

EXECUTIVE MEMBER REPORT TO COUNCIL 5 September 2018

Universal Credit roll out in Middlesbrough

On September 4th I will be taking a report to the Executive on how Middlesbrough Council's Benefit Service and partners will help residents and mitigate, as far as they can, the impact of the Government's roll out of Universal Credit in Middlesbrough.

From, February 2016, Universal Credit was introduced in Middlesbrough but limited to single jobseekers, known as the 'live' service. From October 3rd 2018, the 'full' service will be rolled out which will eventually apply to all working age people on any one or more of the following benefits, who will in future receive one single payment paid monthly in arrears.

The initial claim will take at least 5 weeks to be paid:

- Income Support
- Income Based Job Seekers Allowance
- Income related Employment Support Allowance
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

Council Tax Reduction (previously Council Tax Benefit) will still need to be claimed separately. This has caused confusion with many assuming it will be incorporated in the new 'universal' benefit not claiming and missing out. In Middlesbrough measures have been put in place to make sure claims for CTR are still instigated wherever possible, even if a claimant overlooks this.

UC applies to those both in and not in work. The majority of those to be impacted by Universal Credit are in work and many of those on low incomes, particularly those in part-time work will for the first time be subject to the same treatment applied to the unemployed and will be sanctioned just as jobseekers are now if they don't comply with conditions imposed on them while seeking higher paying or full-time work.

It was claimed Universal Credit would simplify the benefits system, make it more efficient and incentivise work. In practice, due to cuts in benefits, including for those in work, many are actually significantly worse off and this together with the initial 5 weeks before the first payment is made and further administrative delays in payment of claims has led to further hardship for those already on low incomes, with greater risk of debt, hunger, ill health and homelessness, with food banks in areas where it has already been rolled out experiencing a significant rise in demand.

Based on experiences from areas which have already moved to the 'full' service, there has been a greatly increased call on local agencies for support. The Council's Benefit Service has therefore been proactive in planning for the coming roll out and measures already in place include

- Fortnightly meetings with officers from the Benefit Service and DWP
- The setting up of a steering group to consider all aspects of Universal Credit, including representatives from Adult and Children's Services, Internal

Communications, Welfare Rights, Community Safety, Community Hubs and the Financial Inclusion Group.

- Briefing sessions, including one for members on 24th July and with over 160 internal staff booked onto such sessions. Members and others have also been supplied with information as to how they can help residents by directing them to sources of support.
- Personal budgeting support provided by the benefit team.
- Community Bank, which was one of the Mayor's key election pledges and which will provide fair access to credit, internet banking and other services, operating out of a centrally-located premises, with the look and feel of a regular high street bank. Universal Credit requires that people have a bank account and this will ensure residents are able to set up an account despite not being able to do so with other financial institutions. The process of appointing an operator for Middlesbrough's new community bank is underway and should be completed by the autumn.
- Digital support ranging from showing residents how to log onto a computer to make the application themselves, to completing a claim form on behalf of a resident and setting up an email account (which is a necessity for Universal Credit), should this be required
- Digital Map, showing locations where computer use is available and which will be published on the Council's website, of importance to those who do not have IT facilities due to the need to make and maintain an application online.
- Frequently Asked Questions, with a "top 10" list drawn up by the Benefit Service and having been used as an example of best practice, with similar versions being used by other local authorities and within the DWP.. The document provides local solutions to such problems and can be used as a point of reference for members, staff and public.
- Seminar to be held jointly with Thirteen on 3rd October for internal staff members and partner organisations.
- Information for landlords, aimed at reducing the number of tenancies ending for non-payment of rent
- Financial Inclusion Group, with the group being briefed on measures in place to mitigate the impact of Universal Credit and considering what future action may be taken.

I will also be receiving regular briefings on the impact in Middlesbrough and the help available as UC is further rolled out.

The roll out of Universal Credit has also been a key factor in the decision to return the Revenues and Benefit service to council control (see below)

National Audit Office and Universal Credit

A damning report on the delivery of Universal Credit by the National Audit Office, an independent body which scrutinises public spending for Parliament, was published in June 2018

Amyas Morse, head of the National Audit Office, concluded "We think the larger claims for Universal Credit, such as boosted employment, are unlikely to be demonstrable at any point in future. Nor for that matter will value for money." Some of the key findings included:

- a) Although £2 billion has been spent on creating and running Universal Credit, it is now running years behind schedule, so the roll-out has been considerably slower than was initially intended. It was due to complete in October 2017, but after a

number of problems, the NAO found that only around 10% of the final expected caseload were actually claiming Universal Credit.

b) Universal Credit may also cost more to administer than the previous system of benefits it replaces, with current running costs at £699 per claim, against an ambition of £173 per claim by 2024-25.

c) The DWP has itself admitted that it cannot measure whether Universal Credit will lead to its economic aim of getting an additional 200,000 people into work

d) In 2017, around one quarter (113,000) of new claims were not paid in full on time. Late payments were delayed on average by four weeks, but from January to October 2017, 40% of those affected by late payments waited in total around 11 weeks or more, and 20% waited almost five months. Despite improvements in payment timeliness, in March 2018 21% of new claimants did not receive their full entitlement on time with 13% receiving no payment on time.

