

# Agenda Item 5

## **Supplementary Information for the Committee's review into Universal Credit and other welfare benefit changes.**

As part of the Committee's review into Universal Credit and other welfare benefit changes and how the Council can support residents through the transition, an additional background paper to the review item on the agenda has been prepared.

It updates Members on the work undertaken and measures put in place to prepare for the full service roll-out of Universal Credit.

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## **An update on the preparatory work being undertaken**

**Officers reporting:**

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### **SUPPORTING INFORMATION**

The roll out of Universal Credit (UC) affects not only Hillingdon Council tenants, but also tenants of Housing Associations, those in the private rented sector and those that own or part own their home. In addition to the risks that UC carries for the local authority as a landlord, it also carries risks in relation to potentially increased homelessness and for the willingness of landlords to house UC claimants and to work with the Council in relation to homelessness.

In Hillingdon, the potential number of claimants living in the private rented sector is more than in the Housing Association or the Council sector, but the Council is not readily able to identify those outside the Council sector who are claiming UC. This makes the communication strategy for working with partners all the more important.

This report looks at how the Council has been preparing for UC, and is moving into the implementation phase.

### **Universal Credit Project Review Group**

The UC Project Group has been created to facilitate an integrated response to challenges posed by the roll out of UC. The Project Sponsor is the Deputy Director Housing, Environment, Education and Health & Wellbeing and the joint Project Leads are the Benefits Service Manager; Service Manager – Tenancy Services and Service Manager – Homelessness and Allocations.

A UC Project Review Group has developed a plan with key tasks and deliverables within the relevant services under the following workstreams:

- Resources;
- Processes and procedures
- Communications (internal and external)
- Training;
- System support and customer insight.

The group maintains a risk log with key items relating to:

- Arrears across housing sectors and potential evictions;
- Council tax arrears;
- Getting on-line support set up in time;
- Impact on Discretionary Housing Payments
- Impact on Call Centre Volumes;
- Decrease in private rented sector stock offered to tenants on UC and allied decrease in private rented sector solutions available for homeless prevention;
- Increased call on staff resources for housing advice sessions;
- Increased anxiety/mental health issues for tenants and disruptions to schooling;
- Increased levels of debt;
- Potential increase in safeguarding concerns and trigger events such as domestic violence, ASB, alcohol and drug use;
- Increase in rough sleeping due to less availability of low cost accommodation.

The UC Project Review Group consists of officers from various teams in the council including Housing Benefit, Policy, Homelessness and Allocations, Tenancy Services (including Risk Management, Welfare Reform and Tenancy Sustainment) and the Contact Centre. It also includes the key partners for the roll out UC, the local JobCentre Plus and CAB. The Group meets on a six weekly basis and more often if needed.

The impact on the Council as a landlord is both more visible and more immediate and consequently there has been considerable focus in this area, including some restructuring to establish a Welfare Reform & Tenancy Support Team. This team works across housing tenures and hence is also able to support the work of Homelessness Prevention staff.

Under the requirements of the Homelessness Reduction Act (HRA), anyone approaching the service either homeless or threatened with homelessness, would go through an assessment process that includes a financial assessment that would take account of UC.

Since April 2018, 36 Universal Credit claimants have sought housing advice from the homelessness prevention team; 21 were single people and 18 of these had a support need. The service is actively tracking clients approaching that are in receipt of UC to gain insight into any significant trends.

## Changes to the UC Programme

UC has been subject to various policy changes in line with the Government policy to introduce it gradually and to learn from experience. Many of these changes have significant impacts for the households affected and it is consequently important that an up to date understanding of how UC is evolving is maintained. Most of the changes that have been introduced have been referenced in previous reports, and only the most recent changes are covered in this report.

### Budget 29.10.2018:

- Increased work allowance by £1,000 a year for working families and those with disabilities, meaning they could have an extra £630 a year. For employed claimants, UC reduces as earnings increase, for every £1 earned, the UC payment reduces by 63p. The work allowance is a set amount that can be earned before UC is reduced. There are two levels of work allowances:
  - £2,376 a year for those getting housing support;
  - £4,908 a year for those not getting housing support.From April next year, these figures will increase by £1,000.
- An additional £1bn was pledged over the next five years to support moving existing benefit claimants onto UC. In short, this means that people will get an extra one-off payment from their existing jobseeker's allowance, income support, and income-related employment and support allowance worth an average £200 to cover them for a two-week period.
- The maximum rate of deductions from payments reduces from 40% to 30% from October 2019.
- Advances can be repaid over 16 months, instead of 12 months, from October 2021.
- There will be 2 weeks run on of ESA (IR), JSA (IB) & IS from July 2020. An additional £1bn was pledged over the next five years to support moving existing benefit claimants onto UC. In short, this means that people will get an extra one-off payment from their existing jobseeker's allowance, income support, and income-related employment and support allowance worth an average £200 to cover them for a two-week period.
- From September 2020, a 12 month grace period before the Minimum Income Floor (MIF) applies for people joining UC where they have an existing business;
- Surplus earning de minimis reduction from £2,500 to £300 moved from April 2019 to April 2020;
- The implementation schedule for managed migration has been further extended to conclude in December 2023. Managed migration was scheduled to begin mid-2019. It is now planned that this will only include a small pilot of 10,000 across the country. DWP will ensure that it is working well before the roll out is extended. The main roll out of managed migration is not now expected to start until November 2020.

