

COUNCIL

Report title	Universal Credit – Full Service	
Executive Member	Councillor Nicky Walker - Executive Member for Finance and Governance	
Chief Executive or Director	James Bromiley - Strategic Director of Finance, Governance and Support	
Date	17 October 2018	
Purpose of the report	To provide the Council with an update in respect of the Government's roll out of the full Universal Credit service in Middlesbrough from 3 October 2018	
Summary of the report	The report will outline the upcoming changes to Universal Credit in Middlesbrough, the actions being taken by the Council to mitigate the impact where possible and also the joint working undertaken with partner organisations.	
If this is a key decision, which key decision test applies?	Over the financial threshold (£150,000)	
	Amends the Council's policy framework	
	Affects two or more wards	X
	Non-key	
For the purposes of scrutiny call in procedure this report is	Exempt under s.12a Local Government Act 1972	
	Urgent (<i>NB this must be approved by the Chair of OSB</i>)	
	Non-urgent	X
If this is a confidential report, which category of exemption(s) from the Schedule 12a of the Local Government Act 1972 applies?	The report is not confidential	
Decision(s) asked for	That Council notes the actions taken by Middlesbrough Council's benefit service to mitigate the impacts of Universal Credit. That Council notes that a further update report will be submitted at the end of May 2019 which will provide a detailed overview of the impacts on residents following the first 6 months of the full Universal Credit roll out.	
Impact of decision(s)	Members will have confidence that all internal staff and partner organisations have been fully briefed in preparation for the roll out of the full Universal Credit service on 3 October 2018. In addition, members will receive an update as to the actual impact of Universal Credit within a short period of time in early 2019. All actions and decisions made take into account the aims and objectives of social and physical regeneration of the town.	

What is the purpose of this report?

1. To provide Executive with an update in respect of the actions taken by the benefit service to mitigate the impact of Universal Credit wherever possible. The report will outline the significant amount of work undertaken in preparation for the roll out of Universal Credit and the training material designed to aid members, internal staff and partner organisations in respect of the anticipated queries.

Why is this report necessary?

2. Universal Credit is part of the Government's welfare reforms and replaces 6 state benefits and merges them into one monthly payment for those of working age. Pensioners are not currently included in Universal Credit and remain unaffected by the changes. DWP have indicated that Pensioners will not be affected by any changes until at least 2023. The benefits being replaced for working age residents are:
 - * Income Support
 - * Income Based Job Seekers Allowance
 - * Income related Employment Support Allowance
 - * Working Tax Credit
 - * Child Tax Credit
 - * Housing Benefit
3. The Government phased the implementation of Universal Credit throughout the country into two parts (the "live" service and the "full" service). The "live" service, which was for single people only, was introduced in Middlesbrough from February 2016. Once every Job Centre throughout the country had implemented Universal Credit, the roll out of the "full" Universal Credit service commenced and was split into 4 tranches. Middlesbrough is in the last of the 4 tranches and both Job Centres in Middlesbrough will implement the "full" service as from 3 October 2018. A number of meetings and discussions have taken place with other Authorities to discuss best practice which has been taken into account in the implementation plan.
4. One of the main differences between the "live" and "full" services is that as from 3 October 2018, this will be rolled out to all working age residents (some exceptions apply) and will not be restricted to just single people. This will mean that the numbers claiming and receiving Universal Credit will significantly increase from this date, although the exact numbers are not known at this point and DWP have been unable to confirm their expectations to the Council. In addition to those who make a new claim for benefit, residents who have a change in their circumstances which would have resulted in a new claim to one of the benefits mentioned above (such as a resident who has a child and would previously have claimed child tax credit), will also move onto Universal Credit.
5. There are a number of issues associated with Universal Credit for residents, the Council and partner organisations. As a result of this, the benefit service, in conjunction with other internal departments, has been extremely pro-active in looking at the potential problems and how to address these. All of the actions taken have followed the Council's Project Management Framework to ensure effective implementation.

Examples of the work undertaken is as follows:

Meetings with DWP

Fortnightly discussions have been held since 2 May 2018 in respect of the upcoming roll out of Universal Credit. Discussions have been extremely useful as they have provided an insight into the DWP's implementation schedule and allowed a 2-way open discussion around any issues or concerns either party may have. Meetings will continue until the implementation date of 3 October 2018.

