

Councils forced to spend valuable resources tackling effects of Universal Credit

Councils across the country are being forced to spend their own resources tackling the effects of Universal Credit and preparing for its roll out.

FOI requests submitted by Labour reveal Councils are committing funds towards offsetting and preparing for the impact of Universal Credit over and above Discretionary Housing Payments provided by the Department for Work and Pensions.

The data shows some Councils are having to provide additional rent arrears support and increase staffing as well as working with their local food banks and Citizens Advice to offset the impact of Universal Credit.

Newcastle City Council is spending nearly £400,000 of its own resources supporting UC claimants, almost a quarter of which comes from additional rent arrears support. That's because the non-collection of rent purely as a result of UC is over £1.2 million across a tenancy base of just 27,000.

In London, Tower Hamlets Council has set aside £5 million over three years to help those affected by Universal Credit and are suffering hardship while Barking and Dagenham is budgeting £50,000 to support UC claimants from January 2018.

Examples of Councils needing, and preparing, to commit resources to offset the impact of Universal Credit (UC) include:

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Bath and

North East Somerset Council plans to spend its allocation of Discretionary Housing Payments. So far in 2017, nearly three quarters of its DHP spend has gone to supporting claimants in receipt of UC.

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Bolton

Council has a £750,000 Local Welfare Provision Scheme and a ring-fenced budget of £1.5 million over a five year

period to tackle poverty.

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Bournemouth

Borough Council has recently commissioned a £10,000 annual service from the Citizen's Advice Bureaux to provide 2 days a week drop-in to help those people either claiming UC for the first time or who are experiencing problems with applying.

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Brent

Council is anticipating "additional demands on a number of Council departments" from the introduction of UC.

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Cheshire

West and Chester Council is spending more than £500,000 this year and next on additional staffing. It also has a budget of £60,000 for Discretionary Hardship Payments.

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City of

Wolverhampton Council expects demand for Discretionary Housing Payments to increase following the expansion of UC during December.

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Cornwall

Council is predicting an increase in the number of people needing personal budget support for UC from 37 in December 2017 to 191 in March 2018, a rise of 416%.

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Dudley

Metropolitan Borough Council has increased staffing in its Income Management Team by £500,000 in the last three years to manage the impact of UC and other welfare reforms.

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Gateshead

Housing Company, which manages Gateshead Council's housing stock, is planning to spend an estimated £90,000 in 2017/18 and £270,000 in 2018/19 on additional staffing to support Universal Credit claimants and help prevent rent arrears.

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Halton

Borough Council has spent over £13,000 supporting UC claimants who have experienced delays receiving their first UC payment and those having budgeting issues.

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Haringey

Council has a fund of up to £900,000 to support families affected by welfare reform.

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Lambeth

Council is spending £775,000 providing advice to residents about social security, debt and money issues. Lambeth Housing are spending £87,000 to provide a supportive service for tenants impacted by welfare reform.

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Liverpool

City Council has spent £175,000 from its Local Welfare Provision Scheme for customers in receipt of UC.

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London

Borough of Barking and Dagenham

is budgeting £50,000 to support UC claimants from January 2018.

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London

Borough of Bexley is spending £200,000 on homeless prevention work, including preventing evictions for rent arrears.

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Newcastle

City Council is spending over £390,000 of its own resources to support UC claimants. That includes £88,000 in rent arrears support as to date the non-collection of rent purely as a result of UC is over £1.2 million across a tenancy base of just 27,000.

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Royal

Borough of Kingston Council is

setting aside £181,000 as “bad debt provision in anticipation of the potential increase in the number and value of bad debt write offs”.

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Sheffield

City Council is holding workshops to prepare for the full roll out of UC. The Council is working on the “understanding from other authorities who have already gone through full roll-out of UC [...] that rent arrears double when tenants move onto UC.”

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Shropshire

Council has spent over £20,000 supporting local foodbanks to “diversify the type of help they are able to give specifically to suit Universal Credit.”

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Sunderland

City Council is using resources from a £250,000 Local Welfare Provision Scheme to support residents claiming UC.

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Telford

& Wrekin Council is using resources from its Welfare Crisis Assistance Scheme to prevent tenants from being evicted due to rent arrears caused by UC.

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Tower

Hamlets Council has allocated £5 million over three years “to help those affected by Universal Credit and are suffering hardship”.

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Wakefield

Council has used a further £2,000 from their Local Welfare Provision to support UC claimants.

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Warrington

Borough Council has spent £6,500 in Local Welfare Support payments supporting UC claimants.

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Waltham

Forest Council has arranged staff training on UC and is planning a £17,000 6-month project management resource to help prepare for the introduction of UC. It is also hosting a seminar on how UC will change the way staff need to work, the cost of which is £1,700.

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Wirral

Council is contributing nearly £300,000 to a budget for Discretionary Housing Payments for applicants who receive Housing Benefit or housing costs within UC.

Margaret

Greenwood MP, Labour’s Shadow Minister for Employment, said:

“Universal Credit is causing misery and hardship for thousands of families this Christmas, and Councils are being expected to pick up the pieces.

"It's clear Councils are committing their own valuable resources from already-stretched budgets to offset the impact of Universal Credit and to prepare for the damage its roll out could cause.

"This is yet more evidence that the Government should immediately pause the roll out of Universal Credit so its fundamental flaws can be fixed."