

UPDATE ON UNIVERSAL CREDIT FURTHER TO 2019 REVIEW

Committee name	Social Care, Housing and Public Health Policy Overview Committee
Officer reporting	Rod Smith – Residents Services
Papers with report	None
Ward	All

HEADLINES

The purpose of this report is to update the Committee on the position regarding Universal Credit in Hillingdon following the review in 2019 which covered the impacts, risks and local partnership response.

RECOMMENDATIONS

That the Committee:

- 1. Notes the continuing efforts of the Council and its partners to support residents in accessing and managing their Universal Credit claims and in particular the efforts of the Council and its partners to support vulnerable households in Hillingdon during the unprecedented financial challenges facing households as a result of the covid-19 pandemic.**

SUPPORTING INFORMATION

During 2019 the Committee undertook an extensive review of the work which was being undertaken by the Council and its partners in preparing for the roll-out of Universal Credit in Hillingdon. It was noted that preparations were advanced, and that the Council and its partners were well positioned to provide effective support to residents where Universal Credit was being rolled out by the Department of Work and Pensions.

The Committee were mindful of the challenges facing more vulnerable residents and requested the Council's Universal Credit Project Group to explore several areas for possible improvement. These included:

- Strengthening collaborative work between key partners
- Exploring opportunities for residents who lack access to ICT and or basic skills to apply for and manage a claim
- Developing clear processes and procedures for signposting residents to the right services and agencies through liaison and the establishment of key accountabilities
- Exploring and developing further ways to increase awareness of debt management
- Appropriate training to be provided to staff across the Council so Officers can refer residents to the right services.

Classification: Public

Social Care, Housing and Public Health Policy Overview Committee - 26 November 2020

Strengthening collaborative work between key partners

It is clear that positive casework outcomes for Council tenants claiming or managing Universal Credit have been secured through continued improvements in collaborative working. This includes joint working across teams in Tenancy Services, Homelessness Prevention, across the Council as a whole and with key external partners. In particular the Welfare Reform & Tenancy Support Team has spearheaded the value to be gained from timely and appropriate use of the Citizens Advice 'Help to Claim Service'. This dedicated resource to support tenants in applying for UC and preparing for their first Job Centre appointment has enabled staff resources to focus on other key aspects of support as part of a more holistic approach to supporting tenants during the claimant journey and preparing them to successfully manage their UC claim, household finances and ultimately to sustain their tenancy.

Informal relationships between Help to Claim advisers and relevant council teams are good and are based on shared goals working for the benefit of the client. There is mutual respect and professionalism. There are also instances of positive co-working with staff in the JCPs which benefit all parties.

The Homelessness Prevention Service also carries out a full affordability assessment as part of its responsibilities under the Homelessness Reduction Act. This would include consideration of income from all sources including Universal Credit. Where appropriate referrals will be made to other services, including the Council's Welfare Reform and Tenancy Support Team as well as voluntary sector partners such as Credit Union, Citizens Advice and MIND. The service issues every customer with a Personal Housing Plan (PHP) which sets out affordable advice. The PHP is kept up to date throughout the customer's journey with the service.

Vulnerable and financially 'at risk' tenants face a range of challenges and obstacles which can only effectively be addressed by 'wrapping' tailored support around them. Whilst it is recognised that UC and income maximisation in general are key challenges, supporting tenants with just the practicalities of making a claim is no guarantee of long-term tenancy sustainment or improved independence. In this context the Welfare Reform & Tenancy Support Team has continued to engage in joint support planning and delivery with partners including Community Mental Health Services, ARCH and DASH. Strong links with support providers ensure that a range of underlying issues are addressed and managed as an integral part of tenants migrating to and claiming UC.

By way of example the Housing Enforcement and Domestic Abuse Team within Tenancy Services provide a dedicated response to Council tenants who are experiencing Domestic Abuse. Between 1st April 2020 to 31 October 2020 a total of 122 cases were supported by the team. This compared with 51 cases during the same period in 2019. All new referrals are routinely checked with colleagues in Community Mental Health, ARCH, Children's Services, Probation and Adult Social Care. Supplementing the work of this team the Welfare Reform & Tenancy Support Team have been working with tenants on UC claims, income maximisation and money management where financial abuse is identified and to ensure that survivors of abuse engage with appropriate support providers. Supporting survivors who have been subjected to financial abuse by addressing debt issues and establishing financial independence and control adds significant value to casework management by re-establishing independence.

