

Report To:	CABINET	Date:	24 FEBRUARY 2020
Heading:	SCRUTINY REVIEW: IMPACT OF UNIVERSAL CREDIT		
Portfolio Holder:	NOT APPLICABLE		
Ward/s:	ALL		
Key Decision:	NO		
Subject to Call-In:	NO		

Purpose of Report

The Scrutiny Review: Impact of Universal Credit took place between July 2019 and January 2020, undertaken by the Overview and Scrutiny Committee. The purpose of this report is to present Cabinet with a summary of information and evidence considered over the course of the review, and the final recommendations approved by the Overview and Scrutiny Committee.

Recommendation(s):

- a. Cabinet should note the hardship being experienced by Ashfield residents, and the current and anticipated financial impact to the Council, as a result of the introduction of Universal Credit welfare scheme.
- b. A mandatory seminar be organised for all Councillors to equip them with the necessary knowledge and skills to support residents raising issues concerning Universal Credit.
- c. A letter be sent to local MPs, and the relevant ministerial department, outlining the difficulties claimants in Ashfield have experienced following the introduction of Universal Credit.
- d. Joint working with partners such as the Department of Work and Pensions and the Citizens Advice Bureau be enhanced to ensure important information is efficiently shared.
- e. The Housing Management and Tenancy Services Team be recognised and commended for the extensive work undertaken in supporting Universal Credit claimants and responding to welfare reforms.

Recommendation(s) continued:

- f. The Housing Revenue Account 30 Year Business Plan be reviewed, taking into consideration the impact the introduction of Universal Credit will have on Housing and other Council services.
- g. The Welfare Reform Reserve Fund be reviewed to ensure sufficient funding remains available to support claimants and maintain adequate staffing levels.
- h. All publically displayed information regarding Universal Credit and wider welfare reforms be reviewed to ensure maximum visibility and relevancy.
- i. Consideration be given to software and hardware requirements that could assist in improving the Council's efficiency and effectiveness in managing Universal Credit cases and supporting claimants.

Reasons for Recommendation(s)

The Overview and Scrutiny Committee added Impact of Universal Credit to the Scrutiny Workplan 2019/20 in June 2019, and conducted a review from July 2019 to January 2020. At the Committee's January meeting, a set of recommendations were approved to be presented to Cabinet in February 2020.

Alternative Options Considered

Overview and Scrutiny Committee Members could have considered not approving a set of recommendations to be submitted to Cabinet. However, Committee Members felt that the findings of the review warranted the presentation of recommendations to Cabinet for consideration.

Detailed Information

Scrutiny Review: Impact of Universal Credit Background

Overview and Scrutiny Committee Members began the Scrutiny Review: Impact of Universal Credit by agreeing a review terms of reference. The agreed terms of reference set out the review rationale, objectives, indicators of success, review methodology, key witnesses, and information required.

Rationale

Members recognised the importance of understanding recent welfare reforms and the impact they have had in Ashfield after introduction. The Committee acknowledged the introduction of Universal Credit as a cause of significant community concern both nationally and in Ashfield, and wished to review how Ashfield District Council works to support impacted claimants in the District.

Members also wished to understand how the introduction of Universal Credit might have affected Ashfield District Council financially.

Objectives

Members undertook the review with the initial objective of gaining a further understanding of the following:

- Welfare reforms introduced in the past decade
- How Ashfield District Council has prepared and reacted to welfare reforms
- The impact of Universal Credit in Ashfield
- How Ashfield District Council is mitigating against these impacts
- How the introduction of Universal Credit has and will impact Ashfield District Council finances

Ultimately, the primary objective of the review was for Members of the Overview and Scrutiny Committee to understand the impact of the rollout of Universal Credit, from the perspectives of claimants and Ashfield District Council.

Indicators of Success

Members agreed that early indicators of a successful review would be the Committee achieving a further understanding of recently introduced welfare reforms such as benefit caps and Universal Credit. Further consideration of how Ashfield District Council had both managed the change and effectively supported Universal Credit recipients during the changes also allowed Members of the Committee to consider areas for improvement and future proofing.

