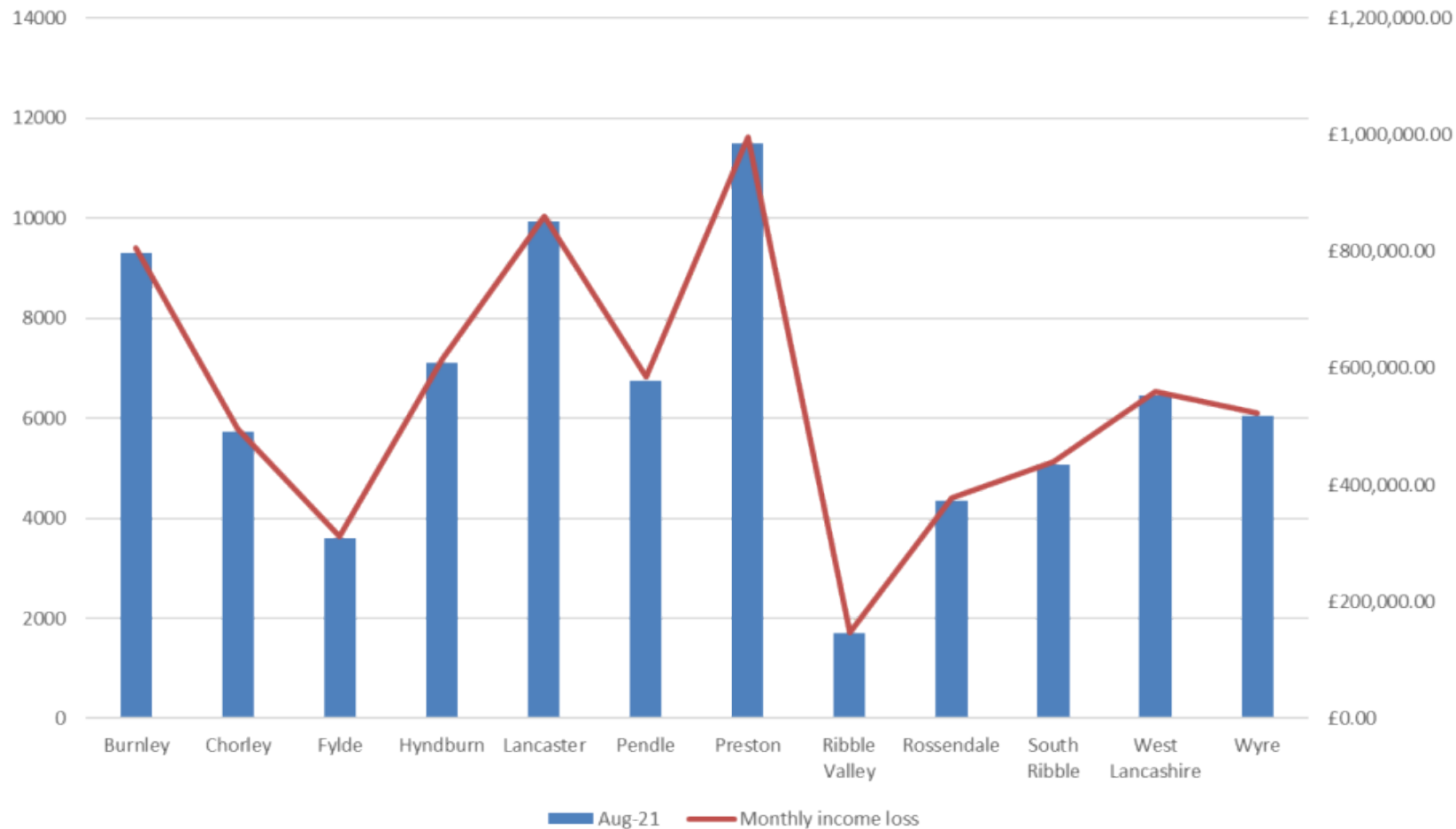
Households on UC

	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Burnley	9444	9337	9354	9357	9307
Chorley	5825	5703	5694	5721	5732
Fylde	3955	3799	3774	3715	3610
Hyndburn	7226	7108	7156	7155	7118
Lancaster	10340	10084	10065	10076	9929
Pendle	6721	6640	6685	6697	6745
Preston	11443	11295	11334	11464	11492
Ribble Valley	1822	1735	1744	1758	1703
Rossendale	4462	4345	4369	4415	4353
South Ribble	5198	5035	5064	5105	5076
West Lancashire	6651	6479	6518	6530	6462
Wyre	6363	6154	6133	6131	6048