Collaborative working with the DWP and forging effective links with staff in the UC Service Centre

has enabled the Housing Revenues & Charges Team to successfully apply for 'alternative payment arrangements' [APAs]. Direct payments from the DWP to the Council in the form of rent and arrears is possible for tenants who are in receipt of UC and are 8 weeks or more in arrears. Applications for APAs can also be made where the Council can demonstrate that the tenant is vulnerable and would be unable to manage their UC payments which could put their tenancy at risk. The number of APAs in place increased to a high of 520 in May 2020 which represented nearly 1 in 3 of all tenants claiming UC.

The DWP / JCP works closely with Citizens Advice, MIND and several voluntary organisations to support vulnerable claimants.

Although MIND took the decision early on to stop all face to face contact due to the pandemic, it continued to offer as much support as possible to existing clients and to new referrals. The counselling service continues but via phone or virtual / on-line meetings and has concentrated on mental wellbeing peer support. One-to-one employment coaching is available on the phone through a trained volunteer and on-line meetings are slowly being rolled-out for all groups and activities.

Hillingdon MIND continue to offer benefits advice and advocacy, including the limited management of online UC accounts for individuals where necessary in addition to signpost clients to other service providers.

Exploring opportunities for residents who lack access to ICT and or basic skills to apply for and manage a claim

A range of ICT Support is available to residents who need to claim and manage their UC. The DWP have ICT available to claimants in both the jobcentres and refer claimants to providers for basic ICT training. Uxbridge College provide free ICT training for beginners and Adult Learning in Hillingdon also run free courses. This is in addition to support from Citizens Advice to work with claimants on completing claims online remotely.

The CAB are acutely aware of the needs of those who are digitally excluded. However, it would be fair to say that many CAB clients have started to adapt to new technology with the patient assistance and coaching of staff and volunteers. This is very time consuming for the team – talking clients through the process of setting up email accounts, taking and uploading photos and scanning documents in support of applications for settled status which will assist European nationals in expediting their UC claims. Ultimately, if clients can be empowered to resolve more of their own issues, this will reduce long term demand on overstretched services.

Evidence from the height of the pandemic during the first quarter of 2020/21 suggested that Council tenants were able to make successful UC claims. The restrictions imposed by Government in March 2020 significantly impacted upon household finances within a short period of time which reflected the fragility of many household budgets. This resulted in a significant increase in new claims for UC from Council tenants. The DWP requires Local Authorities to verify UC claims made by their tenants. This process takes place via an online portal and includes several checks associated with the tenancy and the rent account. The Housing Revenues & Charges Team within Tenancy Services was verifying an average of 120 claims each month up to and including February 2020 and applies to the DWP for 'alternative payment arrangements' [APAs] associated with tenants who are in arrears or struggle to manage their finances through

reasons of vulnerability. In March 2020 for example the total number of verifications requested increased to 248 and reached a high of 820 in April 2020.

Ensuring that staff resources were appropriately trained and deployed to meet this significant upturn in UC applications by Council tenants without any backlogs or delays presenting represented one of the most significant and practical elements of support provided to Council tenants and ultimately prevented tenants falling into unmanageable rent or Council Tax arrears

Applications for Council Tax Reduction (CTR) for working aged people can be made directly with the council or by the customer indicating they need assistance with their Council Tax on their UC claim form. This then produces a notification directly to the authority Benefit department, which is treated as a new claim and processed accordingly.

During this pandemic, the Benefit department has seen a 25% increase in their CTR caseload for the working aged claimants.

MIND is currently exploring how they can provide IT accessibility & skills training for those who do not have a home PC. On-line meeting software can be accessed on a tablet device and so Hillingdon MIND is purchasing tablets to allow group members to participate in peer support. Work is also underway with Hillingdon Adult Learning to see what training they may be able to provide to clients.