Key Witnesses

Key witnesses identified by Members at the onset of the review were:

- Service Manager – Housing Management and Tenancy Services
- Service Manager – Revenues and Benefits
- Representative from the Department for Work and Pensions

Information and Evidence Required

Members began the review by exploring the measures and mitigation Ashfield District Council had in place in response to the introduction of Universal Credit. This included discussing the Council's Welfare Reform Strategy and receiving a presentation from the Service Manager – Housing Management and Tenancy Services. Members also agreed to undertake the review with an initial focus on understanding Universal Credit as a service, why it was introduced, the aims of the service, and expected outcomes.

After establishing a clearer understanding of Universal Credit and wider welfare reforms, as well as Ashfield District Council's position in relation to this, the Committee examined the wider implications of Universal Credit and gave thought to final recommendations.

Evidence and Information Considered

Welfare Reform Act 2012

The Welfare Reform Act 2012 introduced a new Universal Credit to replace most existing benefits, while limiting the total amount of benefit a person can claim. The Act also introduced an overall household benefit cap and new size criteria in the social rented sector. The welfare reforms

included in the Act impact on the way tenants receive benefit, with an overarching drive to reduce the number of non-working households and cut welfare expenditure.

The fundamental changes to the welfare system introduced through the Welfare Reform Act 2012 include:

- 'Under Occupation Charge' or 'Bedroom Tax' – reduced housing benefit for under occupation
- An overall benefit cap on the total benefits a household can receive
- Universal Credit – introduction of a single working age benefit into a single monthly payment direct to claimant

Universal Credit

Introduction

Universal credit is a non-taxable new benefit, payable to people who are of working age, administered by the Department for Work and Pensions.

Universal Credit condensed six existing benefits:

- Income support
- Jobseeker's allowance
- Employment and support allowance
- Working tax credit
- Child tax credit
- Housing benefit

Universal Credit was introduced with the aim of simplifying the benefits system and ensuring people are better off in work, as a benefit to cover basic living expenses. Similar to a wage, Universal Credit is paid directly into a claimant's bank account as a single monthly payment, in arrears. This also includes any housing costs (for payment of rent); meaning universal credit recipients are responsible for paying rent to their landlord.

The basic requirements to claim Universal Credit are:

- Be 18 or over
- Be under State Pension age
- Be unemployed, have a low income and capital of £16,000 or less
- Have a right to reside in the United Kingdom
- Not be in education
- Accept a Claimant Commitment

The introduction of Universal Credit has and continues to require significant cultural and behavioural changes from claimants.

Claimant Commitment

Claimants of Universal Credit are required to accept a Claimant Commitment. A Claimant Commitment sets out what the claimant has agreed to do to prepare for and look for work, or, to increase earnings if already in work. A Claimant Commitment is based on the personal circumstances of each claimant, and is reviewed and updated on an ongoing basis. To keep receiving Universal Credit, claimants must accept any updates to their Claimant Commitment.

Age and Universal Credit Eligibility

A claimant's age, and their partner's age, can affect benefit and tax credit entitlement.

Working age describes anyone who is below the current State Pension age of 65.

Universal Credit is for working age claimants only. Claimants over pension credit age are not eligible. If a claimant is in a couple, benefit eligibility is decided by the youngest claimant in the couple. If one partner is working age and the other is of pension credit qualifying age, the couple will be eligible for Universal Credit.

Advanced Payments

Through Universal Credit, advanced payments are available if a claimant needs help to pay their bills or cover other costs while waiting for their first Universal Credit payment. For example, if a claimant cannot afford to pay rent or buy food.

An advanced payment is paid back through future Universal Credit payments, or other means such as wages or other benefit payments. A Universal Credit help adviser assesses the advanced payment application, and if agreed, informs the applicant of when the first repayment is due, and the monthly repayment amounts.

