

Information from the Department for Work and Pensions (DWP)

An introduction to Universal Credit

Universal Credit aims to introduce greater fairness to the welfare system by making work pay. It will help to ensure that people are better off in work than on benefits.

Despite considerable welfare spending in recent years, the current benefit system has trapped people in poverty. Universal Credit will ensure that work is the best choice for individuals or families and provides a route out of poverty and away from benefit dependency for thousands of people.

Universal Credit aims to make the welfare system simpler by replacing 6 benefits and credits with a single monthly payment if anyone is on a low income or out of work. It includes support for the costs of housing, children and childcare, as well as support for disabled people and carers.

Universal Credit started to be introduced in stages from April 2013 and is replacing:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

Making work pay

Universal Credit aims to ensure you will be better off in work and makes it easier for you to start a new job or work more hours. As your take home pay increases Universal Credit will reduce gradually so you won't lose all your benefits at once if you're on a low income. There are no fixed hours thresholds, such as the 16 hours a week rule. Even working just a few hours a week will make a difference, as you move towards financial independence.

Claiming Universal Credit

Most people already use the internet to access services and to get information instantly. Under Universal Credit, you can make your claim online at www.gov.uk/universalcredit. If you cannot claim online, face to face and telephone support will be available until you can get access to the internet

Universal Credit payments

Universal Credit is paid monthly, directly into the account you have chosen. If you are part of a couple, living in the same household, and both of you are claiming Universal Credit you will receive one monthly payment into one account. Other adults living in the same household who are claiming Universal Credit will be paid separately. Monthly payments match the way most salaries are paid. This will help you to move into work, as you will be used to managing a monthly budget.

Local Support Service Framework (LSSF)

Universal Credit represents a major cultural transformation. By making sure that work pays, and that the experience of being on benefits more closely matches that of being in work, it enables people to take much more control over their lives.

This is a significant opportunity, and for many people the change will be a relatively straightforward one. But there will also be people who need support with the transition, and that is why we are working closely with local government to develop the Local Support Services Framework. When it is fully rolled out the Local Support Service will do two things.

- First, it will ensure people are supported to make the transition to Universal Credit by helping them adjust to some new aspects of the way Universal Credit is designed. So for those who are new to monthly budgeting or to getting online, they will get the help they need to manage that transition process. The LSSF will also provide help to those that need support in find a job.
- Second, it will support the small number of people who find it more difficult to make this transition and will do so over the longer term. This will never be a static process – the aim will always be to move people, sustain ably, towards independence – but where people require support over a longer time period the Local Support Services Framework will ensure they get the local, tailored help that they need.

LSSF has been developed to enable a more holistic and joined up service for claimants at a local level, which builds on the support already provided by DWP, councils and other partners, such as housing providers, charities and social care services. In addition to providing better outcomes for claimants the service should allow for the more effective deployment of resources by central and local government and avoid duplication of costs.

The LSSF recognised that new funding would be required to reflect the additional support provided to some claimants who need assistance to access welfare and who need help to get online and manage their household finances. The funding process will become more clear after a formal webinar between Local Authority Chief Executives and DWP on 31st March 2014

There is a need to work together to map out current available support services and establish the level and type of support services that will be required to support claimants in making and maintaining a claim to Universal Credit. In Coventry, this is being led by Jobcentre Plus Partnership Managers and local government colleagues, in collaboration with other partners. Completing this work in advance of Universal Credit rolling out will help to prepare the ground for the delivery of Universal Credit.