

EAST RENFREWSHIRE COUNCILCABINET21 June 2018Report by Deputy Chief ExecutiveUNIVERSAL CREDIT IMPLEMENTATION**PURPOSE OF REPORT**

1. The purpose of this item is to update Cabinet on preparations for the full roll out of Universal Credit in East Renfrewshire in September 2018 and to bring forward a proposal for further use of Welfare Reform Contingency funding to mitigate some of the impact for local residents.

RECOMMENDATIONS

2. The Cabinet is asked to
- (a) Note the update on Universal Credit (UC) Implementation in East Renfrewshire and the project approach being taken to prepare Council and partner services for the September roll-out;
 - (b) Note that £200,000 of welfare contingency funding has been made available in the revenue estimates for each of the next 3 years, with previous Cabinet approval for contributions of £40,000 in both 2018/19 and 2019/20 to East Renfrewshire Citizens Advice Bureau;
 - (c) Approve the Money Advice and Rights Team's bid for £69,251 of welfare contingency provision over the next 2 years for a project to build community capacity and resilience in the area of personal budgeting; and
 - (d) Approve the Scottish Welfare Fund Team's bid for £41,320 for an 18 month post to assist in dealing with projected caseload increases in Crisis and Community Care Grants.

BACKGROUND

3. The UK Government's Welfare Reform programme is now 5 years into its 10 year implementation plan. Universal Credit is the cornerstone of these reforms. It is a payment reserved to the UK Government that combines 6 in- and out-of-work benefits into a single monthly payment. It replaces Income Support, Income-based Job Seekers Allowance, Income-related Employment and Support Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit.

4. Universal Credit roll out entails a completely new way of delivering UK benefits which means claimants will have to change how they manage their money:

- Claimants will often be paid less than pre UC equivalents
- They will be paid less frequently

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- There is a 5 week gap before receiving their first payment
- Housing costs are included in a single UC payment to the claimant and are therefore not paid direct to their landlord, unless they apply for this under Scottish flexibilities
- They are required to maintain their claim and report any changes on-line.

5. The Department for Work and Pensions (DWP) has managed the full-service roll-out of Universal Credit on a staged, geographical basis over the past 3 years. The first tranche of Universal Credit was launched in East Renfrewshire in February 2016 – this covered ‘simple claims’ (i.e. new claims from single people without children).

6. It was originally anticipated that full roll-out would take place in East Renfrewshire in early/mid 2017, but there have been considerable national delays. We have now been advised by DWP that full roll out will take place in our area during week beginning 26 September 2018. This means that all new applicants and those who report a change of circumstance will be paid Universal Credit from the end of September.

8. The transfer of people who are on existing benefits or tax credits will begin in July 2019 and this is planned for completion by March 2022. The DWP have not yet announced the completion date for East Renfrewshire within this programme.

9. This implementation is a significant development which will affect a considerable number of our working age residents in East Renfrewshire. For these residents this means that all new cases and now anyone on an existing legacy benefit (e.g. Employability and Support Allowance, Job Seekers Allowance, Housing Benefits, Tax Credits, Income Support) who reports a change of circumstance will then be paid Universal Credit, which in many cases will be lower than the legacy benefit – there is no transitional protection for these groups.

10. There are 4,940 DWP benefit claimants in East Renfrewshire – 8.7% of our working age population. This is below the Scottish average of 13% and UK average of 11%. There are also 4,029 Housing Benefit Claimants and 2,800 on Tax Credits.

11. The number of people that will be affected by Universal Credit is difficult to predict. If every person on legacy benefits in East Renfrewshire was transferred to UC then there would be 12,000 potential UC claimants in our area. This is a higher number than we are used to seeing in our performance/caseload reporting (see paragraph above) as the Council would not usually have had involvement with those on tax credits previously and our reporting has focused on DWP figures rather than HMRC tax credits.

12. Universal Credit will roll out in East Renfrewshire from September 2018. It should be noted that DWP have suggested that their capacity is stretched as Renfrewshire and Argyll & Bute council areas are due to roll out the week before East Renfrewshire. At this stage DWP say a delay to our implementation date is unlikely but cannot fully be ruled out. The impact of the roll-out will be three-fold:

- a) people making a first or new claim to a means tested benefit will claim UC;
- b) people reporting a material change of circumstances will be directed to claim UC;
- c) the DWP will choose claims that they will transfer to UC.