Deductions are made from a claimant's monthly Universal Credit payment, and up to 12 months can be taken to repay the advance. In exceptional circumstances, this can be delayed for up to a further three months if the repayments are unaffordable.

Some criticisms of the advanced payments system have been a lack of flexibility in repayment options and a lack of adequate affordability and repayment assessments.

Third Party Deductions

Due to difficulties managing money, some claimants may struggle to pay household bills and can get into arrears.

In some circumstances, the DWP can deduct money from Universal Credit payments and pay it direct to the organisation that is owed, such as a landlord or utility supplier. Third party deductions can be taken without the claimant's consent and are often for things like:

- Rent
- Fuel costs
- Council Tax
- Fines
- Child maintenance

Only three third party deductions can be taken from a claimant at any one time. A claimant is notified through their Universal Credit Journal when a third party deduction is made. A third party deduction is a fixed percentage that cannot be changed.

Financial Hardship

If a claimant is experiencing financial hardship, a financial hardship decision can be requested to reduce the amount of debt they are currently repaying. A financial hardship decision can be considered by the DWP if the claimant has deductions being taken from their Universal Credit payment for the following:

- Tax credits debt
- Benefit debt
- Social fund loan
- Rent arrears (if the deduction for rent arrears is being taken at a rate greater than 10%)

If the DWP makes a decision to reduce a claimant's deductions, the new reduced deduction rate will be applied automatically to their next Universal Credit assessment period.

Alternative Payment Arrangements

If a claimant is experiencing financial difficulties, such as being behind on their rent, the claimant or their landlord may be able to apply for an alternative payment arrangement.

This alternative arrangement can be:

- To have rent paid directly to a landlord
- To get paid more than once a month
- To receive split payments, if part of a couple

Alternative payment arrangements are applied for through a claimant's work coach.

Help to Claim

Help to Claim is a service provided by Citizens Advice aimed at supporting claimants in the early stages of their Universal Credit claim, from the application through to the first payment. It is a confidential, independent, and free service with trained advisers assisting claimants on how to gather evidence for an application, and how to prepare for jobcentre appointments.

Help is tailored to the individual, and is available face-to-face, over the phone, and through an online web chat service. The Help to Claim service is funded by £39 million from the Department for Work and Pensions.

Universal Credit in Ashfield

Introduction of Universal Credit in Ashfield

A Universal Credit 'live service' was introduced in Ashfield (with the exception of Hucknall) in June 2015. The 'live service' applied to new claims from single people, who would otherwise have been eligible for Jobseeker's allowance.

In December 2016, the Department of Work and Pensions confirmed plans for the roll out of the Universal Credit 'full service'. The 'full service' covers all new working age claimants only. Various dates were planned to implement the roll out but these were delayed.

Full service came into effect on the following dates:

- Rurals – 13 June 2018
- Hucknall – 17 October 2018
- Sutton and Kirkby – 21 November 2018

In line with the dates above, all new working age claimants in Ashfield were required to claim Universal Credit in place of Housing Benefit. Ashfield District Council would no longer take on new Housing Benefit claims from most working age claimants. Ashfield District Council still process new claims from some working age claimants, including complex Housing Benefit claims.

Full migration to Universal Credit for all working age claimants (Starting with Employment Support Allowance) is anticipated subject to a pilot in Harrogate. This will increase the number of Universal Credit claimants dramatically.

Ashfield District Council Planning for Universal Credit

In preparation for the introduction of Universal Credit and the overarching welfare reform, Ashfield District Council produced an internal Welfare Reform Strategy including:

- A summary of welfare reform legislative changes
- The anticipated impacts of welfare reform
- How Ashfield District Council will mitigate these impacts
- Financial inclusion
- A welfare reform action plan
- A welfare reform risk register

The Welfare Reform Strategy sets out Ashfield District Council's strategic objectives in response to the Welfare Reform Act 2012, with an emphasis on the introduction of Universal Credit in Ashfield.