Total	79450	77714	77890	78124	77575

Ending of temporary uplift

	Aug-21	Monthly income loss
Burnley	9307	£806,637.69
Chorley	5732	£496,792.44
Fylde	3610	£312,878.70
Hyndburn	7118	£616,917.06
Lancaster	9929	£860,546.43
Pendle	6745	£584,589.15
Preston	11492	£996,011.64
Ribble Valley	1703	£147,599.01
Rossendale	4353	£377,274.51
South Ribble	5076	£439,936.92
West Lancashire	6462	£560,061.54
Wyre	6048	£524,180.16
Total	77575	£6,723,425.25

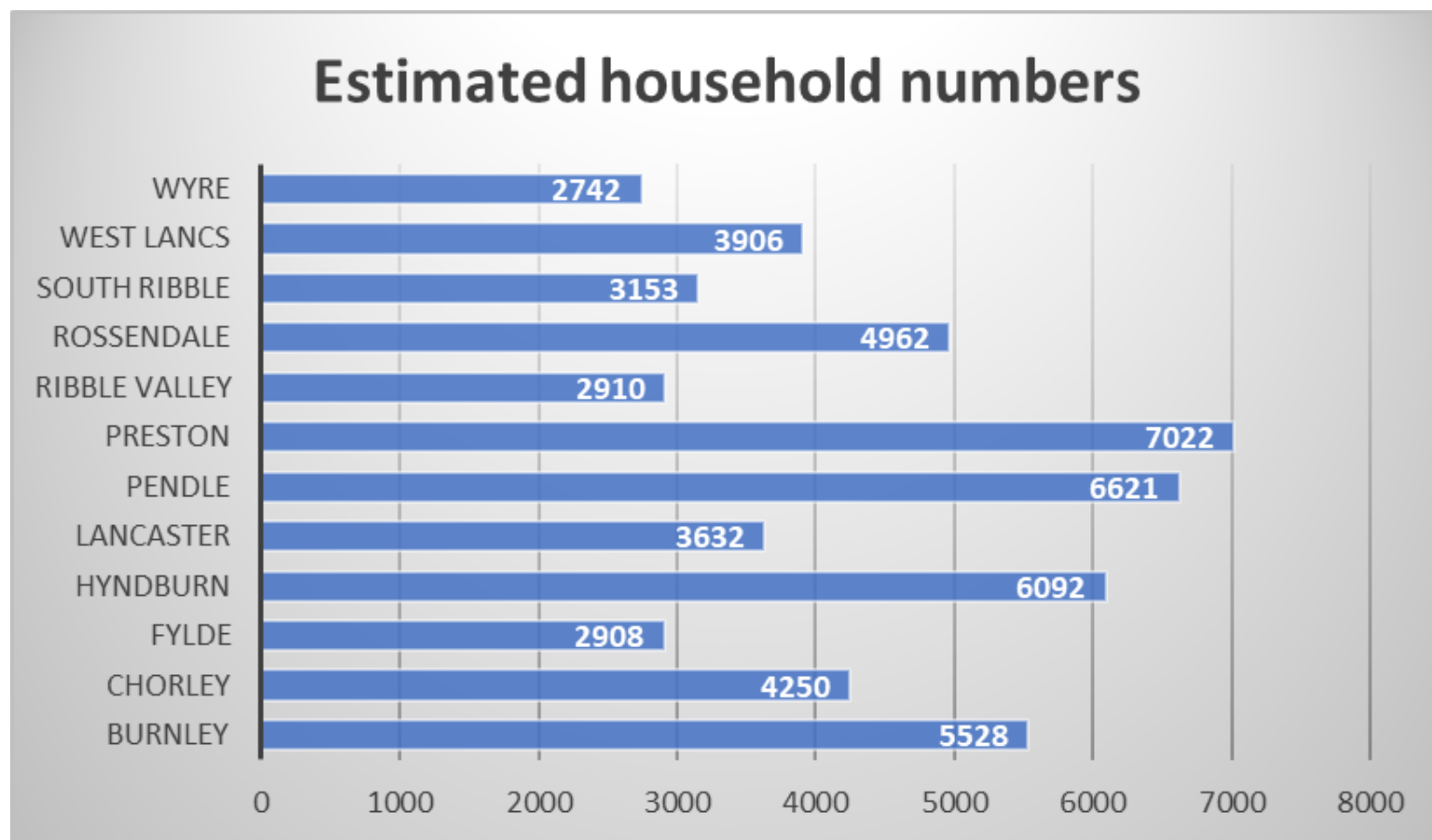
Estimated Monthly Income Loss by District



