

Report to:	Housing Review Board	 East Devon District Council
Date of Meeting:	24 January 2019	
Public Document:	Yes	
Exemption:	None	
Review date for release	None	
Agenda item:	11	
Subject:	Universal Credit	
Purpose of report:	This report sets out the latest information on the roll out of Universal Credit and the impact so far on our housing service.	
Recommendation:	That the contents of the report informing the Board of the latest information on Universal Credit and the impact on EDDC be noted.	
Reason for recommendation:	To update the board	
Officer:	Sue Bewes Landlord Services Manager, sbewes@eastdevon.gov.uk	
Financial implications:	There appear to be no direct financial implications arising from the report itself.	
Legal implications:	There are no legal implications contained within the report.	
Equalities impact:	Low Impact	
Risk:	High Risk There is the risk of reduced income to the HRA and of many tenants falling behind on their rent, which could lead to an increased number of evictions.	
Links to background information:	.	
Link to Council Plan:	Encouraging communities to be outstanding.	

Report in full

1.0 Background

- Universal Credit (UC) was introduced into the East Devon area in July 2018. The first rollout was for the Eastern area of the District, followed by the West of the District in September.
UC has been set up to provide one monthly payment for people who are looking for work or on a low income and has replaced:

- Income-based Jobseeker's Allowance.
- Income-related Employment and Support Allowance.
- Income Support.
- Child Tax Credits.
- Working Tax Credits.
- Housing Benefit.

2. The current position for East Devon

- 2.1** We currently have 191 tenants claiming UC (full service) with a combined rent debt of £52,621.37. As these tenants were not on full service UC in July 2018 we are able to check against their arrears at that time. In this way we have established the combined debt outstanding was £16,819.65 on these same tenancies prior to the commencement of UC, so we know we have had an increase of £35,801.72 in the debt on these tenancies since UC was implemented, which represents an increase of over three times what was owed before their transition to UC. Of the 191 tenants currently claiming UC, 58 are in credit with their rent or have a zero balance, 19 have rent arrears of less than 2 weeks, 34 have rent arrears of between 2-4 weeks, 45 have rent arrears of between 4-8 weeks and 35 have rent arrears of more than 8 weeks. We are working with Housing Benefits to see if any of these arrears could be offset with Discretionary Housing Payment.
- 2.2** At your meeting a year ago on 11 January 2018 I reported that we had identified 1,241 working age tenants on Housing Benefit (HB). Looking at the average debt of the tenants currently receiving UC we can forecast that another £316,642, on average, could be owed by the time all of these tenants are transitioned onto UC. Some recent changes to the timetable for rolling out the managed migration mean that nationally only 10,000 cases will be migrated across during the summer of 2019 as part of the national pilot. Following this, it is likely that the managed migration will now not happen until 2020.
- 2.3** In line with the standard process, UC is paid directly to the tenants with an expectation that they will then pay the proportion that covers their rent directly to us. Positively, due to our trusted landlord status we are able to request for the rental element of a tenants UC claim to be paid directly to us, this is a fairly straightforward process and to date we have done this for a proportion of the tenants effected. It is done through an assessment of an individual's personal circumstances that takes into account the vulnerability of the tenant and their ability to pay their rent.

3. Our Concerns

- 3.1** Some individuals may not be good at prioritising their bills or managing a budget and could easily get into debt. Where people get into debt there is greater reliance on resources locally such as food banks, charities, subsidies for electricity and gas, etc. It also means a strain on our resources particularly within the Rental team, and can lead to an increase in arrears that are becoming harder to recover.
- 3.2** The recent changes to the Pre Court Protocol mean that we as a landlord must not commence actions that we would usually have undertaken before service of possession proceedings while the tenant is in the process of transitioning to UC. The implication here for us as a social landlord is that we are not starting to look at

Pre Court Preparations for 5-6 weeks, meaning arrears will be at a higher rate before we can look at recouping them through the Court process.

