



Department
for Work &
Pensions

UC *Universal
Credit*

Universal Credit: Update

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Department for Work & Pensions
Universal Credit Implementation Programme

Universal Credit – External Engagement & Orientation

- To ensure that there is a ‘single version of the truth’ about what Universal Credit is and how it will be delivered, with clear and consistent messaging
- To assess the impact of external initiatives, devolved flexibilities, and wider policy and welfare reform changes on the Programme
- To design and deliver a comprehensive orientation programme for claimants, staff, employers and delivery partners
- Ownership of Personal Budgeting Support (PBS) strategy
- Work with DWP Communications on the national campaign and claimant communications
- To be the first point of contact between local government, the devolved administrations, key stakeholders, HMRC and the UC programme.

Simplification of the Benefit System

Current System

Multiple benefits – potentially need to make more than one claim
Different entitlement rules – am I entitled or not?
Complex rates – ESA has 2 components with 2 additional premiums
Different organisations – DWP, HMRC, local authorities – who do I go to?
Fill in paper claim forms – many pages long
Difficult to understand how changes will affect entitlement

Universal Credit

One system – make one claim

Clearer rules – I'll know how much I'll get

Clearer rates – e.g., For people with limited Capability there is only 2 elements for different levels of capability

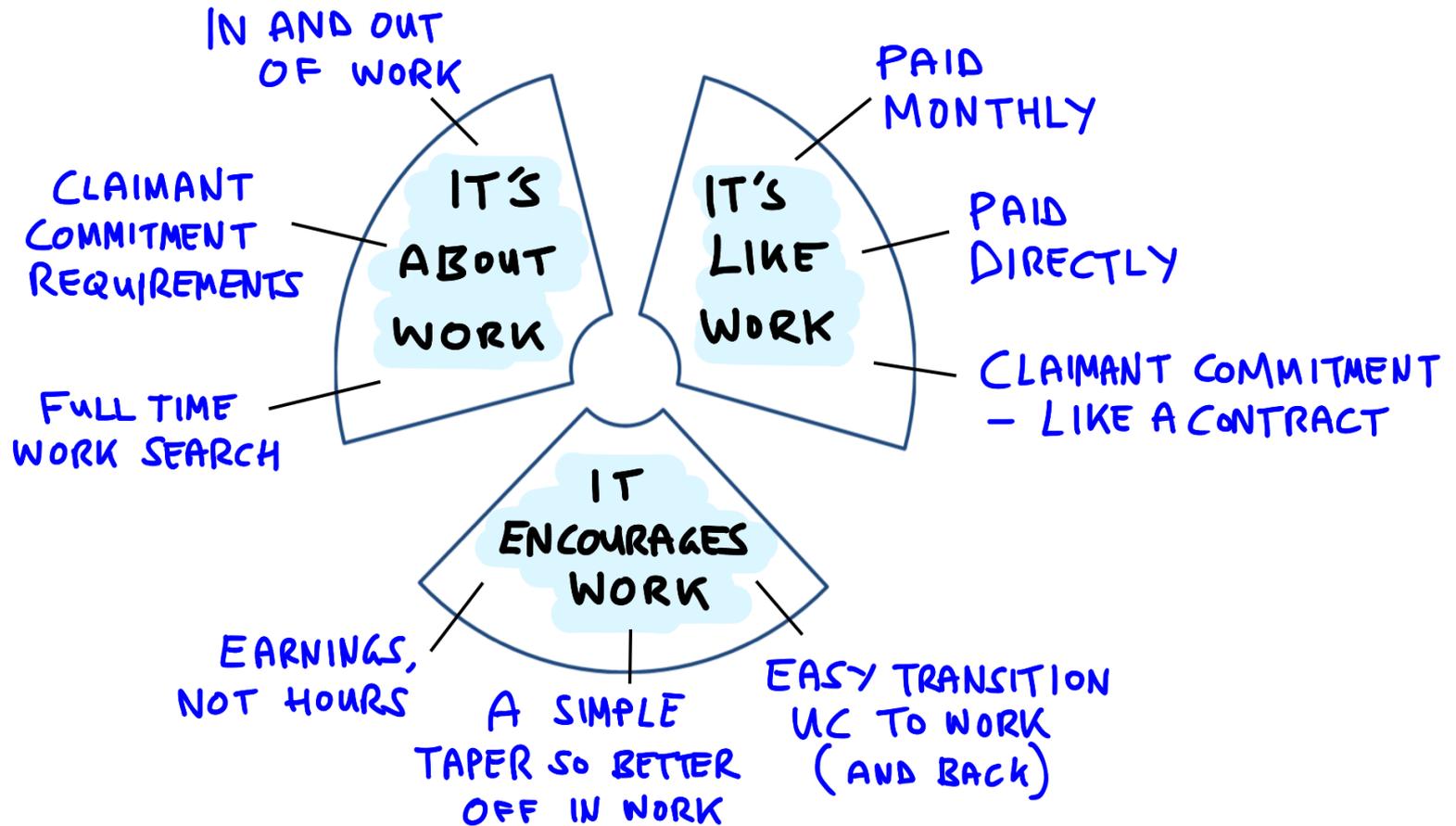
One organisation – DWP

Clear, on-line application

Can make changes on-line – impact is clear straight away

Can be claimed by all those who need support – will impact on 7m recipients when rolled out

What is different about UC?