Universal Credit steering group

A steering group has been set up to consider all aspects of Universal Credit. Officers on this group include representatives from Adult and Children's Services, Internal Communications, Welfare Rights, Community Safety, Community Hubs and the Financial Inclusion Group. All communications are discussed and agreed at this group, therefore ensuring the views of internal departments are considered and taken into account. Specific updates have been provided to individual departments around the potential impacts for their service including the possibility of increased hardship.

Briefing sessions

A members briefing session took place on 24 July 2018 which included an overview of Universal Credit from DWP, the views of Authorities who have moved onto the full service, and also the actions being taken which are specific to Middlesbrough. Members were also given information on where they can help residents by directing them to where they can access support. In addition to the member briefing, a further 9 briefing sessions have been arranged throughout August 2018 at venues across the town to ensure all internal staff are aware of Universal Credit and how to help residents. Over 160 internal staff have booked onto these courses as at 27 July 2018 and the courses will continue to be actively promoted through both the steering group and weekly internal communications.

Personal Budgeting Support

The Council's client benefit team is providing personal budgeting support for those residents who may find it difficult to manage their money. As an example, some residents have previously not had to budget monthly and may struggle, especially having their housing costs (their rent), paid directly to them. This service allows residents to work out their income / expenditure on a monthly basis and also provide details around what are their priority bills.

Community Bank

The Council is in the process of appointing a Credit Union to operate a Community Bank in a town centre location. The option to open an account with the Community Bank will be actively promoted to all residents, but especially those who cannot open a basic bank account with other financial organisations. In addition, residents will be encouraged to utilise this facility when accessing Personal Budgeting Support through the Council.

Digital Support

The benefit service also offers residents full digital support. The support ranges 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

One of the main features of Universal Credit is the need to claim and maintain an application on line. Some residents may not have any IT facilities, therefore a detailed digital map has been created showing all areas across the town where there is computer availability. This details when the services are available, together with the number of computers for residents to use and also whether there is support from officers to assist with any queries should this be required. This will be published on the Council's website and also provided to DWP who intend to publish this in both of the Job Centres in Middlesbrough. In addition, the digital map will be able to be accessed through a compatible mobile phone.

Frequently Asked Questions

The benefit service has also drawn up a "top 10" list of the questions which it is felt will be most frequently asked once Universal Credit is implemented in October 2018. The document provides local solutions to such problems and can be used as a point of reference for members, staff and public if any of these questions are raised. The document is attached to this report (Appendix A) and has been widely distributed at all of the briefing sessions in July and August. A number of these leaflets will also be made available in the Council's Hubs and Customer Service Centre. The DWP have also advised the benefit service that this document, devised by Middlesbrough, has now been widely promoted within their organisation as an area of best practice, with local versions being used by a number of other Authorities throughout the country.

Thirteen Group seminar

The Council, in conjunction with Thirteen, will be holding a seminar in the Town Hall Crypt on 3 October 2018 for internal staff, members and partner organisations in relation to Universal Credit. The full day seminar will have a wide variety of speakers and will focus on the lessons Thirteen and partner organisations have learnt from their experiences with other Authorities to date, with the emphasis on the possible impacts on all organisations across the town.

Information for Landlords

The Stronger Communities team regularly hold meetings with Landlords to discuss any current issues or concerns. Some Landlords have raised concerns about the issues which may arise following the implementation of the full Universal Credit service. The DWP have advised that a series of meetings for Landlords will be arranged in September 2018 to discuss any issues landlords may have. Specific reference will be made on how to alert the DWP of tenants in rent arrears / not paying their rent in full to ensure future payments are made to the landlord to secure the tenancy. In addition, discussions will also take place around tenants who are potentially facing eviction. All of these measures are designed to minimise the number of tenancies ending for non-payment of rent.

Financial Inclusion Group

A full meeting was dedicated to Universal Credit at the end of July 2018. The group was briefed on the work being carried out to mitigate the impact of Universal Credit and also considered any areas which may require further attention prior to the October 2018 implementation.

What decision(s) are being asked for?

6. That Council notes the actions being taken by the benefit service to mitigate the impact of Universal Credit
7. That Council notes that a further update report will be provided at the end of May 2019 which will provide a detailed overview of the impacts on residents following the first 6 months of the full Universal Credit roll out.

Why is this being recommended?

8. All of the actions being taken are to advise as many internal officers and partner organisations of the potential impacts of Universal Credit and how to assist residents wherever possible. Although benchmarking has been undertaken with other Authorities to gauge the impact of Universal Credit, the full effects will not be known until October 2018 when this is rolled out in Middlesbrough.
9. From this point onwards, the actual impact will be measured by the benefit service and an update be provided to Executive after 6 months, should this proposal be approved.

