

**TITLE OF REPORT: Case Study – The Implementation of Universal Credit in Gateshead**

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## **SUMMARY**

This report updates Corporate Resources OSC on the implementation of Universal Credit within Gateshead and the issues arising to date.

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### **Background**

1. The Welfare Reform Act 2012 introduced a number of changes:
  - Universal credit to replace 6 main benefits
  - Housing Benefit reductions for under-occupation
  - Cap on overall benefit of £26,000 (£18,200 for single persons)
  - Council Tax Benefit replaced by Local Council Tax Support Schemes
  - Disability Living Allowance replaced by Personal Independence Payments
  - Responsibility for Discretionary Social Fund transferred to local authorities
2. Universal credit has been implemented in Gateshead in 2 phases. In 2015 “Live” service was introduced, followed by the rollout of “Full” service in October 2017. All Universal Credit claims are made via an online application resulting in a single household payment paid monthly in arrears.

### **Implementation to Date**

3. Universal Credit “Live” service was implemented in June 2015 for a limited client group; single, non-householder, no children, new Job Seeker Allowance claimants.
4. To support this implementation of Universal Credit, the Council agreed a Delivery Partnership Agreement with DWP. As part of this agreement the Council together with the Gateshead Housing Company provide a range of services offering support and advice to clients including ;
  - On line supported digital access
  - Personal Budgeting support and referral for direct payments
  - Online application process support
  - Identification of housing costs
  - Identification of the need for Alternative Payment Arrangements
  - Various referral arrangements

## **Other issues**

### Under Occupation

5. There were 2838 council tenants affected by under occupation in April 2013 and this reduced to 2225 in February 2017 and to 1883 in February 2018.
6. There are now 2353 total cases in Gateshead.

### Universal Credit “Full Service”

7. Universal Credit “Full Service” was rolled out in Gateshead from October 2017 for new claims and changes of circumstances only.
8. Migration of existing Housing Benefits claimants to Universal Credit is scheduled to be completed by 2022/23.

### Free School Meals

9. Entitlement to Free School Meals becomes effective to Universal Credit claimants only on the date of award of the benefit, not from the date of the claim. Initially this could have resulted in a delay of up to 6 weeks , during which period children who would have become entitled to free school meals would not be eligible to receive a meal. As a result of this discussions were held with schools to ensure meals were still awarded within this 6 week period. There are currently 328 Universal credit households in receipt of free school meals.

### Foodbanks

10. The use of foodbanks has significantly increased over the last year, from 1698 food parcels in 2106 to 4864 food parcels in 2017 ( an increase of 186%).

### Resources

11. Additional resources have been made available within the Council and the Gateshead Housing Company to provide advice and support to claimants, partner organisations and volunteers. TGHC resources also have a presence in Gateshead Jobcentre and Gateshead Advice Centre. In addition funding has been provided to Gateshead Advice Centre to provide further resources to support and advise claimants.
12. The presentation to committee will outline a number of case studies highlighting the impact of Universal Credit on Gateshead residents.

## **Recommendation**

13. The views of the Corporate Resources OSC are sought on:
  - The issues arising from the implementation of Universal Credit in Gateshead.
  - The actions taken by the Council and The Gateshead Housing Company, working with partners, to date in supporting this.