On 15.11.2018 the Work and Pensions Secretary Esther McVey resigned over the Brexit deal. Amber Rudd has been appointed to replace her

There continue to be reports critical of UC including that by UN special rapporteur Philip Alston in which he accused the Government of being “in a state of denial”.

### Roll out of Universal Credit in Hillingdon

Data from Stat Xplore<sup>1</sup> shows 905 Universal Credit claimants in Hillingdon: 325 in employment, 579 not in employment<sup>2</sup>. The age and gender breakdown is shown in Table 1 below:

Table 1

Age	16-19	27
	20-24	164
	25-29	163
	30-34	128
	35-39	95
	40-44	96
	45-49	68
	50-54	80
	55-59	54
	60-65	37
	Over 65	-
Gender	Male	450
	Female	457

Figure 1 below shows how the number of UC claims in Hillingdon has changed throughout 2018.

<sup>1</sup> <https://stat-xplore.dwp.gov.uk/>

<sup>2</sup> Note: stat xplore makes random small adjustments to date to ensure that individuals cannot be identified, this results in figures that do not 'add up'.

This begins with a slow downward trend as new claimants to the live system ceased at the start of the year. The cases start to pick up again as the full service roll out began in postcodes HA5 and HA6 in July 2018.

Figure 1

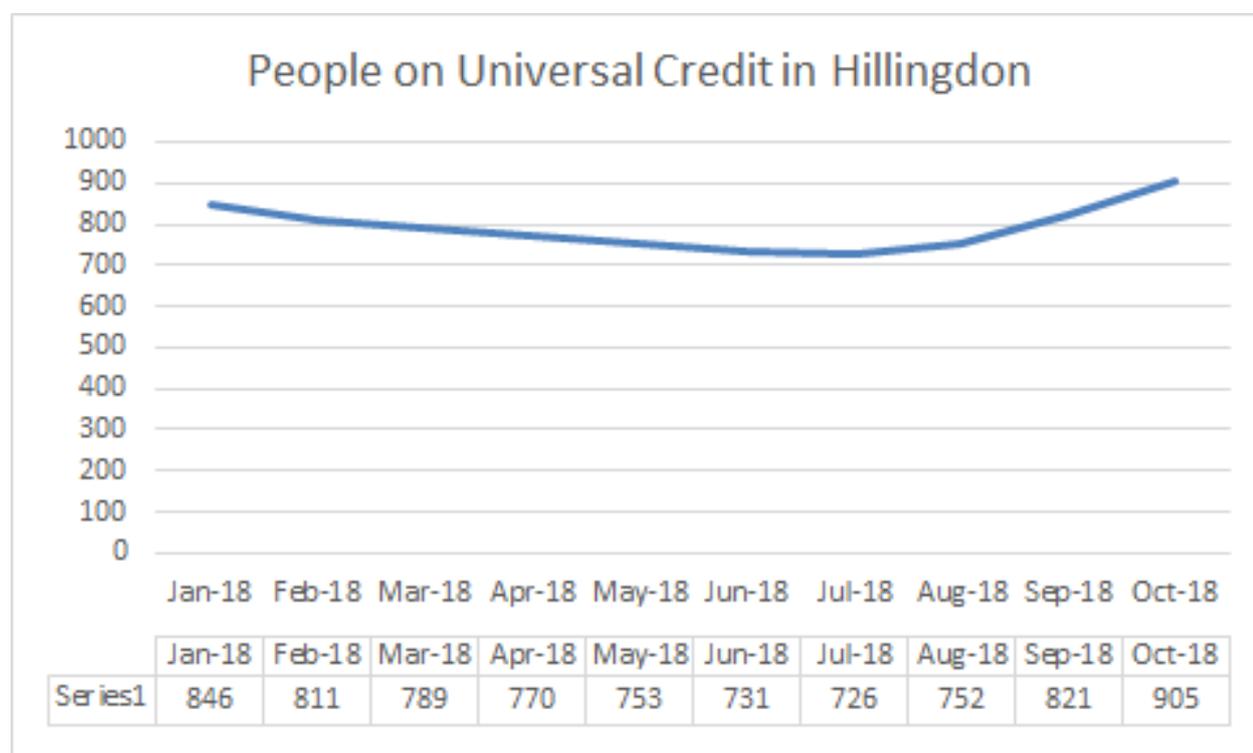
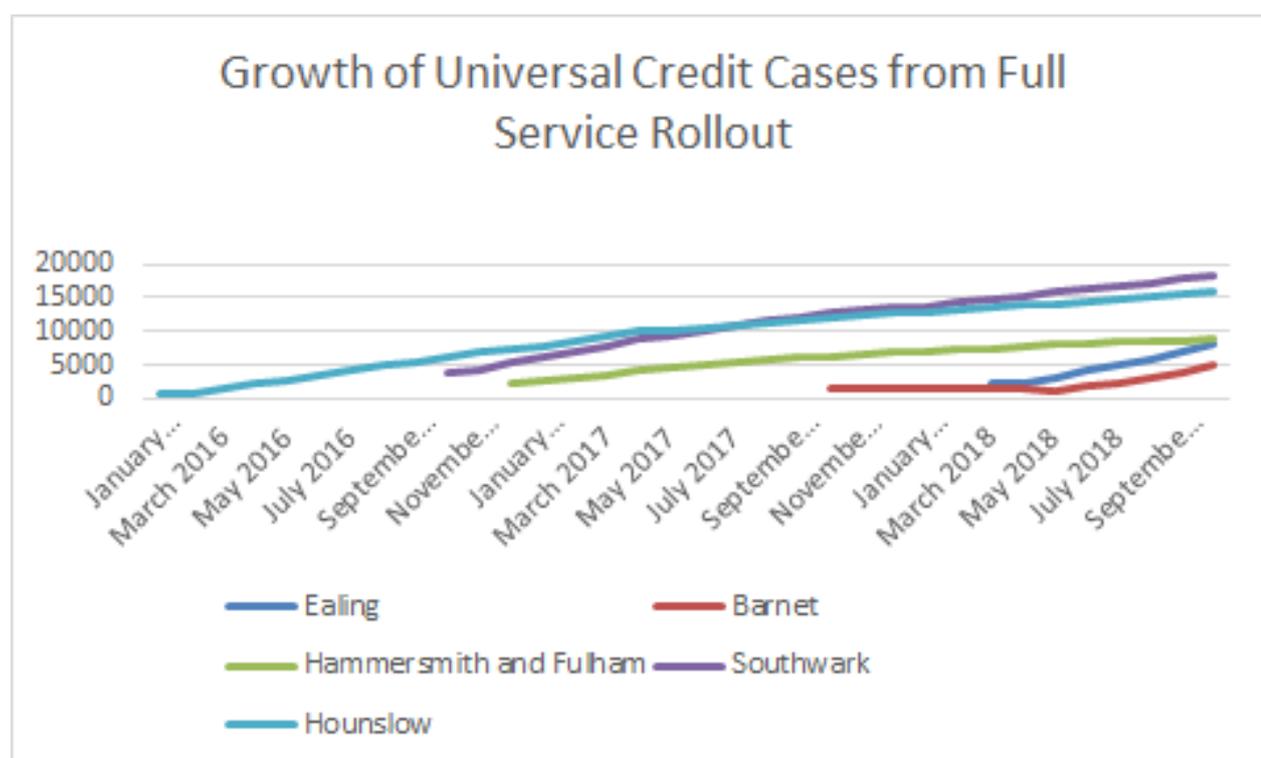


Figure 2 shows the growth in claims following full service roll out in a selection of other London boroughs.

- Ealing full service roll out was from March 2018 with 2,189 claimants. This roughly doubled in the first three months and had more than trebled in six months. At seven months in at October 2018, there were 7,950 UC claimants.
- Barnet full service roll out was from October 2017 with 1,537. This has roughly trebled over the course of a year and there were 4,837 claimants in October 2018.
- Hammersmith & Fulham full service roll out was from December 2016 with 2,183 claimants. This more than trebled in the course of a year to 6,876. The number of claimants by October 2018 reached 8,812.
- Southward full service roll out was from October 2016 with 3,743 claimants. In the first 12 months, this rose to 12,682 and a further year on at October 2018 there were 18,239 claimants.
- Hounslow was a very early roll out from January 2016 at which time there were 615 claimants. By January 2017 there were 7,728 and by January 2018 there were 12,926. In October 2018 there were 15,778.