Developing clear processes and procedures for signposting residents to the right services and agencies through liaison and the establishment of key accountabilities

CAB advisers are regularly trained in signposting clients to organisations best placed to help them and generally this works well. Regular local signposting is to the Foodbank, charities dealing with debt and various council departments to resolve issues such as Discretionary Housing Payments. CAB also refer to nationwide organisations such as ACAS which provides specialist support around employment disputes (employment enquiries are up 50% since the start of the pandemic).

Teams across Tenancy Services have worked hard to develop and refine their operational practices to ensure seamless and effective support for tenants and to maximise income due the Council.

The restructure of staff groups across Tenancy Services was completed and delivered in March 2020. This included new staff structures and new ways of working in Rent Collection & Arrears Recovery and In Housing Revenues & Charges. Together with the Welfare Reform & Tenancy Support Team these staff groups are instrumental in ensuring that incomes are maximised, and tenants are supported to pay their rent. These teams have been at the forefront of the Council's approach to mitigating the wide-ranging impacts of the covid-19 pandemic on rent collection and rent arrears management since March 2020.

Whilst it is widely recognised that the most notable factor influencing rent arrears and operational practice in recent years has been the introduction of Universal Credit as part of a wider package of welfare reforms by Government, the impacts arising from covid-19 could not be anticipated and have been unprecedented. These impacts have proven to be the ultimate form of 'stress testing' which could have been imposed on new staffing structures and operational practices. These structures and working practices have proven to be agile, responsive and effective in managing

workflow and supporting tenants to meet their tenancy obligations.

In April 2020 the average uplift in arrears owed by tenants claiming UC was £400 i.e. the difference in arrears owed at the date of claim compared with the current debt. This uplift has slowly reduced and by the end of October 2020 had reduced to an average uplift of £112. This is less than one week's average rent.

The overall impact on the Council's headline rent arrears was a weekly increase in arrears over the four weeks following 23rd March 2020 of £100k per week. By the end of June 2020, the headline rent arrears figure had stabilised and it was possible to quantify the overall uplift in debt due to covid-19 at £238k. Following a surge in UC claims between March and May 2020 there was a structural change in the rent arrears debt being managed. By early April 2020 the value of the rent arrears associated with the increasing number of tenants claiming UC nearly equated to the value of the debt associated with non-UC claiming tenants. Towards the end of June, and for the very first time, the value of this UC debt exceeded non-UC claiming tenants.

The focus of teams therefore shifted fundamentally to working with UC claimants from the earliest possible point through to ensuring that when their first payment was received, rent and other essentials were prioritised. The rent debt owed by tenants claiming UC exceeded £1m during the first quarter of 2020/21 and was successfully managed without recourse to the Court system given the protection given to all renters by Government under the provisions of the Coronavirus Act 2020. The Council's 'pre-covid' rent arrears debt was £1.888m. At the end of June total arrears were £2.216m. Arrears had by this time entered a 'stabilisation phase'. By the end of September 2020 total rent arrears were £2.118m. This reduction of £98k marked the transition into the rent arrears 'recovery phase' which remains ongoing. At the end of October 2020 total rent arrears had fallen to £2.031m representing a reduction of £185k on the quarter 1 position. This performance is testament to the hard work of the staff groups involved and demonstrates the value of well documented staff guidance, clarity of purpose, limited and defined casework 'hand-offs', effective collaborative working and a clear and positive communication climate with staff.

The Homelessness Prevention Service has robust links with statutory partners which include DWP and Job-centre plus and with voluntary sector partners to support customers on a day-to-day basis. Work instructions set out processes that must be followed in completing a comprehensive assessment. This would include information regarding Universal Credit and any potential issues with claims and associated debt and homelessness threats. Signposting and referral on to appropriate agencies will take place depending on the presenting circumstances

Exploring and developing further ways to increase awareness of debt management

DWP Work coaches have a brief to discuss debt management issues with all UC claimants. This approach is mirrored by the Welfare Reform & Tenancy Support Team who explore money management and debt management issues as an integral part of the needs assessment process relating to all new referrals and at the point of new tenant 'sign-up'.

CAB believe that one of the main issues around personal indebtedness is the chronic under-provision of debt advice. In Hillingdon, Money Advice Service estimates that unmet demand as a percentage of supply is 82% across all channels rising to 194% for face to face advice. Hillingdon Citizens Advice has 2.5 FTE debt advisers (with 0.5 being specific to mental health) but the service is still overwhelmed with demand. Raising awareness of debt management should only

be undertaken alongside a corresponding increase in funding for local provision of advice. This does not preclude any work on debt prevention.

