

Distribution Sub-Group (2016) Paper 05 – Universal Credit Update

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Universal Credit Update

Summary

1. This paper sets out the latest position with regards to Welfare Benefits Reform, in particular, the impact of the rollout of Universal Credit (UC) across Wales on the Job Seeker's Allowance (JSA) dataset.

Views Sought

2. Members are asked to note this paper and to agree to take this work forward as part of the 2016 work programme.

Background

3. The *DSG (2015) Paper 15: Welfare Benefits Reform Update* outlined the latest position concerning Welfare Benefits Reform and looked at the impact to the 2016-17 Settlement.
4. Personal Independence Payment (PIP): In the latest publication by Department for Work and Pensions (DWP)¹, it states claimants may be contacted between 13 July 2015 and 30 September 2017 in England and Wales. For Wales, this only includes Cardiff, where claimants will be contacted from 1 September 2015 at the earliest. As the 2016-17 will use benefit data up to February 2016, this is highly unlikely to result in any notable impact the 2017-18 Settlement and thus has not been considered in this paper.

Latest picture

5. This paper provides an update of the latest developments with regards to the rollout of Universal Credit in England and Wales. The rollout will only be for new claims from single people, who would otherwise have been eligible for Jobseeker's Allowance, including those with existing Housing Benefit and Working Tax Credit claims.

Universal Credit was rolled out into four tranches:

Tranche One: completed successfully in April 2015 (included Flintshire, Neath Port Talbot, Torfaen and Wrexham)

Tranche Two: completed in July 2015 (included Bridgend, Caerphilly, Conwy, Denbighshire, Newport and Swansea).

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/478758/ timetable-for-pip-replacing-dla.pdf

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Tranche Three: began in September 2015 and was due to be completed in November 2015. The Local Authorities in Tranche Three are: Isle of Anglesey (Go live date: 21st September); Blaenau Gwent (26th October); Carmarthenshire (26th October); Ceredigion (9th November); Cardiff (30th November); Gwynedd (26th October); Merthyr Tydfil (21st September); Pembrokeshire (9th November); Powys (26th October);

Tranche four: began in December 2015 and due to be complete April 2016. The Local Authorities in Tranche four are: Rhondda Cynon Taf (21 March 2016) and Vale of Glamorgan (22nd February 2016).

A timeline of the rollout can be viewed in Annex A. In addition, a list of Job Centre Areas (JCAs) and their 'go live' date, by Local Authority can be found in Annex B.

6. The benefits covered by UC are Income Support, Income-based JSA, income-related ESA, Housing Benefit, Working Tax Credit and Child Tax Credit, so it is not the case that every UC claimant would have otherwise been claiming JSA.
7. A starter to Universal Credit is defined as an individual who has completed the Universal Credit claim process and accepted their Claimant Commitment. Therefore, the numbers can be added cumulatively to give the number of claimants at any one time (assuming no starter stops claiming the benefit).

Impact on 2017-18 Settlement

8. DSG (2015) Paper 15 attempted to exemplify the impact on the 2016-17 Settlement. There will be a greater effect on the 2017-18 Settlement. Under the current methodology, we would be using JSA benefit payments 5 per cent data up to and including February 2016. Early indication shows all the Local Authorities bar those in tranche 4 will be affected. The Local Authorities in tranche 1 will be affected the most, followed by those in tranche 2 and then tranche 3.
9. Table 1 shows the latest number of starters to Universal Credit by quarter for 2015-16 including and up to December 2015. The data was obtained from Stat-Xplore, a browser based client produced by DWP as of 20 January 2016.

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Table 1: Universal Credit starters by quarter and Local Authority¹

UA	2015/16 Q1 (Apr-Jun)	2015/16 Q2 (Jul-Sep)	2015/16 Q3 (Oct-Dec)	2015/16 Q4 (Jan-Mar)
1 Isle of Anglesey	0	0	159	0
2 Gwynedd	0	0	149	0
3 Conwy	76	233	238	0
4 Denbighshire	0	157	334	0
5 Flintshire	214	250	211	0
6 Wrexham	242	297	312	0
7 Powys	0	0	106	0
8 Ceredigion	0	0	28	0
9 Pembrokeshire	0	0	91	0
10 Carmarthenshire	0	0	121	0
11 Swansea	0	296	501	0
12 Neath Port Talbot	192	390	288	0
13 Bridgend	0	283	293	0
14 The Vale of Glamorgan	0	0	0	0
15 Rhondda Cynon Taff	0	0	0	0
16 Merthyr Tydfil	0	0	167	0
17 Caerphilly	135	492	410	0
18 Blaenau Gwent	0	0	83	0
19 Torfaen	171	309	225	0
20 Monmouthshire	0	0	105	0
21 Newport	0	375	394	0
22 Cardiff	0	0	41	0
23 UA Total	1,030	3,082	4,256	0

Source: Stat-Xplore, DWP

¹ Prior to 2015-16 data was only available for Flintshire (Shotton Job Centre). Q3 (Oct-Dec) 2014/15 = 92 and Q4 (Jan-Mar) 2014/15 = 126.

