

Report to Full Council: Finance, Assets & Performance Scrutiny Committee.

The Scrutiny Committee met on 19th September and agreed its initial work programme for 2019/20.

During this meeting, the scrutiny committee looked at:

THE IMPACT OF UNIVERSAL CREDIT ROLLOUT IN NEWCASTLE UNDER LYME.

THE ICT STRATEGY AND DEVELOPMENT PROGRAMME

THE DIGITAL STRATEGY OUTLINE BUSINESS CASE

The impact of universal credit rollout in Newcastle-under-Lyme, on both the residents and the staff and staffing structure, was discussed. Representatives from the Citizens Advice Bureau and the Department for Work and Pensions) joined the meeting to help address the issues raised by members. The Benefits Manager provided information relating to the impact on both benefit claimants and Newcastle under Lyme Borough Council since the introduction of Universal Credit.

Impact on residents:

As of the 11 July 2019 the number of people nationally receiving Universal Credit was 2.3 million. This is a 5% increase from 13 June 2019. Currently the number of people receiving Universal credit in Newcastle was 2817 and for Kidsgrove 1275. The major issues identified since the roll out of the benefit included:

- Wrong advice about which benefit should be claimed
- 1 in 5 claimants do not receive their benefits on time (National Audit Office 2018)
- Failure to pay housing costs because tenancy agreements are lost
- Tenants without a standard tenancy agreement are being refused housing costs
- Housing costs incorrectly calculated
- Difficulties establishing and maintaining a claim due to no computer access or lack of digital skills
- Issues with the award of disability related elements of Universal Credit
- Communications with the DWP and processing of evidence
- Housing benefit paid to claimant and not being paid over to Landlords to pay rent
- Universal Credit assessment period not falling in line with four weekly paid salaries, meaning two salary payments could fall within one month's assessment period.
- Excessive deductions from Universal Credit for court orders etc., leaving a claimant with little money for that month These issues, together with the impact on residents, were being addressed by the DWP. The CAB received funding to support disability claimants.

Impact on NULBC:

Following the introduction of Universal Credit showed that the staff/work ratio had seen changes. The Housing Benefit caseload in April 2013 prior to the introduction of Universal Credit was 7945 claims. In December 2018 the start of full service, the case load had fallen to 6894. The caseload had further reduced to 6101 at 31 July 2019. This reduction had resulted in an impact on the resources needed within the benefit team. Staffing levels had reduced since 2013 by way of flexible

retirement. Since December 2018, following the substantial loss of new Housing Benefit claims, more resource had been put into the recovery of Housing Benefit overpayments. The administration of Pensioner claims and Council Tax Reduction was still a significant part of the workload. Staff had also been allocated additional work from within the Revenues and Benefit service. Future resourcing needs and service delivery model for the benefit service are currently being addressed within the restructure of the Resource and Support Services directorate to implement more flexible and integrated ways of working that offer improved efficiency and resilience as well as providing a better customer experience. The reduction in new claims had also had an impact on the number of claimants contacting the Customer Services Team. All benefit and customer services staff at NULBC are fully trained to provide the correct advice regarding claiming the correct benefit. In this respect a secondment arrangement had been in place since May 2019 for two members of the Revenues and Benefits Customer Service Team to support the CAB with the project 'Help to Claim'. Job Centre Plus, Aspire Housing and other agencies also provided support to UC claimants. Financial Implications Housing Benefit administration was mainly funded by the Department for Work and Pensions by way of an annual Administration Grant. NULCs grant for 2019/20 was £311,345 compared with £547,327 in 2013/14. As local authority caseloads reduce the admin grant will also reduce so that the grant will only support the administration of pensioner claims. Members raised issues concerning budgeting for claimants which had resulted in constituents having to access the foodbank. In response the DWP representative explained that payments were made in arrears which included a 5 week wait for benefits. Although an advance payment could be made this was recovered. Claimants experiencing hardship were signposted to projects such as Moneywise. Councillors were concerned that, with the reduction in staffing levels NULBC would be less able to support claimants and asked how long present staffing levels could be sustained without redundancies. It was confirmed that staffing would not be reduced beyond natural wastage and that teams would be further integrated. A consultation exercise had been completed with managers and it was agreed that this report would be considered by this Committee. Members raised the issue of claimants who could not complete application on-line and the representative from DWP confirmed that there was also a telephone service available. A member suggested that funding for a shared service in respect of digital exclusion should be explored.

The committee agreed that the report be noted and a further report concerning staffing proposals be submitted to Committee for consideration.

ICT STRATEGY AND DEVELOPMENT PROGRAMME:

The Head of Customer Services and Digital Services submitted a report which outlined the significant development programme within the Councils ICT Service. The report described the current priorities, the relationship with the Councils Digital Programme and how the future strategy would be developed. The ICT Team were responsible for the day to day operation and development of the Councils ICT services supporting approximately 400 active ICT users and working to ensure service delivery within: Desktop & Service Desk Applications Support Infrastructure Project Management A full copy of the development plan and ICT Strategy was included as an Appendix to the report.

Members discussed the alternatives to Microsoft together with the costs and benefits. Discussions also included the impact of the uncertainties surrounding Brexit and, in this respect, it was confirmed that apart from J2 all services were hosted in house and the hardware sourced from outside the UK.

The committee agreed that the report be noted.

DIGITAL STRATEGY OUTLINE BUSINESS CASE

The Head of Digital and Customer Services submitted a report which provided an overview of the rationale for change and potential costs and benefits of the proposed programme of work to deliver the digital strategy considered by 4 September Cabinet. The Strategic section of the Outline Business Case set out how the strategy would support delivery of the Councils key priorities. The Commercial Case outlined the financial rationale for change and described how the strategy would contribute to the long-term financial sustainability of the Council by enabling efficiency savings and income generation. The Economic Case set out the investment required to deliver the digital programme and its benefits. The Financial Case set out the broad categories of financial benefit that the programme would provide. It was anticipated that over the initial 3 years of the programme £919,800 was required to cover predominantly staff costs. Whilst most of these costs could be met from existing budgets a contribution of £100,000 per year was required in each of the next 3 years to meet the costs of a dedicated Digital Business Manager and Business Process Engineer. There would also be costs for technology, development and specialist external input. Members asked for reassurance that a HR Strategy was in place to support any member of staff at risk. In response it was confirmed that a revised redeployment process had been drawn up which was subject to consultation with staff and trade unions and most recently a Mutually Agreed Resignation Scheme had been introduced. A member was concerned that, as an organisation the Borough tended to hand over technology to an expert which was often difficult to interpret within a social context. In response the Officer stated that the Digital Delivery Strategy engaged at an early stage with excluded residents. In addition, a partnership arrangement with other agencies to ensure accessibility of services was sought.

The committee agreed that, subject to feedback to Cabinet on the issues raised by Members the report be noted.

DATE OF NEXT MEETING - 16 DECEMBER 2019

Cllr Helena Maxfield

Chair; Finance, Assets & Performance Scrutiny Committee.