- 3.3 Most people will apply online for UC and manage their claim through an online account that should be checked daily, as messages will be posted there from DWP, for example appointments to be kept or outcomes of requests. We are discovering that customers are not logging into their accounts and actioning the instructions required by UC, which is holding up or stopping claims. Some customers are not accepting the 'customer commitment' within the required seven days which in this case means the claim being stopped altogether. Some customers are not inputting housing costs to their claim, as they have previously been on HB where it has been paid directly to the landlord, so they are not being paid the housing element to cover their rent.
- 3.4 Where a joint tenant has left the property but never removed their name from the tenancy, only half of the UC claim can be paid. This is particularly problematic as we as landlord are not able to remove the person who left the home from the tenancy without that person being involved in the process, and often they have moved on in their lives and do not wish to make contact.

4 Our Response

- 4.1 We are looking to set up a workshop within each area of the district to help tenants with budgeting and dealing with non-priority debts within their household, so that the UC transition is smoother and easier for the tenants. We can help them come to understand that the process is very tenant led and that we as their landlord can no longer manage the process on their behalf. We can impress upon tenants that daily checking for messages etc on their UC account is crucial if they want payments to keep coming through without interruption. Our community development staff will be present at the workshops to help with digital skills and training, should they be required.
- 4.2 The Rental Team are continuing to refer tenants with multiple debts to Homemaker Southwest so that they can receive independent advice from experts.
- 4.3 This year all 45 front line Housing officers in Landlord Services, including those from Rental, Support, Community Development and Estate Management, have received UC training delivered by a DWP/Housing consultancy. Over the next two months the rental officers and their manager are undertaking more advanced training alongside colleagues in the authority's Benefits team.

5 What's new with the DWP

- 5.1 HM Revenue and Customs have launched a new initiative called 'Help to Save.' This is an initiative that was trialled in January 2018 for Working Tax and UC Claimants. It will help those on a low income to put some money aside to budget for unexpected expenses. The initiative will run for four years with a bonus paid at years two and four. Eligibility is for anyone on Working Tax Credit, Child Tax Credit or UC with a minimum income equivalent to 16 hours at minimum living wage. The DWP serve only as a signposting agency to the initiative.

- 5.2** Changes have been made to the live telephony opening hours from the 27th September 2018 - Opening hours were 8.00am to 6.00pm Monday to Friday, but have now changed to 9.00am to 4.00pm Monday to Friday, effectively reducing the times within which DWP staff are available to help resolve issues.
- 5.3** From July 2020, entitlement to income related Income Support, Employment and Support Allowance and Job Seekers Allowance will continue for two weeks after a claim for UC has been made. This ensures that tenants will receive more support to make the transition from existing benefits to UC.
- 5.4** From July 2020 there will be a 12 month exception period from Universal Credit's minimum income floor for all gainfully self-employed customers new to UC or new to self-employment. (meaning they will not have to meet the normal UC thresholds for a while after their initial claim).
- 5.5** The DWP will be funding Citizens Advice Bureaux (CAB) to provide Universal Credit Support from April 2019. The DWP are intending that the support scheme will help claimants through every step of their UC claim. They propose to offer people comprehensive and practical support they need to get their first payment on time and be ready to manage it when it arrives. The DWP feel that this will ensure a consistent and streamlined service for claimants across the country. From our point of view as the landlord, it should be noted that this work has been removed from the authority's Benefits team, and the loss of an impartial, independent source of advice is likely to be sorely missed by tenants themselves. It is also not clear as yet whether the CAB will have someone present at the Job Centres who will help people with their claims, which is what EDDC staff have provided over the past 12 months. We have yet to see how this will impact upon claimants.
- 5.6** A new digital service for on line appeals has been put in place where the claimant can appeal to Her Majesty's Court and Tribunal Service (HMCTS). The Submit Your Appeal (SYA) service allows customers to register their appeal against DWP benefit decisions online and track its progress in a step towards a fully digitised appeal service. It will also allow the claimant to submit evidence required to support the appeal.
- 5.7** Vulnerable Customers are being highlighted so that they can be given intensive support through their Job Centre Plus and local authority. DWP envisage that the vulnerable customer network will ensure a quicker and smoother access to support, but we have yet to receive further details on how this will impact upon us or our customers.
- 5.8** DWP have an update with their phone system whereby if the tenant calls from the phone number registered to their claim, this will automatically be picked up by the system and the tenant will be put through to the correct line for their case worker. This should make service more efficient and timely for our customers.
- 5.9** The DWP will be employing "Positive People" to help over 25's with digital support. Details of what this means in practise are not yet available.