We want to help people to be able to manage their own finances successfully, whether they are in or out of work

REQUIREMENT FOR A PERSONAL BUDGETING STRATEGY IS DRIVEN BY THESE CHANGES

Housing costs direct to tenant

Single payment to household

Monthly Payment

Deductions in Universal Credit

Main aims of deductions in Universal Credit -

- safeguard vulnerable claimants, by offering a 'last resort' repayment method for essential services, when claimants are at risk of homelessness or disconnection of fuel
- enforce social obligations, when other repayment methods have failed or are not cost effective, such as the collection of fines and child maintenance
- ensure government debt is recovered in a cost effective manner, such as benefit/tax credit overpayments

Universal Credit – progress to date

Universal Credit is now live in over 550 jobcentre areas – over 70% of the national jobcentre network for single unemployed claimants across Great Britain. It is also available for couples and families in nearly 100 of these areas.

By Spring 2016 Universal Credit will be live in all 714 Jobcentres areas.

Expansion to the full Universal Credit service will begin from May 2016, where we will start taking claims for all claimant types

New claims to legacy benefits will begin to close from 2016, claims to legacy benefits will progressively decline and migrate to Universal Credit.

In 2017 we will accelerate delivery to around 50 jobcentre areas per month going live with the digital service.

Testing Migration of the legacy system will begin in 2017 with the start of national migration in 2018

The intention is that all cases are migrated, and a full service is available nationally, by 2020/2021



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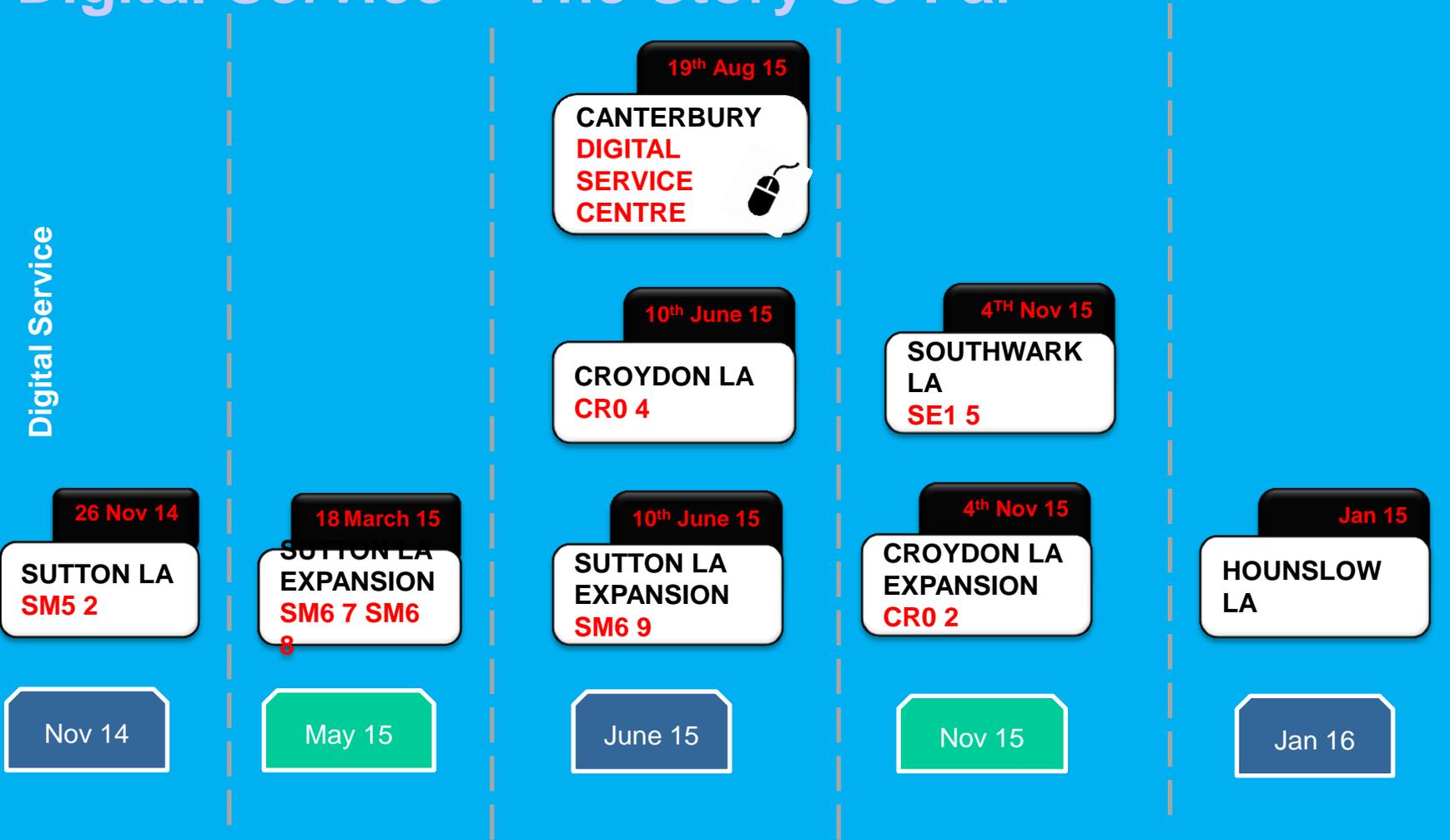
Universal Credit Full Service

