



# WHAT YOU NEED TO KNOW ABOUT THE ROLLOUT OF UNIVERSAL CREDIT

Universal credit (UC) is a new benefit which will combine and replace six existing benefits including housing benefit (HB), as well as working and child tax credits and three out of work benefits; job seekers allowance, employment support allowance and income support. It is being introduced gradually over a period of several years and this guide for CIH members sets out what you need to know about its rollout across England, Scotland and Wales. It will be updated regularly as more information emerges.

## How is universal credit being rolled out?

UC is being introduced gradually according to the following principles:

- It is being rolled out to new claimants first, with those already receiving any of the benefits it is intended to replace being migrated over to the new system later
- It is being rolled out to the simplest cases first (known as the 'pathfinder group'). Most claimants already in receipt of UC are single job seekers (ie: they are of working age, are able to work and are actively seeking work) without children. Over time the government will gradually widen this out to include other groups, so that the number of claims being processed under the new system increases
- It is being rolled out gradually to different geographical areas. The very first people to receive UC were all claimants in a single pathfinder area, in Ashton-under-Lyme. Over a period of time job centres in some other parts of the country have also begun to process some claims under UC
- It is likely that at some point as well as accepting more new claimants on to UC, the government will begin transferring existing claimants across to the new system as and when there is a major change in their circumstances, before ultimately 'block transferring' those that remain to complete the rollout.

However an important principle of the rollout is that once a claimant has begun receiving UC, they cannot usually go back to the old system. This means that, in most cases, even if their circumstances change and their case becomes more complex, or if they move to a different part of the country where the rollout has not yet begun, they will still continue to receive UC.

## Who is already receiving universal credit?

[DWP's figures](#) show that as of May 2015 a total of around 64,000 claimants were receiving UC. The highest concentration of these is in the North West of England, where claims have been processed in the pathfinder areas of Ashton-under-Lyme since April 2013, and in Wigan, Warrington and Oldham since July 2013. The wider rollout began from October 2013 with 1/3 of the country's job centres (including all of those in the North West) now processing UC claims from the pathfinder group. A complete list of the areas where claims are now being processed is available on the [DWP website](#).





Most people currently in receipt of UC are single job seekers without children (or at least were at the time of their application), and all of the areas already covered by the rollout are now processing most new claims from this group under the new system. In a small number of areas UC is now also being rolled out to some couples without children (from June 2014) and to some families with children (from November 2014).

In practice this means that in areas already covered by the rollout the number of claimants receiving UC is growing slowly but consistently. Although there are slight regional variations, the number of new HB claims received each month is typically around 2% of the total caseload. Of these only a proportion will be from single job seekers without children, who now qualify to receive UC in many parts of the country. Our analysis suggests that, for example, this could equate to around 355 new UC claimants per month in the city of Birmingham, or 46 in the town of Solihull. However this is likely to accelerate over time as more job centres begin to accept more complex cases.

### **What happens next?**

The DWP have now announced that all job centres will begin accepting UC claims by next April and have published a [schedule of this next stage of the rollout](#).

Beyond that, the exact timetable for completing the rollout is not entirely clear and is potentially still subject to change. DWP estimate that all new claims will be for UC by 2017 and that the majority of existing claimants will have been migrated over to the new system by 2019. However, within these broad deadlines there is still considerable scope for government to either speed up or slow down the rollout. For example, they will need to gradually broaden out the types of claims which are processed under UC in areas already covered by the rollout (eg: from single claimants to single claimants and couples, from claimants without children to those with and without children and from new claims to new claims and existing claims when there is a change of circumstances) and have not yet announced a timetable for doing that.

There will therefore be a prolonged period where both systems will operate side-by-side, during which social landlords will need to work both with tenants who are still receiving HB and those who are receiving UC.

### **What happens in Scotland if more powers are devolved to the Scottish Government?**

Following the commitment made by the three main UK political parties in the run up to last year's independence referendum, a set of new powers for the Scottish Government are currently in the process of being considered. CIH has already published a more detailed briefing covering [what you need to know about proposed new powers for Scotland](#). However in summary, under the proposals as they currently stand, the Scottish Government is expected to gain some new powers in relation to welfare, but not the power to 'opt-out' of UC altogether.

Instead it is likely that the Scottish Government will (should they choose to) be able to make some specific changes to way UC payments are calculated and processed in Scotland, including for example the frequency and method of payments. The detail of Scotland's new powers is however still being finalised and could be subject to change. Furthermore, whatever new powers are agreed may take some time to be implemented.





In the meantime, the rollout of UC is continuing in Scotland on the same basis as in the rest of the UK.

### **Further information**

CIH will shortly be publishing a range of further publications covering the practical implications of UC and what you can do to prepare for its implementation in your area. For more information on this, [visit our website](#).