UC for claimants in work

- Increase to 'taper rate' – keep an extra 8p in the £1. (Any household with earnings of £250 per week, recouped equivalent to £20 uplift)
- Increase the work allowance for those with children or limited capacity for work:
 - increase the lower work allowance from £293 to £335 per month (for those who receive help with housing costs); and
 - increase the higher work allowance from £515 to £557 per month (for those who do not receive help with housing costs).

Households on legacy benefits



General Summary

- Just over 77,500 households estimated to be losing £86.67 pcm in their UC claims.

Approx. 50,000 not benefitted by Nov changes.

- Estimated initial loss of £6.7 million pcm across Lancashire

Unable to determine overall impact of November changes for working households (already seen cases benefitting)

- Around 54,000 more households yet to move from their legacy benefit to UC

Impact to LCC - Examples

- Impacts Shared Lives placements and Special Guardianship Order placements – less money from UC so potential more for LCC to contribute
- To date, seeing a reduction of estimated £1million per year in income from client contributions
- Increased number of Corporate Appointeeship issues

Shared Lives Service

- Currently 230 permanent placements with Shared Lives carers
- Further work is ongoing to estimate the financial impact of changes to Universal Credit on LCC and the carers

Care Financial Assessment Team

- Currently 6763 working age SUs in receipt of non-residential chargeable services.
- Average client contribution for working age SU is £28.46 per week, but for those on UC it is £7.29 per week.
- Currently seeing a reduction in income of an estimated £1.1 million per year income from client contributions

Care Financial Assessment Team

- Average client contribution for pensioners is £69 per week, but welfare reform will impact
- Current annual financial assessment reviews unlikely to be sufficient due to increased frequency of UC amendments
- Due to the lack of access to DWP records – assessments are expected to be more difficult to undertake

Financial Safeguarding Team

- Currently 513 SU's require corporate appointee for benefit purposes
- 240 of these are working age SU's, and 37 of them are on UC
- Noticeable shift from mostly acting for older people to increasing numbers of working age SU's
- Increase in referrals and time spent on UC cases means there is now a 3 month backlog of referrals
- Backlog includes 35 working age clients

Financial Safeguarding Team

Difficulties working on UC cases includes:

- Some customers already in serious debt to priority creditors, need specialist debt advice
- Delayed or no response to journal requests, and lengthy delays to DWP phone lines
- Still problems in getting UC to follow agreed process with corporate appointees
- Problems with access to journals

Other impacts of migration

- Many of those on legacy benefits will include long term disabled, complex needs etc.
- May increase numbers coming in to services for support as not coping/in crisis
- Libraries have been approached by DWP re digital offer
- Employment Support Team vital – getting people in to work

Any questions for.....

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