

East Lothian Council

FOI Ref: 2018/548447

Under the Freedom of Information Act 2002, I request access to the following information:

1. *Whether your local authority has set aside, or plans to set aside, money to cover the rollout of Universal Credit;*

The Universal Credit, 'Full Service' (UCFS) rollout in East Lothian started on 23 March 2016. East Lothian Council, (ELC) was amongst the first UK local authorities to be involved with the (Full Service) 'Digital' rollout and as such received only short notice of the start date. Under these circumstances there was no additional funding set aside for the UC rollout in 2016/17. However, during 2016/17 ELC received £53,838 Universal Support funding from the Department for Work and Pensions, (DWP) and additional provision was subsequently made in respect of the 2017/18 budget onwards. (See response to question 5.)

2. *The total amount of money your local authority has so far spent on costs associated with the roll-out of Universal Credit;*

ELC has worked with CoSLA and other Scottish local authorities to capture the resulting impact of additional administration burdens, (including Housing Benefit/Council Tax Reduction/Scottish Welfare Fund/Rent Collection. From this work it should be noted that additional administrative costs associated with the UCFS rollout, have been estimated at £371,090 in 2016/17 and £273,277 in 2017/18. However, the UCFS rollout has also had a significant impact on Council house rent arrears:

In 2016/17, one year after the introduction of UCFS, current tenant rent arrears had increased from £1,295,782 to £1,676,047 (an in-year increase of £380,265 - 29.4%). During 2017/18 rent arrears continued to increase by a further 2.7%, (by the end of Q3). However, the allocation of additional rent collection resources and administrative process improvements saw rent arrears decrease by £54,714 (-3.27%) to £1,621,333 by the end of 2017/18. (It should be noted that East Lothian Council seeks to recover all outstanding rent arrears).

Whilst funded by the Scottish Government the Council saw a 30% increase in demand for Scottish Welfare Fund, (Crisis Grants and Community Care Grants) during 2016/17. This level of demand was sustained throughout 2017/18 and is continuing to grow.

3. *The total amount of money, if any, that your local authority currently has set aside to cover further additional costs associated with the full service roll-out of Universal Credit;*

In anticipation of increasing natural migration of cases on to UC during 2017/18 the Council allocated an additional £165,000 from its own House Rent Account, (HRA). This was required to bolster its Rent Income and Welfare Support Teams' capacity to help mitigate UCFS impact on rent collection and Financial Inclusion.

As a consequence of ongoing welfare cuts and the UCFS rollout the DWP also reduced the level of HB Administration subsidy paid to the Council. In recognition of this the Council made additional provision of £60,000 to bolster its Housing Benefit (HB) Administration.

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4. The amount of money that your local authority estimates it will have to spend over the course of the roll-out of set aside in the future to cover further additional costs associated with the full service roll-out of Universal Credit.

The 2018/19 budget approved in February 2018 confirmed that the ongoing contribution of £165,000 from the HRA account will continue, (in order to sustain rent collection levels and expand the Council's Welfare Advice/Financial Inclusion capacity). The additional (HB) Administration investment of £60,000 in continue in 2018.19 however this will be reduced (as the Council's HB caseload falls in line with the ongoing migration of HB claims to UC Housing Costs).

The Council will use elements of the DWP funding, (see below) to re-shape the existing Benefits and Financial Assessments Service and Revenues & Welfare Support Service.

5. Whether any of the above has been met by funding provided by the DWP and, if so, how much?

As previously mentioned; during 2016/17 ELC received £53,838 Universal Support funding from the Department for Work and Pensions, (DWP) in. In return for this funding the Council undertakes to:

- Provide additional (PBS /ADS) services to UC claimants, (as required under the DWP's Delivery Partnership Agreement, now Universal Support Grant Funding Agreement)
- Provide claim HB claim migration support to UC Service Centres
- Provide rent verification support to UC Service Centres
- Increase the Rent Income staffing resource
- Deploy software improvements
- Augment existing Welfare Rights Service to include financial inclusion staffing resource

In 2017/18 the Council received a reduced amount of £41,111 Universal Support funding from the DWP. However, following representations made by CoSLA and other Local Government Associations the DWP allocated a one-off payment £120,965 to ELC (as one of the 67 first tranche Councils involved in the UCFS rollout across the UK). This payment was partly in recognition of the additional costs incurred by these Councils in supporting the UCFS rollout during the nascent stages of its development, however the overall funding has not reflected the actual costs incurred in respect of the UCFS rollout.

As an example, the costs above could relate to (but should not be exclusive to): covering late payments/non-payments of council rent as a result of changes to the way in which tenants receive social security; covering additional demand on services as a result of the change in the structure of benefits; employing further staff (either temporary or permanent) to cope with the increase in work; implementing new infrastructure to cope with changes to services or demand.

Finally, it may help to explain that Freedom of Information legislation only applies to information which is held or recorded by a public authority. It does not apply to views, opinions, intentions or questions which simply require a yes/no answer. In view of this, some of the questions asked are not technically valid for the purposes of this legislation as they are not requests for specific recorded information that ELC may or may not hold.

In order to assist you, however, colleagues have addressed the questions posed to the best of their knowledge. For future reference, a link to the "Tips for Requesters" page of the Scottish Information Commissioner's website has been provided which you may find useful: <http://www.itspublicknowledge.info/YourRights/Tipsforrequesters.aspx>