13. Within East Renfrewshire there are currently 12,000 benefit claimants that could potentially be moved to UC. We believe that the initial number of people required to claim UC through a new claim or change of circumstance will be around 4,000. In addition, based on the DWP target of full transfer by 2022, we anticipate that DWP will transfer another 1550 people in year 1. Over the 4 year period DWP will look to transfer all 12,000 people.

14. There are many implications and risks associated with Universal Credit full service for social housing tenants and landlords as well as for private rented tenants and their landlords. Experience elsewhere suggests that rent arrears for tenants increases markedly as tenants struggle to budget. Associated with this increased housing debt comes an increased risk of homelessness. The Council and other social landlords in the area have much to do to adapt existing policies and procedures to ensure staff are fully trained, resourced and able to support tenants through the changes and to establish robust working and information sharing with the DWP. Tenants in homeless temporary accommodation and in supported accommodation will remain on housing benefit as, given the initial waiting period for UC payment, DWP do not consider that the administration of UC would work well with the nature of temporary and shifting addresses. Processes have to be put in place to ensure this works smoothly as well as for the continuation of Discretionary Housing Payments.

15. In Scotland the implementation of Universal Credit will have some differences to the wider UK system, these are referred to as the Scottish flexibilities. In particular The Scotland Act 2016 gave people claiming Universal Credit in Scotland the chance to be paid twice monthly and to have their UC housing element paid directly to their landlords.

16. The Scotland Act 2016 also devolved new social security powers to Scotland, with the creation of the new Scottish Social Security Agency. This agency will have responsibility for 11 social security powers including disability living allowance, personal independence payments, carer's allowance, winter fuel payments, attendance allowance industrial injuries disablement benefit, sure start maternity grant, funeral expenses, discretionary housing payments and some Universal Credit Powers.

17. This will be headquartered in Dundee but have a Glasgow office. The premise of the new agency is very much a face to face service, with a presence in local areas. This is a different delivery model from Universal Credit, which is very online focused rather than face to face. Both systems will eventually operate in tandem. We are yet to establish what the full impact of the new agency will be for East Renfrewshire. The new Agency will begin a roll-out of benefits from 2019-2021. The first one, the Best Start Grant will go live in June 2019. The Council is currently involved in consultations on the draft regulations with the Scottish Government and MART will deliver training on this to HSCP colleagues.

18. The new agency has an aim of delivering services as close to people's homes as possible. In December 2017 CoSLA signed a joint delivery agreement with the Scottish Government to provide a framework for when the new Social security agency is located in council buildings. It is unclear at this point what this provision will look like in East Renfrewshire and this is a further change that will need to be managed.

UNIVERSAL CREDIT IMPLEMENTATION

Project Management

19. Evidence from implementations in other areas suggests that a project management approach is the most effective way to ensure readiness for this important change. This is particularly relevant given the number of agencies whose services will be affected by this roll out. These include the Council, DWP, local job centres, Citizens Advice Bureau (CAB), the HSCP, Housing providers and the Culture and Leisure Trust through digital support.

20. To manage and plan for this roll-out, we now have project governance in place across the following workstream areas:

- Financial support for residents (principally via Crisis and Community Care Grants and Discretionary Housing Payments);
- Advice and support services for residents (principally MART & CAB);

- Housing & homelessness;
- Digital support (principally Adult Learning, CAB, libraries, but also a tie-in to ad hoc support provided by various frontline services when engaging with clients);
- Economic Development (principally a link to ongoing Employability work); and
- Training (internal) and communication

21. Many aspects of UC implementation will be handled as business as usual by services, but the areas requiring the most co-ordination and joined up working across agencies (especially between Council, Culture and Leisure Trust and CAB) are around digital support and communication – to ensure clear customer pathways and a single message to signpost relevant services. This is because UC claims are done entirely online. The extent to which clients are literate, numerate both generally and digitally is key to understanding the likely impact of the rollout on communities and service demand levels.