The Welfare Reform & Tenancy Support Team are continuing to develop their in-house knowledge and skills base in the context of debt management. During the period April 2020 to the end of October 2020 the Welfare Reform & Tenancy Support Team effectively sustained 222 high risk tenants who were referred into the service. Over 90% were referred in with financial risks in addition to underlying social and medical vulnerabilities. During the first quarter of 2020/21 referred cases had a combined debt of just under £200k. In the second quarter of the year new referrals had a combined debt of just under £260k. Along with other teams and staff across Tenancy Services the Welfare Reform & Tenancy Support Team have access to online resources through membership of 'Housing Systems'. Within 'Housing Systems' is a 'Money Matters' module giving practical advice and assistance to staff in relation to income maximisation, reducing outgoings, budget management and claiming Discretionary Housing Payment. The Welfare Reform & Tenancy Support Team have also made timely referrals to Citizens Advice, Stepchange, National Debt line and Turn2Us as an integral part of casework management in respect of more complex debt issues.

In addition, the Homelessness Prevention Service are also able to access these services for private sector tenants approaching with rent arrears or other debt issues which are impacting on their housing circumstances and threatens homelessness.

Appropriate training to be provided to staff across the Council so Officers can refer residents to the right services.

Supporting tenants to successfully claim and manage their UC is part of the 'rent first' culture within Tenancy Services. To effectively support tenants in this context all new staff receive training on UC as part of their induction. Tenancy Services are also members of 'Housing Systems' which has proven to be a valuable on-line tool for staff supporting them to give basic, consistent and up to date advice through to the management of more complex casework and 'trouble-shooting'. The 'Housing Systems' resource offers a wide range of modules including Welfare Reform, Universal Credit, benefit calculators, reference tools and a range of templates for engaging with DWP. The UC pages provide up to date details on; how the benefit works, claims, entitlement, payment, housing costs and changes in circumstances. This resource has supported the development of 'subject matter specialists' across teams in Tenancy Services. The online resources were particularly useful in ensuring that staff remained up to date and where able to give swift and accurate advice during periods where there was rapid change in the operating environment due to covid-19.

Impact of COVID-19 on Universal Credit

The restrictions that were introduced throughout the country as a result of the coronavirus (COVID-19) pandemic led to a large increase in the number of claims for Universal Credit. Combined numbers of claimants in the Hayes and Uxbridge Job Centre areas rose by almost 7,000 in month from March to April 2020 from 9,968 to 16,893. Claims have continued to rise at a slower rate to 21,400 in September 2020. The increase placed huge operational pressures on the Department for Work and Pensions (DWP). Following initial difficulties, the system has been able to withstand a sudden increase in demand where legacy systems may have struggled.

The government made a number of changes to Universal Credit to support people through the

coronavirus (COVID-19) pandemic in March 2020, including increasing the standard allowance by £20 per week for 1 year from 6 April 2020. This temporary increase combined with an increase in Local Housing Allowance rates had the effect of bringing more people with higher earnings into eligibility for Universal Credit. This is because the more Universal Credit entitlement a household has, the more earnings the household can have before their award reduces to zero by the taper rate. There have been calls for these temporary changes to be made permanent.

UK wide analysis shows that in the early stages of the coronavirus pandemic claimants were typically in older age groups compared with before the coronavirus pandemic. However more recently the proportion of Universal Credit claimants aged between 16 and 24 has grown.

The DWP 'managed migration' pilot in Harrogate remains suspended and it is not yet known when it might resume. Before the outbreak of coronavirus, the DWP had revised its forecast for completing the full case rollout of UC to September 2024. It is not known if the crisis will have had any effect on this forecast.

Implications on related Council policies

A role of the Policy Overview Committees is to make recommendations on service changes and improvements to the Cabinet who are responsible for the Council's policy and direction.

How this report benefits Hillingdon residents

Policy Overview Committees directly engage residents in shaping policy and recommendations from the Committees seek to improve the way the Council provides services to residents.

Financial Implications

None at this stage.

Legal Implications

None at this stage.

BACKGROUND PAPERS

None.