Conclusion

10. Members are asked to note this paper and to discuss options for taking this work forward as part of the 2016 work programme.

**Local Government Finance Policy
Welsh Government**

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Related paper:

DSG (2015) Paper 15: Welfare Benefits Reform Update – Information Paper
<http://gov.wales/docs/dsijg/minutes/150708-dsg-paper15-en.pdf>

DSG (2014) Paper 25: Welfare Benefits Reform Update – Information Paper
<http://gov.wales/docs/dsijg/minutes/141118-dsg-paper25-env1.pdf>

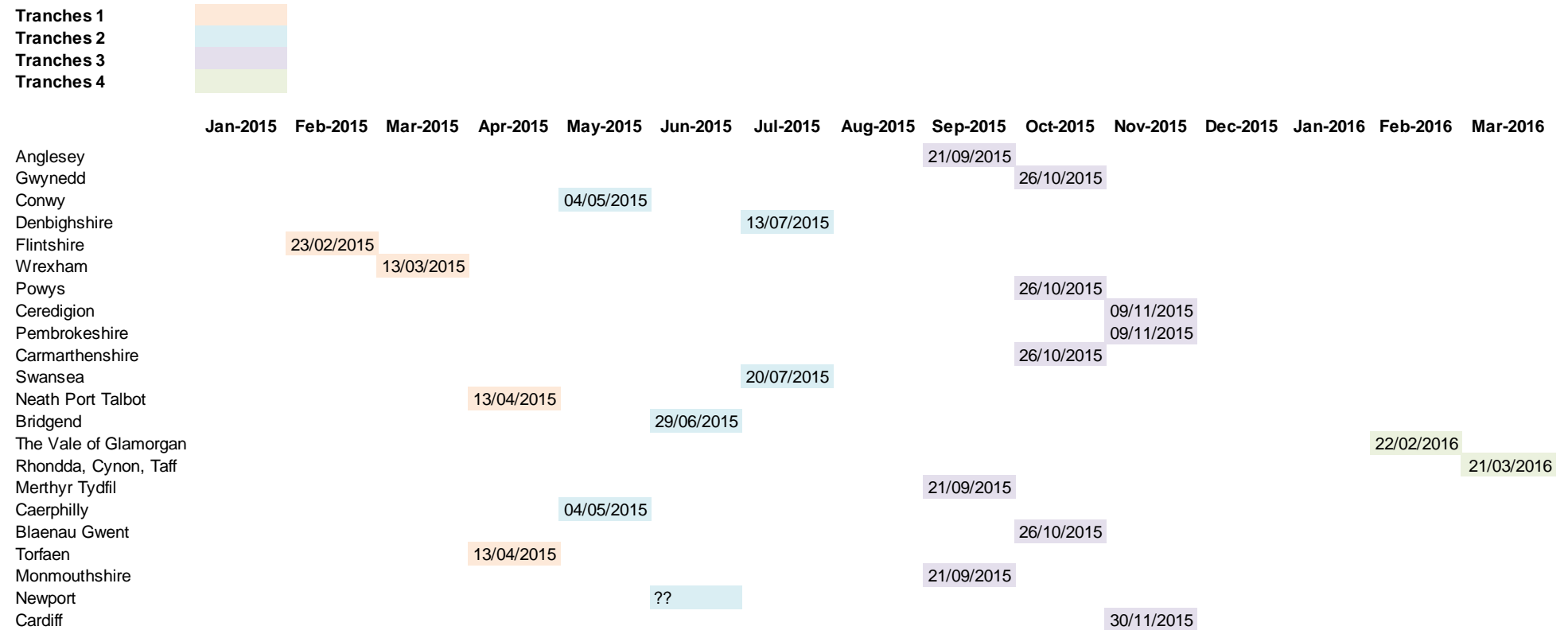
DSG (2013) Paper 7: Welfare Benefits Reform
<http://gov.wales/docs/dsijg/meetings/130307dsijgmtgwrupdate.pdf>

DSG (2013) Paper 27: Universal Credit – Information Paper
<http://gov.wales/topics/localgovernment/finandfunding/dsg1/item/dsgmtg/?lang=en>