The key priorities of Ashfield District Council identified in the Welfare Reform Strategy are:

- Promoting digital inclusion
- Enabling easier access to financial advice and money management
- Assisting people to move who are under occupying their current homes
- Practical advice and support for vulnerable applicants

Ashfield District Council Universal Credit Support

Although Ashfield District Council has no direct involvement in Universal Credit assessments, payments, enquiries and appeals, many different steps have been taken to mitigate the impact of welfare reforms to both the Council and tenants.

A specialist Welfare Reform Officer post was introduced to support tenants affected by Bedroom Tax, Benefit Cap, and Universal Credit with an additional 2-year fixed term post from January 2019. A Welfare Reform Apprentice has also been introduced to support the Welfare Reform Officers in their roles.

Policies and procedures, such as the Rent and Arrears Recovery Procedures and Lettings Policy, have been reviewed in light of the welfare reform changes, ensuring they are up to date, relevant, and support tenants where possible.

Good working relationships have been established with key partners such as the Department for Work and Pensions and the Citizens Advice Bureau with a focus on early intervention as a key component in helping people affected by welfare reform.

The Council's Tenancy Sustainment Officers provide a pre-tenancy service to new tenants, ensuring they are supported prior to and when moving into their new home.

The Council has undertaken the following in relation to welfare reform:

- Held welfare reform roadshows across the District
- Provided budgeting support and money management advice for residents
- Held financial capability sessions for tenants
- Organised 'getting on line' sessions for tenants
- Held fuel poverty roadshows
- Presented information to Community Groups and involved tenants in the District
- Shifted resources towards more prevention work

The Council continues to work with tenants to minimise arrears and provide ongoing support where possible.

Impact of Universal Credit on Local Authorities

Recent welfare reforms have seen the biggest change to the benefits system in decades, presenting local authorities with many potential different challenges to face:

- Reduction in rental income
- Increase in arrears and bad debt
- More intensive support for tenants and intensive case management
- Increased staffing costs

Impact of Universal Credit on Claimants

The significant changes to the benefits system introduced through recent welfare reforms is potentially having a significant impact on benefit claimants as follows:

- Rent arrears/increased rent arrears
- Increased debt
- Reliance on food banks and charity organisations
- Financial hardship
- Difficulties in managing finances/budgeting
- Fuel poverty
- Longer wait times for benefit payment

Informal Working Group

An informal working group was held on the 7 August 2019, with attendance from Members of the Overview and Scrutiny Committee, Nicky Moss, Service Manager – Housing Management & Tenancy Services, Peter Curry, Housing Management Advisor, Craig Scott, Service Manager – Revenues and Benefits, and Sue Fielding, Senior Employment & Partnership Leader – Department for Work and Pensions.

The working group provided an opportunity for Members and Council Officers to discuss the working relationship between the Council and the Department for Work and Pensions regarding Universal Credit, and what payment and support processes are in place. Members and Officers discussed the following at the informal working group:

- The process of applying for Universal Credit
- The Council's Universal Credit case load management
- Universal Credit payment processes such as:
 - Third Party Deductions
 - Managed Payments
 - Advanced Payments
- The Help to Claim service
- How Council Tax has been impacted by Universal Credit
- Information sharing between the Council and the DWP
- Food and Fuel Poverty

At the conclusion of the informal working group, Members agreed that the Scrutiny Review: Impact of Universal Credit should explore the different payment processes available through Universal Credit, and how the introduction of Universal Credit has affected food and fuel poverty nationally and in Ashfield.

Testimonials

As part of the review process, the Chairman of the Overview and Scrutiny Committee, Councillor Sarah Madigan, used social media to ask the community what their experiences of Universal Credit had been. This initiated an ongoing online discussion on personal experiences of Universal Credit that recognised both positive and negative experiences. Whilst the testimonials have been discussed at a meeting of the Overview and Scrutiny Committee, the identity of the submissions has been kept private.