Transforming. Digital.

Universal Credit

Digital Service – The Story So Far

Digital Service



Test the service

Improve Efficiency

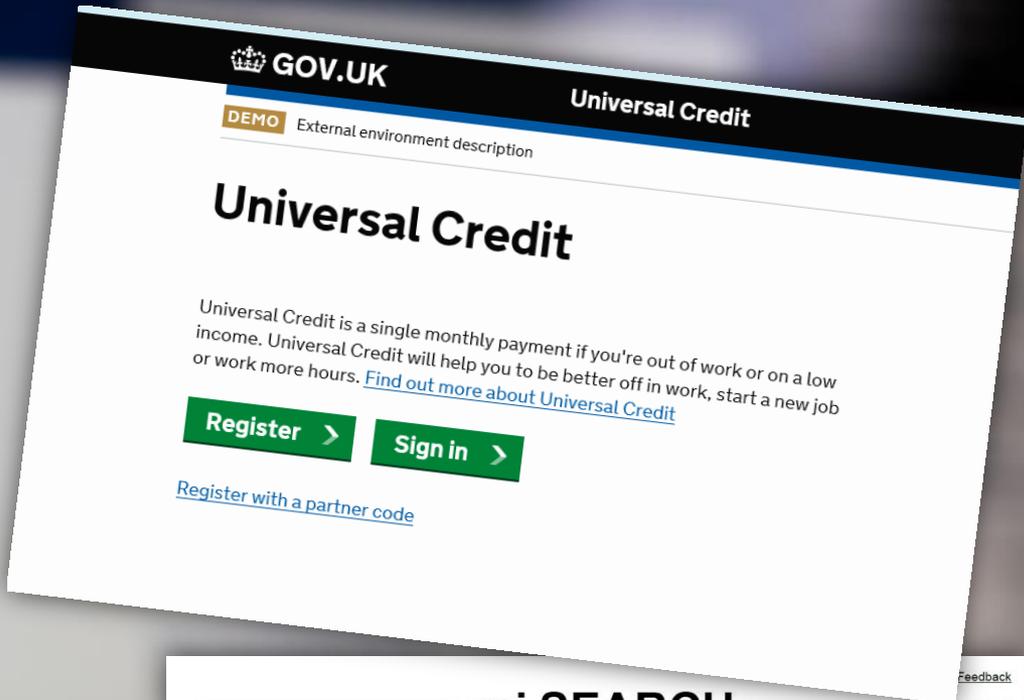
Make Scalable

ELIGIBLE CLAIMANT TYPES



The service will be available for all claimant groups from the start.

The service will initially be available to claimants making a new claim, or certain changes in circumstances.



Universal Credit – Engagement with Utilities

- Relationships established late 2013
- On going engagement with Energy UK and Water UK
- Ofgem and Ofwat engagement - JIU
- We want to work with you to ensure your organisations are prepared for Universal Credit operations
- Event planned for 16th February
- Ongoing engagement and preparation activity



Universal Credit & Employers

How Universal Credit can help your business



Howard Ebison, Customer Service Director for East Midlands Airport explains how Universal Credit has benefitted his business

How Universal Credit can help your business

Universal Credit will increase the financial **incentives** of work and provide employers like you with a more flexible workforce.



Universal Credit makes work pay – allowing people to keep more of their money as they increase their hours of work.