e) While claimants are able to obtain an advance while they wait for benefit to be paid, it is in the form of loans, usually repaid through deductions from future Universal Credit payments. These deductions start in the first month after receiving the advance. In 2017, average new claim advance repayments were around £43 per month, or around 8% of the average monthly payment. However claimants may also face deductions for other reasons, for example rent arrears, utility repayments and repayment of tax credit overpayments. Total deduction rates can be up to 40% of the claimant's standard allowance, which is higher than under the current system.

f) It was found that only 54% of claimants reported that they were able to make a claim online without help; those with health conditions were significantly more likely to report difficulties than those without a condition. Where things go wrong operationally or claimants struggle with processes, they wait longer for payment and can be at risk of financial hardship

g) Increases in rent arrears since the introduction of Universal Credit in an area, which claimants can often take up to a year to repay, have been reported by local authorities, housing associations and landlords. Some private landlords told the NAO they have become reluctant to rent to Universal Credit claimants. In three of the four areas the NAO visited and for which data was available, the use of foodbanks increased more rapidly after Universal Credit full service was rolled out to the area. This agrees with the Trussell Trust's report showing upsurges of 30% in foodbank use in the six months after Universal Credit rolls out to an area, compared to 12% in non-Universal Credit areas.

Review of Strategic Partnership

The Revenues and Benefits service has been part of the Strategic Partnership with Kier Business Services Ltd (formerly HBS / Mouchel) since June 2001. Service improvements since the inception of the contract have included allowing customers to access their accounts 24 hours per day, 7 days per week, promoting the Council's move to a self-serve solution through digital access and utilising the improved IT software in the Contact Centre.

Although there have been a number of service improvements, the collection of Council Tax in particular, and to a lesser degree Business Rates, has continued to be challenging especially since April 2013 when the Government introduced a number of cuts to benefits in their 'welfare reforms'. These cuts directly reduced residents' ability to pay their Council Tax. A variety of initiatives to improve collection have been undertaken with varying degrees of success.

Due to further cuts to central government funding for local councils and their instruction that councils should raise more money locally such as through Council Tax and Business Rates, it becomes even more important that the Council is able to take its own steps to maximise collection rates.

In addition, in the light of the need to respond to the impact of the roll out of Universal Credit outlined above, it is important that the Council now takes back direct control of delivery of service

On 1st August, the Executive agreed a proposal, also agreed by Kier to bring back the Revenues and Benefits Service to within the Council, from 1st December 2018 or earlier if possible.

LEGAL

Coroners Service

I am pleased to report that, after almost four years of negotiation and a significant amount of hard work from both Middlesbrough Council and Hartlepool Council's legal departments, the merger of the Teesside Coroners area and the Hartlepool Coroners area has been completed, and took effect on 1 August 2018. The new area, known as "Teesside and Hartlepool" falls under the stewardship of Clare Bailey, previously the Senior Coroner for Teesside, under whose management the performance of the Teesside area has dramatically improved, and I'm sure that excellent performance will now be replicated across the new area.

ICT

ICT Strategy 2018-2022

The ICT Strategy continues to align with the Mayor's Vision for Middlesbrough 2025 – "Fairer, Safer, Stronger", the Council's Strategic Plan, enabling Physical Regeneration and Enabling Social Regeneration and demonstrating a clear focused approach to ICT Business Partner Engagement with Directorates.

Roadmaps for all Directorates are in place and have either been signed off or are in the process of final agreement at Director Level. These Roadmaps determine both Project and pipeline work and build the "innovation-link" between the Service and ICT, facilitating the introduction of appropriate new technologies whilst delivering business efficiency and smarter ways of working.

Digital Health and Safety Solution

ICT Services have worked with the Health and Safety Team to review and implement an online solution to replace their legacy paper-based solution, which manages both internal and external accidents and incidents.

The Health and Safety Team now have a solution, which records and manages accidents and incidents, has full workflow, allows evidence to be uploaded, including photos and supports a full audit trail. This project is now complete and waiting for final Directorate sign-off.

Agile Working Workshops

These are still proving extremely popular. Thursday 16th August 2018 is the first workshop of the second tranche and there will be a workshop every Thursday morning throughout August and beginning of September. The workshops are all fully booked with all places being booked within 2 days of sending the email out.

Boho Data Centre

DCR (Data Centre partner) have been on-site to do a survey to look at upgrading the Server room at BOHO One. Not only will this give a better, more resilient server room environment to the tenants of the building, it will also create additional space for the potential relocation of the Melrose House Data centre.

Firmstep Development

The applications team are continuing to use Firmstep to develop online customer services. Current developments include:

- Wallboards for the Customer Centres showing live statistics for calls to the Council
- The new Members Enquiries process which has been streamlined to improve efficiency and is currently being piloted by some members.
- Health & Safety process which is due to be launched at the end of August.