The testimonials highlighted a number of experiences including:

- Struggles with advanced payments
- Food bank usage
- Change of circumstances
- Rent arrears
- Initial claim waiting period

In discussing the testimonials, Members of the Overview and Scrutiny Committee received first-hand accounts, detailing the real impact of Universal Credit on claimants, the long-term hardships faced through utilising advanced payments, and the impact Universal Credit has had on mental health and well-being.

Key Review Findings

First Payment Waiting Period

Universal Credit is assessed and paid in arrears. A claimant's personal circumstances are assessed to work out the amount of Universal Credit entitlement. The assessment period begins the date a claimant makes a claim, lasting one calendar month. Once the assessment period ends and entitlement is decided, a claimant will typically receive payment within seven days.

For example, if a new claim begins on 1 September, the assessment period would end on 30 September, and first payment would be on the 7 October. Subsequent Universal Credit payments would be paid on the seventh of each month following.

Many claimants, particularly those transferring from legacy benefits often do not have the resources to meet essential costs whilst waiting for their first Universal Credit payment, such as rent, food, bills, and childcare. This is exacerbated if there are any problems with a claim causing further delay.

Throughout the review, Members identified this function of Universal Credit as a key issue with the service, often compounding financial and wellbeing issues for claimants.

Statutory Support

Members concluded that often if a claimant is experiencing issues relating to Universal Credit, there is minimal statutory support available, with the most likely form of help offered being foodbank vouchers.

Advanced payments prove helpful for some, but many claimants find them to be too little or unaffordable to repay.

Throughout the review Members worked closely with the Service Manager – Housing Management & Tenancy Services. They were informed that the Council, in particular the Housing Section and Revenues and Customer Services, continue to work proactively with both the voluntary advice sector and other statutory partners to share and collect information. Members arrived at the conclusion during the review that timely data should also be collected and shared regarding:

- Use of food banks
- Amount of hardship payments
- Number/% of claimants who do not receive their first payment in full on time
- Failed claims where residents have not completed their claim, or are refused UC, and reasons why

Communication

During the informal working group and formal committee meetings, Members recognised that the Council had taken many positive steps to try to inform and assist claimants regarding Universal Credit, as detailed in the report.

Members noted that information on effective support and advice to residents is available both on the Councils website, within leaflets, and through officer advice. Members were clear that it should also be ensured that up to date information on specific help available should not only be provided in Council publications and online, but also through community buildings, local service providers and through informing our Elected Members.

Elected Member seminars were provided during the initial implementation periods, however as the Council held its District elections in 2019, some Members feel that they do not have sufficient experience or information to assist residents effectively.

Financial Impact to Ashfield District Council

The introduction of Universal Credit has resulted in additional costs being placed on Local Authorities nationally, with Ashfield no exception to this.

At the first meeting of the Overview and Scrutiny Committee, Members received a presentation delivered by the Council's Service Manager – Housing Management and Tenancy Services. Members were informed that (as of 1 July 2019) Ashfield District Council had 627 Universal Credit cases, and of these cases, 383 were in arrears, totalling 61% of all cases. The total arrears for these cases amounted to £161,985.36, an average of £422.94 per case.

In January 2020, Members were advised that there were currently 996 Universal Credit claimants within Ashfield, with 472 now showing arrears. The Universal Credit element of rent arrears for the Authority stood at approximately £192,000. The figure had previously been higher but some excellent work undertaken by the Rent Arrears Team had brought the amount down from £270,000 at its peak. It was anticipated following recent profiling and extrapolation of benefits data, that the Council could potentially be supporting the migration of up to 3,500 applicants in total in the coming years.

The review raised concerns with Members of the Committee regarding the impact that the introduction of Universal Credit was having on claimants falling into arrears, and the impact that could have on the Council's budget and service delivery.

Social Impact

Throughout the review, Members were centrally concerned with the severe financial difficulties some claimants were and continued to be exposed to because of the introduction of Universal Credit. Members recounted some of the hardships that claimants and their families had approached them with, and stressed the importance of the role Ashfield District Council and partners must take in supporting claimants.