It's about income, not hours – ending the 16 hour rule so staff can increase their hours and no longer worry about losing their benefits.



More generous childcare support helping people move into work and increase their hours.



Reduction of red tape – using the PAYE real time information you send to HMRC to calculate Universal Credit payments means you will get fewer wage enquiries.



Universal Credit merges six benefits into one – leaving you and your staff with only one benefit to understand.



Jobseekers will be more flexible to consider short term work – as they'll know their claim stays open and their benefit payment will adjust accordingly.



Opportunities to use existing part time staff – for overtime and extra shifts at peak times.



Access to a wider pool of better prepared applicants – Universal Credit increases job preparation and improves digital and budgeting skills.

Universal Credit for HR and payroll staff

HR managers - Universal Credit claimants in your workforce will be able to:

- Be flexible about hours
- Take up the offer of overtime
- Increase to full time hours
- Accept bonuses offered
- Keep in touch with their work coach

Payroll Staff – Universal Credit may mean a change for payroll staff who will need to:

- Send HMRC PAYE information at the time a payment is made
- Understand the impact of paying a bonus
- Be aware that employees can be more flexible about taking on more hours

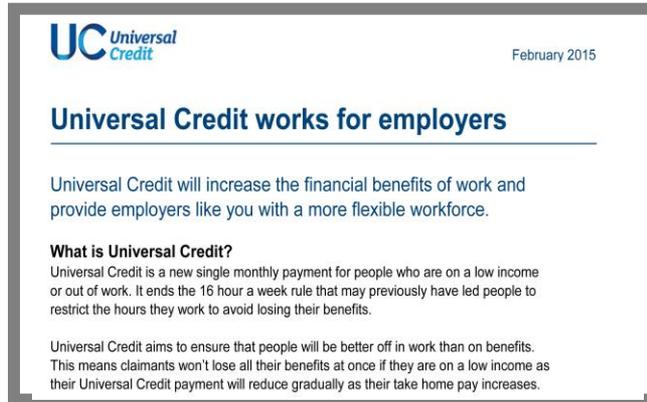
In work progression trial

- A new trial is rolling out to all jobcentres across Great Britain, aimed at helping Universal Credit claimants earn more and reduce their benefit dependency is underway.
- The trial tests how Universal Credit claimants, who are in low paid work or live in low income households, can be actively supported to earn more
- It is testing different approaches to in work support. In work claimants are provided with regular face to face interviews with their jobcentre work coaches, who are helping them overcome any barriers stopping them from increasing their earning capacity through more work or progress into better paid work - such as lack of basic skills, low confidence and poor motivation
- The aim is to encourage employers to act positively in response to the opportunities that Universal Credit offers, exploiting the benefits of a more flexible workforce, and supporting claimants to progress once in work

We are working with employers across the country

- Understanding what employers think – through structured insight work, regular engagement and events at national and local level
- Supporting implementation – delivering timely and accurate information so that employers understand what Universal Credit requires of their employees
- Communication – ensuring employers have the [information](#) they need to make effective business decisions based Universal Credit brings

Engaging digitally with employers



UC Universal Credit February 2015

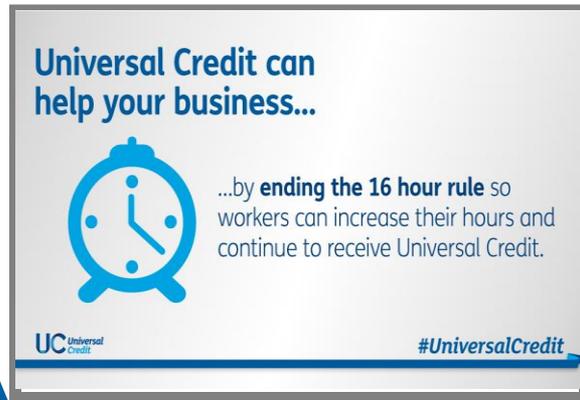
Universal Credit works for employers

Universal Credit will increase the financial benefits of work and provide employers like you with a more flexible workforce.

What is Universal Credit?
Universal Credit is a new single monthly payment for people who are on a low income or out of work. It ends the 16 hour a week rule that may previously have led people to restrict the hours they work to avoid losing their benefits.

Universal Credit aims to ensure that people will be better off in work than on benefits. This means claimants won't lose all their benefits at once if they are on a low income as their Universal Credit payment will reduce gradually as their take home pay increases.

Employer hub



Universal Credit can help your business...



...by **ending the 16 hour rule** so workers can increase their hours and continue to receive Universal Credit.

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Social media content



Welcome Contents Helpline numbers

Employer Bulletin

Your route to the latest in payroll news and views September 2013 Issue 45



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