HR

Embedding our values

September is the anniversary of the launch of our corporate values and HR have a number of initiatives and programmes of work planned to support how we embed them in everything we do. HR have refreshed all our artwork posters and pop up displays to feature new volunteers and we have team building events planned for all Heads of Service from September. The Star of the Month award has been revised to strengthen its links to the corporate values and the value of the month.

Living Our Values Event – 24 September

Work continues on the project with a robust internal communications plan in place including videos, posters and emails from the Chief Executive. Managers are actively encouraging staff to attend and all managers will be expected to enable all staff to take part in the event.

This event is very much for the staff, by the staff and a project team wholly made up of internal talent will ensure this event is as successful as it possibly can be.

360 Degree Project

The 360 degree feedback project which involved the Leadership Management Team and all Heads of Service has concluded and everyone has received their coaching feedback. The OD Manager and the Coaching Consultant have fed back the trends and outputs from the exercise to Leadership Management Team and they have been tasked with working with the Chief Executive to develop an action plan to address some development areas identified

HR Pay System (Phase 2)

The recruitment module has been rolled-out and all jobs (internal and external) are now posted via this system. The platform provides more control and visibility over the recruitment process for managers and a more efficient and smoother applicant experience, including the ability for candidates to book their own interview slot.

Annual Staff Awards

170 staff, along with some members of the Executive, including myself, attended the Annual Staff Awards event which was held on Friday, 13th July and the newly refurbished Town Hall provided the perfect venue. I am always impressed how these awards provide the opportunity to celebrate the great work that Council staff are doing to improve the lives of people living and working in Middlesbrough and to shine a light on the many services that operate within the Council.

The 2018 winners were:

Outstanding Communication: *Community Inclusion Service*

Working Together for Middlesbrough: *Public Health Team – The Live Well Centre*

Spotlight on Middlesbrough Council: *School Readiness Team*

Customer Excellence: *Street Wardens*

Delivering Results: *Taxi Licensing Team*

Innovation and Change: *Risk and Resilience Team*

Apprentice of the Year: *James Woodgate*

Volunteer of the Year: *Jan Ryles*

The Team of the Year was awarded to the Special Educational Needs and Disability and Vulnerable Learners team; a team that helps to transform the lives of some of the most vulnerable young people in our communities.

The event, which was fully funded by external sponsors, was a great success with very positive feedback received following the event.

Recruitment & Selection Policy

Several elements within the Recruitment & Selection Policy have been updated to include:

- Formalising the process for temporary employees to move into available vacant permanent posts without having to go through a full advertising and recruitment process;
- Including Guaranteed Interviews for Armed Forces leavers and clarifying Guaranteed Interviews for Care Leavers up to age 24 to reflect the support provided by the Pathways Team;
- Implementing a standard format for providing references to external organisations; and
- Removing the need for a reference for internal appointments unless they are moving to a new post which requires a DBS check.

The policy, procedures and eLearning module are currently being updated to reflect these changes.

Pay Model – 2018/2020

In April 2018 agreement was reached between the National Employers and the NJC Trade Union Side on a two year pay award and the rates of pay applicable from 1 April 2018 and 1 April 2019.

The rates implemented for April 2018 were based on a straight forward 2% percentage increase, but with higher increases for lower pay scales. The pay award for 2019 is much more complex as it incorporates the NJC's 2016/18's pay award commitment to also review the national pay spinal column.

For 2019/20 the new national pay spine structure introduces a number of new spinal column points whilst merging others. There are no employees suffering any detriment as a result of these changes.

Globalbridge

The Council has recently agreed to have a presence on the Globalbridge website. Globalbridge is a unique platform allowing young people to showcase their talents and connect with future opportunities. Globalbridge will be used to raise the awareness of young people of the range of services provided by the Council and the related career opportunities. .

Staff Discount Schemes

The wish for improved staff benefits was part of the feedback received from the Staff Satisfaction Survey. In response two exciting staff discount schemes will be launched at the Living Our Values event on the 24 September. These can be provided without cost to the Council and are:

Local Discount Scheme: This scheme is aimed at encouraging staff to use Middlesbrough city centre restaurants, bars, cafes retailers, businesses and other organisations through special offers or discounts to staff. The scheme will benefit from weekly promotion via the internal staff communications, a dedicated page on the staff portal along with leaflets, posters and banners located throughout all Council buildings.

Civil Service Social Club (CSSC): This is a Government subsidised, not-for-profit sports and leisure organisation established for nearly 100 years and owned by its members. CSSC support the health and well-being of employees across the public sector helping to reduce absenteeism and raise staff morale. CSSC achieve this by providing opportunities for members to pursue sporting, leisure and social interests on a heavily subsidised basis.

Staff contract directly with CSSC and for the cost of £3.95 per month staff will benefit from a wide range of discounts and free membership offers including a free 'Tastecard' which gives 2-for-one or 50% off restaurant meals; free membership of English Heritage; free entry for an adult and guests at 4 major royal palaces (Tower of London; Hampton Court; Kensington Palace; Banqueting House). The many discounts include almost half-price cinema tickets, half-price entry at major theme-parks; low-cost holidays and insurance.

Nicky Walker
Executive Member for Finance and Governance