Further examples of the impact of Universal Credit on some recipients were provided to Members by the Council's Service Manager – Housing Management and Tenancy Services and through the social media discussions that resulted in Members considering 12 short testimonials. These examples included;

- Being unable to feed households
- Being unable to afford heating
- Ending up in a cycle of debt
- Threats of eviction
- Impact on mental health

Ensuring adequate support through both the Department for Work and Pensions, the Council, and the voluntary sector is essential. To do this, timely information should be communicated between all involved agencies, detailing any change in circumstances because of Universal Credit in order to offer assistance at the earliest possible stage.

Members were also informed that Ashfield Citizens Advice had seen a massive increase in issues relating to Universal Credit. These included queries regarding reduced payments due to sanctions, difficulties managing repayment of advances and some finding it difficult to make an initial claim.

Citizens Advice currently offer a "Help to Claim" service, helping support people in the early stages of their Universal Credit claim from the application to the first payment.

The Future of Universal Credit and Other Benefits

Following the December 2019 General Election and the subsequent formation of a Conservative majority government, the continuation of Universal Credit has been ensured.

There is a tentative timeline of anticipated changes to Universal Credit, and other benefits, expected to be introduced throughout 2020.

April 2020 – End of the Benefit Freeze

The end of the benefit freeze would mean Universal Credit and other working age benefits rising by 1.7 percent from April 2020. The freeze initially came into effect from April 2016, meaning most benefits and tax credits have not gone up in line with inflation for four years.

Other benefits that have been frozen but are now set to rise are income support, housing benefit, child tax credits, Employment and Support Allowance, working tax credits, and child benefit.

The end of the benefit freeze would mean someone on £1,000 a month in benefits would receive the equivalent of £204 extra over a year, or £17 a month.

April 2020 – Pension Changes

Another change expected to be announced in the 2020 Budget is a 3.9 percent increase to the State Pension. This would mean £5.05 a week extra on the old State Pension and £6.60 a week on the new State Pension.

April 2020 – Adult Dependency Payment

Adult dependency payment is a payment for a partner who is financially dependent on you and has not yet reached pension age. The scheme closed to new applications in 2010, and will cease entirely in April 2020.

This payment ceasing could result in reductions of up to £70 per week.

June 2020 – TV License Changes

Government funded free TV Licenses for those aged 75 or over will cease in June 2020. From June 1, a new TV License scheme means you can only carry on getting a free TV License if you or your partner are receiving pension credit.

This could lead to increased costs of up to £154.50 per year for those who previously relied on the ending Government scheme, where they are not entitled to pension credit.

July 2020 – Universal Credit Transition Period

From July 22 2020, when moving across to Universal Credit, claimants will receive an additional two weeks of:

- Jobseekers Allowance
- Employment and Support Allowance
- Income Support

People are transferred on to Universal Credit if their circumstances change – this is called natural migration.

Everyone else on the six old benefits, which Universal Credit was introduced to replace, will be transferred to Universal Credit through a managed migration scheme run by the Department for Work and Pensions – set to be completed by December 2023.

The extended transition protection will help to reduce the impact of the Universal Credit waiting period as claimants move across.

September 2020 – Universal Credit Change for Self Employed

The Department for Work and Pensions use a Minimum Income Floor to calculate Universal Credit payments for self-employed claimants. Currently, the Minimum Income Floor is roughly equivalent to the national minimum wage for each hour the claimant is expected to work.

The Minimum Income Floor can lead to claimants having their Universal Credit entitlement calculated at a higher level of earnings than what they have been paid.

The Minimum Income Floor is not applied to those who started a business within the past 12 months. From September 2020, this 12-month exclusion period will also not apply to those who are naturally migrated to Universal Credit in self-employment and all those existing claimants who become newly self-employed.

Further Delays to Implementation

In February 2020, it was announced by Government that the completion of the Universal Credit welfare scheme has been delayed by a further nine months until 2024. This means the full implementation of Universal Credit will be at least seven years behind its original completion date.