Other potential decisions and why these have not been recommended

10. The Council has no option around the Government's decision to implement Universal Credit. The Council did have the option to not provide training / updates to internal staff or partner organisations although this was felt not to be an option in reality given the significant impact this will have across the town.

Impact(s) of recommended decision(s)

11. The impacts of these decisions are as follows:

Legal

12. This is a Government decision which the Council has no choice whether to implement or not.

Financial

13. The implementation of Universal Credit will result in a number of services receiving additional queries. Enquiries from residents requiring help to make or manage their Universal Credit claim will increase in the Customer Centre and Hubs which, whilst not placing a direct cost to the service, could potentially place pressure on existing resources. This will increase month on month as more residents transfer onto Universal Credit. The DWP have confirmed that no staff will TUPE transfer to their department as a result of the implementation of Universal Credit.
14. As Universal Credit is paid monthly, there is a greater chance that residents may be placed in financial hardship if they are unable to budget effectively. This could therefore mean that Children's and Adult services, together with the Crisis part of the Community Support scheme, will receive a higher number of requests for

financial support than at present. Where entitlement to Universal Credit is established, residents should be directed to the DWP to ask for an advanced payment to alleviate their immediate need for support. In instances where an advance cannot be paid, the Council will need to consider crisis applications on a case by case basis. It cannot be established exactly what additional financial implications will be placed on any of the above budgets at this stage, but this will be collated and full impacts monitored as a priority. Should additional funding be required, this will be discussed as part of the budget setting process.

15. In addition, from benchmarking with other Councils, there has been a reduction in Council Tax collection following the introduction of the full Universal Credit service. The benchmarking carried out indicates that those receiving Universal Credit are lower in percentage collection terms than those not receiving this benefit. A further problem is that as Council Tax Support has to be claimed independently by residents as opposed to being part of their Universal Credit claim, applications are not being made on time, therefore meaning residents have more to pay due to delaying their claim.

16. To address this concern, the benefit office is currently looking at the documents received from the DWP to ensure that a claim for Council Tax Support is registered at the earliest opportunity to protect their entitlement and reduce the amount of Council Tax which needs to be paid.

The Mayor's Vision for Middlesbrough

17. The benefit service will ensure that residents are able to budget effectively and also have an increased digital awareness of how to make and maintain their Universal Credit claim. Both of these attributes will be essential when residents find work and become less benefit dependent in line with the aims and objectives of the social and physical regeneration of the town.

Policy Framework

18. This change will be administered in line with the Policy Framework.

Wards

19. All wards are affected by the introduction of the full Universal Credit service.

Equality and Diversity

20. Not applicable. Universal Credit is being imposed by Central Government and the Council has no choice regarding this matter.

Risk

21. There are some significant risks with Universal Credit. There is the possibility that residents may not be able to maintain their claim digitally, struggle to budget or not pay their rent / council tax on time. All of the measures detailed above have been carried out with the intention of alerting as many internal departments and partner

organisations of the potential risks and how to minimise these at the earliest opportunity.

22. There are some concerns regarding the impact of universal credit on vulnerable groups, such as those affected by domestic violence or substance misuse, who may, as a result of financial mismanagement, find themselves and their families in situations of increased risk and vulnerability. This may result in additional demands on the services of the Council or support organisations.
23. Similarly, there is the potential for an increase in evictions due to non-payment of rent and the increased demand on the Homeless service. It is hoped that through educating residents through both the Digital Support and Personal Budgeting Support, together with the training provided by DWP for landlords to prevent evictions, that the measures taken will go some way to alleviating this issue. However, it is recognised that this is an ongoing concern and is also a measure that will be actively monitored from October 2018 onwards.
24. In respect of Council Tax payments, the department will ensure that accounts who receive Universal Credit receive early intervention should they fall into arrears, with the aim of bringing payments up to date. If Council Tax Support has not been awarded, this will be paid as a priority to minimise the debt owed.

Actions to be taken to implement the decision(s)

25. The briefing sessions and communications have been carried out successfully. If Executive approve that a further update is to be given at the end of May 2019, the necessary information will be collated and an update provided at that time.

Appendices

26. Appendix A – Universal Credit Frequently Asked Questions.

Background papers

27. No background papers were used in the preparation of this report.