Figure 2



All of the roll out to date has been for new claims and changes of circumstances. The rate of growth can be expected to accelerate again once the managed migration of existing claims begins.

Given the growth rate of claims elsewhere, it seems reasonable to expect there to be in the region of 3,000 to 4,000 UC claimants by this time next year.

### Internal communications

The UC Project Review Group has overseen the development of training and resources to ensure a coordinated, one council approach and sharing of information between teams. This includes sharing of information from DWP identifying, for instance, factors that suggest the need for an Alternative Payment Arrangement (APA). The Council's Welfare Reform and Tenancy Support Team has developed a UC risk assessment, which is useful to both tenancy management and homelessness prevention officers. The Welfare Reform and Tenancy Support team has also provided training on UC for both Tenancy Management staff and for council officers in other teams. Now that we are in the implementation phase of the roll out, a rolling programme of training has been established to make sure that officers have a good awareness of UC and of what is expected of them. This includes disseminating good practice and keeping up to date with changes.

### External communications

The external communications approach is about working with partners to raise awareness, share experiences and devising effective working arrangements.

Information on the Council's website provides a brief description of UC with links to where more information can be obtained including how to make a claim. It has signposting to apply for a council tax reduction; government advice on getting ready for UC; Citizens Advice Bureau; the Money Advice Service; applying for a Discretionary Housing Payment and a link to the Credit Union.

There are council link officers in place for the Credit Union and the Citizens Advice Bureau to foster collaborative working and support vulnerable residents. Council officers have been working very closely with DWP at all stages of the process. Funding from DWP is made available via the Council to Citizens Advice Bureau to provide support for vulnerable people during the implementation of UC. Universal Support offers claimants support with personal budgeting and digital support.

### Housing Provider Forum

There are approximately six and half thousand general needs social and affordable rented properties in Hillingdon owned by Private Registered Providers (Housing Associations). The following six providers own three quarters of these properties: A2Dominion Homes, Paradigm Homes, Catalyst Housing, Notting Hill Housing Trust, Peabody Trust and Metropolitan Thames Valley Housing Association. The Hillingdon Housing Provider Forum seeks to bring together these and other Housing Associations operating in Hillingdon to work together strategically on a number of housing issues. A well attended meeting of the forum was held on 06.11.2018 at which UC was included as the first agenda item. The housing associations present confirmed that UC continued to be seen as their key risk.

There is a variable approach to UC by the local Housing Association sector with some being more proactive than others. Rent arrears ranged from around £500 to over £1,000. As the Council does, Housing Associations risk assess tenants in order to target support more effectively. Some have tenant champions who 'train' tenants on budgeting and paying their rent. A number of housing associations confirm that it is a struggle to get clients to use self-service portals. They report that a lot of tenants are scared of UC and unable to use IT. Other common areas of support provided by Housing Associations include their own Tenancy Sustainment Teams and the use of Benefit Calculators.

A fact sheet is being pulled together across the organisations to provide a more comprehensive picture of the help and support that is available in Hillingdon.

Going forward there will be quarterly meetings of this forum and UC will remain a key agenda item for the foreseeable future.

### Landlord Forum - 20 November 2018

The most recent Hillingdon Landlord Forum was held on 20.11.2018. This was well attended and included a presentation by DWP regarding the roll out of Universal Credit, followed by a question and answer session. The issue of how to have the rent paid direct to the landlord (Alternative Payment Arrangements - APAs) was a main point of interest. Although these cannot be guaranteed, if both the landlord and tenant are in agreement, and provide reasoning for the APA in writing, such as difficulty managing finances, the indication from DWP is that APAs are likely to be put in place. They may however be subject to review and may require tenants to attend

sessions on managing their finances. Landlords are themselves able to apply for an APA via the Gov.uk website.

Other items discussed included issues regarding backdating of payments which is only allowable for 1 month under UC and has resulted in some difficulties, and delayed payments. Recent statistics show that 94% of claims are now being received on time.

The Landlords Forum also heard from the Council's Welfare Reform and Tenancy Sustainment Manager about how the Council as a landlord had prepared for UC. This included using all contacts with tenants by officers to assist in identifying vulnerable tenants; encouraging tenants to pay a bit extra and build up a buffer; advising clients of the need for email addresses, bank accounts and access to computers; providing information on support available and how to access it. Information was provided on the Tier 1 and Tier 2 risk assessments used by DWP that assist in identifying vulnerabilities.