The latest delay follows the previous delay that came in October 2018, and has been announced as fewer claimants are moving across to the new scheme than anticipated. Claimants are increasingly reluctant to move onto Universal Credit due to the many issues facing the scheme.

Recommendations

At the January 2020 meeting, Overview and Scrutiny Committee Members approved the following set of recommendations. Rationale regarding the reasons for each recommendation is provided below.

- a. Cabinet should note the hardship being experienced by Ashfield residents, and the current and anticipated financial impact to the Council as a result of the introduction of the Universal Credit welfare scheme.

Members of the Committee fully understand the limitations of the review concerning impacting Universal Credit nationally, however real life case studies supplied to Members highlighted the severe social impact, hardship and debt that some claimants had experienced as a result of the introduction of Universal Credit.

Ashfield District Council staff, in particular, Housing Services, see the impact and hardships on a daily basis through their contact with tenants. Often supporting tenants in severe difficulties.

- b. A mandatory seminar be organised for all Councillors to equip them with the necessary knowledge and skills to support residents raising issues concerning Universal Credit.

A Members seminar on Universal Credit was delivered in 2018, outlining the main issues, support available, advice and signposting regarding the new welfare scheme. Following the District Elections in May 2019, a significant number of Elected Members have not had that briefing. Members of the Committee concluded that another seminar is essential to help inform Members, who are often the first point of contact for constituents.

- c. A letter be sent to local MPs, and the relevant ministerial department, outlining the difficulties claimants in Ashfield have experienced following the introduction of Universal Credit.

Overview and Scrutiny Committee Members agreed that the Local MPs and relevant Ministerial Departments should be contacted to outline the severity of the difficulties that some claimants are currently facing. This letter should also highlight the need for further resources for the Council and enhanced support for claimants.

- d. Joint working with partners such as the Department of Work and Pensions and the Citizens Advice Bureau be enhanced to ensure important information is efficiently shared.

Members of the Committee concluded that with many more claimants due to be transferred to Universal Credit, effective partnership working and information sharing was essential to ensure that the Council can adequately plan any additional support needed. This includes sharing information on:

- Numbers of claimants being referred to foodbanks
- Number of hardship payments
- Monetary amount of hardship payments as an average figure
- Number and percentage of claimants who do not receive their first payment in full on time (including data as to reasons why)
- Failed claims where residents have not completed their claim or are refused Universal Credit and the reasons why

- e. The Housing Management and Tenancy Services Team be recognised and commended for the extensive work undertaken supporting Universal Credit claimants and responding to welfare reforms.

It was clear from the review that the Housing Management and Tenancy Services have planned, trained and explored new and innovative ways to offer ongoing assistance to new claimants, often going above and beyond to assist claimants. This has included seeking additional grant funding, providing essentials such as blankets, utensils and equipment and continuing to offer money/debt management advice. Members of the team have even collected and delivered food from the Salvation Army Food Banks for some of the District's most vulnerable people that were unable to collect for themselves.

In acknowledging the extent of support provided, Members of the Overview and Scrutiny Committee wanted to highlight the excellent work of the Team.

- f. The Housing Revenue Account 30 Year Business Plan be reviewed, taking into consideration the impact the introduction of Universal Credit will have on Housing and other Council services.

Whilst Members of the Committee were confident that the Council had sufficiently planned for the introduction of Universal Credit, it is clear that the potential impact on Council income and subsequent ability to deliver support and services to tenants is significant. Therefore reviewing the HRA 30 year Business Plan regularly, taking into account up to date information on debt, risk, income and mitigation was considered essential by the Committee.

- g. The Welfare Reform Reserve Fund be reviewed to ensure sufficient resources remain available to support claimants and maintain adequate staffing levels.