22. There is a clear need to organise tailored training for various groups of frontline staff and more general awareness raising for teams across the council. The DWP will work in partnership with MART to deliver a generic overview of UC and thereafter MART will offer bespoke training across the Council, partners and communities. There is a proposal to start the generic training at the end of June with more specific follow-up as required in August/September.

Welfare Reform Contingency

23. In 2013/14 Revenue Estimates recognised the potential for significant implications for council services as a result of welfare reform legislative changes. Contingency provision was made in the budget to allow the Council to invest to enable the changes and to progress measures to mitigate the impact for local residents. Over the years, various aspects of this provision have been mainstreamed into revenue budgets, including for an additional Housing Support post.

24. For 2018/19 the welfare reform contingency provision stands at £200,000. To date £40,000 of this has been allocated to support the work of the Citizens Advice Bureau (with a further £40,000 in 2019/20) – this was approved by Cabinet in March 2018.

25. The caseload and experience of MART and CAB suggests that ongoing welfare reform and the full roll out of Universal Credit will impact across East Renfrewshire and in particular affect our most deprived communities. The day to day experience of these teams is that the local community is facing a number of issues: with both MART and the CAB have experienced significant increases in demand in recent years, with further increases projected.

Money Advice & Rights Team (MART)

26. In 2017/18 MART achieved £5,978,115 in financial gains for local residents, with more clients than ever before being seen. In 2017/18, the team dealt with 3988 cases, this represents a 10% increase on the previous year and a 22% increase in money advice cases alone. The team also reported an 88% success rate in appeals for welfare benefits – this is above the national average of 61%. CAB has also experienced a growing demand and increased financial gains for clients. Together these teams provide a vital service for local communities.

27. The Money Advice and Rights Team have identified a need for welfare contingency funding for a 2 year period to develop a budgeting and community capacity project to fill a gap in preventative budgeting advice in East Renfrewshire. There are currently no organisations delivering an education and practical package of advice and support for budgeting in the local area; currently provision is reactive rather than preventative.

28. The project will be delivered in a community setting and meet the Council's capabilities of community engagement, prevention and modernisation, working in partnership with Adult Learning, HSCP and Work East Ren. It will target out of work and low income working households in the areas of multiple deprivation and will look to educate and advise on ways of reducing costs. It will make use of an assessment tool that seeks to identify issues that are based on the Scottish Government's priorities for addressing poverty, as reflected in our own 'Fairer East Ren'. Key project delivery items will include:

- Increased financial stability and resilience
- Budgeting and life skills
- Exploration of savings options and cheaper alternatives (e.g. for fuel, cooking on a budget etc)
- Fast-track referrals to MART
- Removal of barriers & referrals to appropriate services (e.g. adult literacies, employability, volunteering, health services)
- Provision of more secure Council tenancies & preventing reoccurring rent arrears
- Delivery of financial capacity training.

29. Funding is sought for a 2-year additional MART assistant post and limited supporting promotional materials at a total cost of £69,251.

Scottish Welfare Fund

30. It is anticipated that people affected by delays in receiving Universal Credit payments will turn to the Scottish Welfare Fund (SWF) for help and assistance and this has been the experience of other Scottish local authorities who have been subject to full service roll out already. East Renfrewshire Council has been administering the Scottish Welfare Fund, which awards Crisis and Community Care Grants, since the service transferred from the DWP in 2013. This Fund takes a holistic approach to helping customers who find themselves in an emergency situation and can also support them to secure a safe home and continue living in the community. Customers are often vulnerable and can be affected by several different circumstances such as homelessness; single parent families; ex-offenders; people with addiction and mental health issues and people leaving long-term care.

31. Since 2013 the SWF team have supported 1,631 Crisis Grant applicants by awarding an average of £89 per customer and 1,655 Community Care Grant applicants by awarding an average of £684 per customer.

32. The Scottish Welfare Fund team has also identified a need for an additional temporary 18 month call-handler post to assist with the expected increase in Crisis and Community Care Grants. This would be a total cost to the welfare contingency fund of £41,320.

33. The SWF team is now integrated with the Benefits and Discretionary Payments team and are responsible also for Discretionary Housing Payments (DHP). The majority of awards made for DHP in East Renfrewshire have been to fully mitigate the effects of the spare room subsidy. To date all DHP awarded by the Council for this purpose have been covered by the Scottish Government and previously DWP. DHP has also been used to mitigate the effects of changes to Housing Benefit for a period of up to 13 weeks to support vulnerable tenancies and, from November 2016, the Council has also supported households affected by the benefit cap by awarding DHP.