Welsh Government Task and Finish Group: 'Analysing the impact of the UK Government's welfare reforms in Wales – Stage 2 analysis'.
<http://wales.gov.uk/docs/dcells/report/130218wr-stage2-analysis-en.pdf>

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Annex A: Go live dates



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Annex B: List of Job Centre areas, Local Authority and go live date

(Sorted by Go live date)

	Local Authority	Job Centre Area	Go live date
1	Flintshire	Flint JCP	23-Feb-2015
2	Flintshire	Mold JCP	23-Feb-2015
3	Wrexham	Wrexham	16-Mar-2015
4	Neath Port Talbot	Neath JCP	13-Apr-2015
5	Neath Port Talbot	Port Talbot JCP	13-Apr-2015
6	Torfaen	Cwmbran JCP	13-Apr-2015
7	Torfaen	Pontypool JCP	13-Apr-2015
8	Caerphilly	Bargoed JCP	04-May-2015
9	Caerphilly	Blackwood JCP	04-May-2015
10	Caerphilly	Caerphilly JCP	04-May-2015
11	Conwy	Colwyn JCP	04-May-2015
12	Conwy	Llandudno JCP	04-May-2015
13	Bridgend	Bridgend JCP	29-Jun-2015
14	Bridgend	Maesteg JCP	29-Jun-2015
15	Bridgend	Porthcawl JCP	29-Jun-2015
16	Bridgend	Pyle JCP	29-Jun-2015
17	Newport	Newport	29-Jun-2015
18	Denbighshire	Rhyl JCP	13-Jul-2015
19	Swansea	Gorseinon JCP	20-Jul-2015
20	Swansea	Morrison JCP	20-Jul-2015
21	Swansea	Swansea JCP	20-Jul-2015
22	Isle of Anglesey	Amlwch	21-Sep-2015
23	Isle of Anglesey	Holyhead JCP	21-Sep-2015
24	Isle of Anglesey	Llangefni	21-Sep-2015
25	Merthyr Tydfil	Merthyr Tydfil JCP	21-Sep-2015
26	Monmouthshire	Abergavenny JCP	21-Sep-2015
27	Monmouthshire	Caldicot JCP	21-Sep-2015
28	Monmouthshire	Chepstow JCP	21-Sep-2015
29	Blaenau Gwent	Abertillery JCP	26-Oct-2015
30	Blaenau Gwent	Ebbw Vale JCP	26-Oct-2015
31	Blaenau Gwent	Tredegar JCP	26-Oct-2015
32	Carmarthenshire	Ammanford JCP	26-Oct-2015
33	Carmarthenshire	Carmarthen JCP	26-Oct-2015
34	Carmarthenshire	Llanelli JCP	26-Oct-2015
35	Gwynedd	Bangor JCP	26-Oct-2015
36	Gwynedd	Caernarfon JCP	26-Oct-2015
37	Gwynedd	Dolgellau JCP	26-Oct-2015
38	Gwynedd	Machynlleth JCP	26-Oct-2015
39	Gwynedd	Porthmadog JCP	26-Oct-2015
40	Gwynedd	Pwllheli JCP	26-Oct-2015
41	Powys	Brecon JCP	26-Oct-2015
42	Powys	Llandrindod Wells JCP	26-Oct-2015
43	Powys	Machynlleth	26-Oct-2015
44	Powys	Newtown JCP	26-Oct-2015
45	Powys	Welshpool JCP	26-Oct-2015
46	Powys	Ystradgynlais JCP	26-Oct-2015
47	Ceredigion	Aberystwyth JCP	09-Nov-2015
48	Ceredigion	Cardigan JCP	09-Nov-2015
49	Pembrokeshire	Haverfordwest JCP	09-Nov-2015
50	Pembrokeshire	Milford Haven JCP	09-Nov-2015
51	Pembrokeshire	Pembroke Dock JCP	09-Nov-2015
52	Cardiff	Cardiff Alexandra House JCP	30-Nov-2015
53	Cardiff	Cardiff Charles Street JCP	30-Nov-2015
54	Vale of Glamorgan	Barry JCP	22-Feb-2016
55	Vale of Glamorgan	Penarth JCP	22-Feb-2016
56	Rhondda Cynon Taf	Aberdare JCP	21-Mar-2016
57	Rhondda Cynon Taf	Llantrisant JCP	21-Mar-2016
58	Rhondda Cynon Taf	Mountain Ash JCP	21-Mar-2016
59	Rhondda Cynon Taf	Pontypridd JCP	21-Mar-2016
60	Rhondda Cynon Taf	Porth JCP	21-Mar-2016
61	Rhondda Cynon Taf	Tonypanddy JCP	21-Mar-2016
62	Rhondda Cynon Taf	Treorchy JCP	21-Mar-2016