The Welfare Reform Reserve Fund is an additional fund available to support the Housing Management and Tenancy Services Team in delivering support to claimants following welfare reforms. This has included funding temporary staff positions (some of which will be ending in 2020). Members of the Committee recognised the importance of sufficient funding to continue to be able to support some of the most vulnerable people within our district, particularly with the likelihood of the number of Universal Credit cases within the District increasing substantially in the future.

- h. All publically displayed information regarding Universal Credit and wider welfare reforms be reviewed to ensure maximum visibility and relevancy.

Whilst noting that information offering support and advice to residents is already available, Members of the Committee concluded that partnership working to ensure adequate support is both advertised and accessible is essential. Ensuring claimants are aware of the support available can help people manage debt, maintain their tenancies, feed their families and in extreme cases, mitigate against experiencing severe mental health issues.

- i. Consideration be given to software and hardware requirements that could assist in improving the Council's efficiency and effectiveness managing Universal Credit cases and supporting claimants.

During the review, Members of the Committee endeavoured to ensure that the Council had the adequate resources needed to deliver the support for the current and further implementation of Universal Credit. The Committee were advised that future administration of the service could be enhanced through exploring the benefits of improved telephony systems (such as 'Dialler') or assistive software packages such as 'RentSense'. These systems would assist greatly with managing caseload and anticipating rent arrears at an earlier stage.

Conclusion

The Overview and Scrutiny Committee undertook a comprehensive review on the Impact of Universal Credit following its addition to the Workplan in June 2019. Members of the Committee, many who were new to the Council following the District Elections in May 2019, had a basic understanding of Universal Credit and its impact on claimants, however they did not have a full understanding of the role the Council had in both its implementation and in supporting many of these claimants during difficult times.

Whilst the Committee understood the limitations of the review in changing Government policy, gaining a greater understanding of how the process works, its impact on claimants, partnership working and the potential longer-term impact on the Council's finances has been a beneficial process.

Throughout this review, the Committee has heard evidence from the Council (Housing Management and Tenancy Services, Revenues and Benefits), partner agencies (DWP and Citizens Advice, Salvation Army) and claimants themselves.

The Committee concluded that the introduction of Universal Credit has negatively affected many members of the community, particularly those with financial difficulties, mental health or learning disabilities, single parent families, part time workers and family carers.

Many have struggled in both applying for Universal Credit, managing debt, and dealing with delays in payment. Many have resorted to the use of loan sharks and food banks, a fact that gravely concerned the Committee.

The Committee were encouraged by the work of the Council's Housing Management and Tenancy Services and partner agencies such as Citizens Advice in supporting claimants. The recommendations made in this review reflect areas of service delivery and support regarding Universal Credit that the Committee believe can generate improvements, increased knowledge and ensure necessary preparations.

Implications

Corporate Plan:

Due to the extensive impact the introduction of Universal Credit has had socially and financially, this review incorporates many of the Council's priorities and values set out in the Corporate Plan 2019 – 2023.

This includes:

- People Focussed
- Health and Happiness
- Homes and Housing

Legal:

There are no legal implications resulting from the recommendation set out in this report.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	None.
General Fund – Capital Programme	None.
Housing Revenue Account – Revenue Budget	As detailed in the report.
Housing Revenue Account – Capital Programme	None.

Risk:

Risk	Mitigation
Social risk to claimants.	Ensuring Ashfield District Council works with partner organisations to provide support and guidance to Universal Credit claimants.
Financial risk to Ashfield District Council.	Ensuring Ashfield District Council has measures in place to address or mitigate any financial risks resulting from the introduction of Universal Credit.

Human Resources:

Any human resource implications relating to the recommendations resulting from this scrutiny review will be considered and included in the final report presented to Cabinet.

Environment/Sustainability:

There are no environment/sustainability implications resulting from the recommendations detailed in this report.

Equalities:

During the course of this review, consideration has been given to equality implications relating to Universal Credit, particularly towards disabled and ill health claimants.

Other Implications:

None.

Reason(s) for Urgency

None.

Reason(s) for Exemption

None.

Background Papers

None.

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