34. From April 2018 Cabinet approved the continuation of DHP for benefit cap cases for a period of 13 weeks (i.e. in line with usual DHP period) with discretion to award DHP in exceptional circumstances for an additional period (up to 13 weeks, provided income and expenditure checks to determine any excess funds and ability to meet shortfall are carried out by MART and CAB).

35. The number of Discretionary Housing Payment awards in 2017/18, supporting 605 households, was £330,373.

Citizens Advice Bureau

36. Through the Universal Credit implementation project we will identify other potential areas for use of this contingency funding. CAB has indicated that it will ask the Council to contribute towards the continuation of their Helping East Renfrewshire Online (HERO) project. The exact amount of this bid is currently being discussed and needs to be tested for State Aid implications, in a broader view of funding given to CAB.

FINANCE & EFFICIENCY

	2018/19	2019/20	2020/21	Total
Total welfare contingency finding available	200,000	200,000	200,000	600,000
Contribution to Citizens Advice Bureau (para 24)	40,000	40,000	TBC	80,000
Money Advice & Rights Team request (para 29)	22,982	32,190	14,079	69,251
Scottish Welfare Fund Team request (para 32)	13,480	27,840	0	41,320
Total left in welfare contingency fund	123,538	99,970	185,921	

37. Further proposals for use of this funding will be considered in the first instance by the project board for Universal Credit implementation, with onward Cabinet approval sought.

CONSULTATION & PARTNERSHIP WORKING

38. The roll-out of Universal Credit in East Renfrewshire is being delivered in partnership across a range of agencies including the DWP, local job centres, CAB, Council services, HSCP and the Culture and Leisure Trust. There will also be wider links including to Voluntary Action, local Housing Associations, the Credit Union and the foodbank.

39. This project work also links closely to the broader Community Planning Partnership's approach to tackling poverty through Fairer East Ren and the Scottish Government's developments around a new Social Security Agency for Scotland.

IMPLICATIONS OF THE PROPOSALS

40. There is potential for a considerable number of East Renfrewshire residents to be affected by the roll out of Universal Credit. It will be important for us to have sound projections on caseload and impact in order that we can plan services to best effect. An Equality Impact Assessment on the implementation is currently being completed by Revenues and MART and will be used to inform the work of the project board.

CONCLUSIONS

41. The areas of welfare benefits continues to be a complex landscape, with a range of UK reserved benefits, digitally-driven, and an emerging agenda for the new Scottish Social Security Agency, which is planning very much a face to face service. We are very much at the mercy of nationally driven timelines on this and there has been significant UK slippage in the roll-out of Universal Credit.

42. The caseload seen by both our MART and the CAB teams continues to increase and they are both delivering valued and vital services to vulnerable local residents. This work links closely to the wider poverty agenda which is being pursued both nationally and locally through Fairer East Ren.

43. Whilst the roll-out of Universal Credit in East Renfrewshire is predicted to cause further hardship for some local residents, we can mitigate some of this through an organised approach, including good joined-up communication to signpost support from the various Council services and CAB and also provision of appropriate digital support. Use of welfare reform contingency funding will be critical to support this work.

RECOMMENDATIONS

44. The Cabinet is asked to:
- (a) Note the update on Universal Credit (UC) Implementation in East Renfrewshire and the project approach being taken to prepare Council and partner services for the September roll-out;
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5 June 2018

BACKGROUND PAPERS

- Support for East Renfrewshire Citizens Advice Bureau, Cabinet 15 March 2018
- Digital Access & Skills, East Renfrewshire Citizens Advice Bureau, HERO Research Project, March 2018
- Discretionary Housing Payments (DHP) & Ongoing Impact of Changes to the Benefit Cap, Cabinet 30 November 2017
- Fairer East Ren & Locality Plans, Council 28 September 2017
- Elected Members' briefing session, 16 November 2017
- Welfare Reform Contingency Fund & Update on Welfare Reform, Cabinet 15 June 2016.