

COUNCIL

30 NOVEMBER 2017

NOTICE OF MOTION

AMENDMENT MOTION 1

Proposed by: Councillor Dianne Rees

Seconded by: Councillor Joel Williams

Second paragraph starting “*Despite.....*” delete all

Third paragraph delete all after “*Cardiff Council notes....*” and insert

***“that the Government has recognised the need to simplify the system of benefit payments and that there have been elements of the rollout which need to be refined. We note:”***

Bullet Point 1. Delete all after “*The Six week*” and replace with

***“1. The Government has listened to concerns raised and have reduced the wait for claimants to receive benefits from 6 weeks to 5 weeks. It is hoped that the wait can be further reduced where possible”.***

Delete all remaining bullet points and replace with

***2. That Universal Credit is designed to be graduated so that as income increases, some benefits are still received. The idea is to avoid the poverty trap – where there is a disincentive to work longer hours because the person loses all benefits, pays higher taxes and ends up without any increase in discretionary income.***

***3. Previous benefits like income support had a 100% withdrawal rate. However with Universal Credit, financial support will be reduced at a steady rate offering a transition period where benefits are still paid in a new job.***

***4. Universal Credit presents opportunities to those in receipt of benefits by asking claimants to accept a ‘claimant commitment’. This includes a willingness to take a job offered, a willingness to provide a CV and attend any relevant training or job interviews. It is important that the job offered is relevant to the skill set and abilities of the claimant.***

***5. It is important to encourage and empower independence therefore support for housing costs goes direct into the monthly universal credit payment. This system encourages financial management and we accept a few may need education and help in managing budgets.***

**6. There will be a benefit cap. This aim to prevent people receiving more benefits than the average weekly wage after tax and National Insurance. For couples and single parent households the cap will be £500 a week. For single adults the cap will be £350 a week. This ensures that those in work are not worse off than those in receipt of benefits.**

**7. It is acknowledged that there may be difficulty in applying solely online for Universal Credit. The Government acted when it was made known that a charge was levied for claimants applying by phone and acted to remove the charge. We also support the outstanding work being undertaken in Cardiff to support, advise and assist those who are and will be claiming Universal Credit.**

**8. Universal Credit will not replace the following benefits:**

- **Carer's allowance**
- **Child benefit**
- **Council tax relief**
- **Personal Independence Payments**
- **Maternity allowance**
- **Parts of the social fund**
- **Contributory employment and support allowance**
- **Contributory jobseeker's allowance**
- **Industrial injuries disablement benefit**
- **Pension credit**
- **Statutory maternity pay**
- **Statutory sick pay**
- **War pensions**

**9. Under Universal Credit, there are loans available to those who require assistance. The loan is called a 'budgeting advance' – and is paid back by getting lower Universal Credit payments until it's paid off. Claimants will be told how much payments will be reduced by whilst the loan is being repaid.**

Under the Resolution:

First line of the resolution removed the word "jointly".

Second line of the resolution delete all after asking... and replace with **"him to continue to recognise and act where legitimate concerns are raised in the rollout process."**

Add an additional paragraph to read

**"In conclusion, it is welcomed that in his most recent budget, The Chancellor, Philip Hammond announced a £1.5 billion overhaul that would reduce the time it took for families to receive money. This Government is listening to the legitimate observations regarding Universal Credit and acting promptly".**

The amended motion would then read:

This Council notes that Universal Credit, the single monthly payment which replaces the six current working age benefits, is to be rolled out in Cardiff from the end of February 2018.

Cardiff Council notes that the Government has recognised the need to simplify the system of benefit payments and that there have been elements of the rollout which need to be refined. We note:

1. The Government has listened to concerns raised and have reduced the wait for claimants to receive benefits from 6 weeks to 5 weeks. It is hoped that the wait can be further reduced where possible.
2. That Universal Credit is designed to be graduated so that as income increases, some benefits are still received. The idea is to avoid the poverty trap – where there is a disincentive to work longer hours because the person loses all benefits, pays higher taxes and ends up without any increase in discretionary income.
3. Previous benefits like income support had a 100% withdrawal rate. However with Universal Credit, financial support will be reduced at a steady rate offering a transition period where benefits are still paid in a new job.
4. Universal Credit presents opportunities to those in receipt of benefits by asking claimants to accept a 'claimant commitment'. This includes a willingness to take a job offered, a willingness to provide a CV and attend any relevant training or job interviews. It is important that the job offered is relevant to the skill set and abilities of the claimant.
5. It is important to encourage and empower independence therefore support for housing costs goes direct into the monthly universal credit payment. This system encourages financial management and we accept a few may need education and help in managing budgets.
6. There will be a benefit cap. This aim to prevent people receiving more benefits than the average weekly wage after tax and National Insurance. For couples and single parent households the cap will be £500 a week. For single adults the cap will be £350 a week. This ensures that those in work are not worse off than those in receipt of benefits.
7. It is acknowledged that there may be difficulty in applying solely online for Universal Credit. The Government acted when it was made known that a charge was levied for claimants applying by phone and acted to remove the charge. We also support the outstanding work being undertaken in Cardiff to support, advise and assist those who are and will be claiming Universal Credit.
8. Universal Credit will not replace the following benefits:
  - Carer's allowance

- Child benefit
- Council tax relief
- Personal Independence Payments
- Maternity allowance
- Parts of the social fund
- Contributory employment and support allowance
- Contributory jobseeker's allowance
- Industrial injuries disablement benefit
- Pension credit
- Statutory maternity pay
- Statutory sick pay
- War pensions

9. Under Universal Credit, there are loans available to those who require assistance. The loan is called a 'budgeting advance' – and is paid back by getting lower Universal Credit payments until it's paid off. Claimants will be told how much payments will be reduced by whilst the loan is being repaid.

Cardiff Council therefore resolves to:

1. Request all its political group leaders to write to the Secretary of State for Work and Pensions asking him to continue to recognise and act where legitimate concerns are raised in the rollout process.

In conclusion, it is welcomed that in his most recent budget, The Chancellor, Philip Hammond announced a £1.5billion overhaul that would reduce the time it took for families to receive money. This Government is listening to the legitimate observations regarding Universal Credit and acting promptly.