

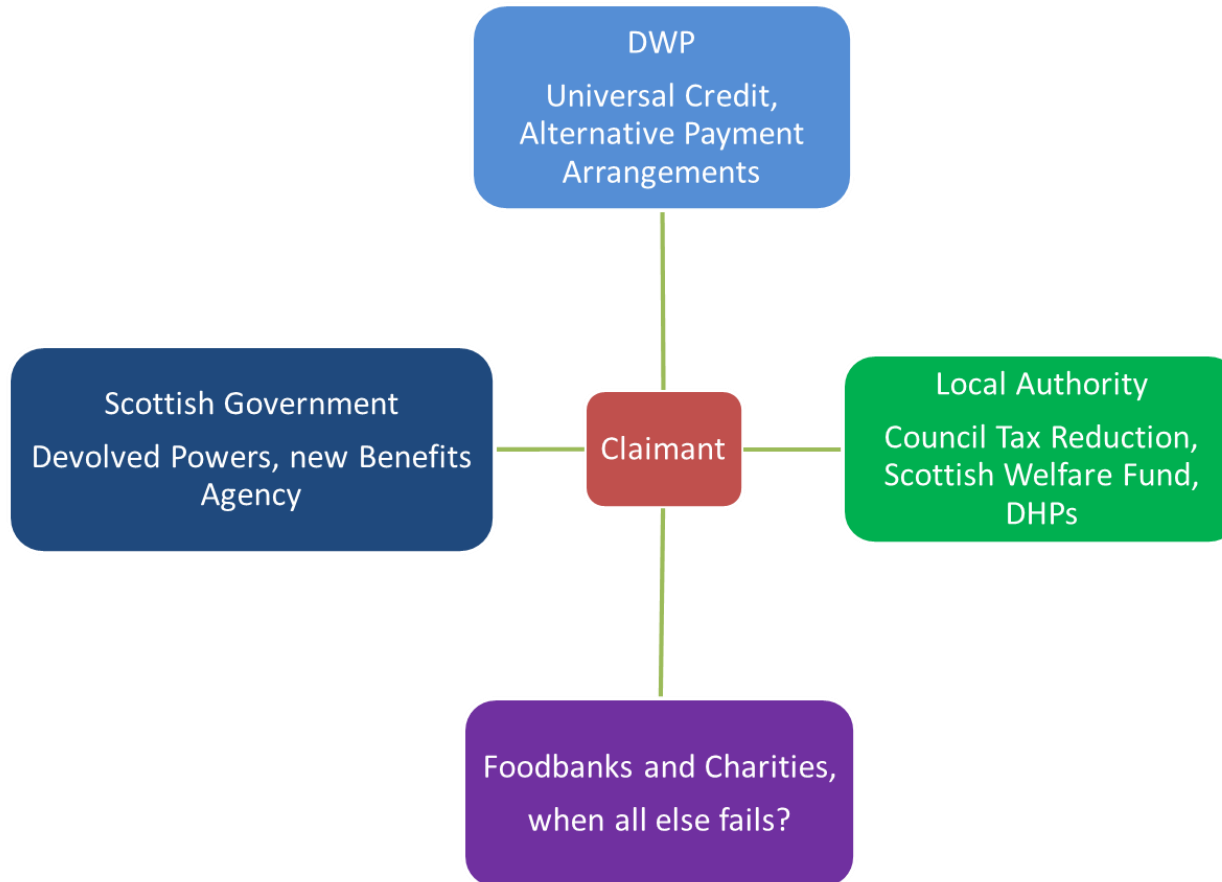


Universal Credit and Welfare Reform

CPAG Early Warning Seminar

March 11th 2016

Universal Credit – simplifying Benefits?



Universal Credit - claimants

- Working age benefits
- “Virtual” service centres
- Online application and management
 - Claimants will need to be online and have an email and a ‘transactional account’
- Monthly payment culture to one person
- Real Time Information – link with HMRC

Universal Credit - landlords

- Rent costs no longer paid direct to landlords
 - Unless an Alternative Payment Arrangement
- Payment date varies between claimants
- Increase in transaction and staff costs
- Worry about arrears
- Loss of personal contact with Benefit Administration
- Need to know both UC and legacy systems

UC – put into practice

- Inverness put in vanguard
 - UC to single claimants November 2013
 - UC to couples and families June 2014
- National rollout to single claimants 2015-16
 - 630 claimants in Scotland in January 2015
 - 21,413 claimants in Scotland January 2016
 - Roll out will complete in April 2016 (Perth and Kinross, Angus)

UC - put into practice

- Up to now, UC on “live” system
 - Has never worked well
 - Long and difficult claim application process
 - Dependent on manual intervention, so lots of mistakes
 - Already at capacity
 - Decision not to invest further
 - To be replaced by digital solution, referred to as “full service”

UC – put into practice

- “Full Service”
 - Trials in small number of jobcentres, to be extended to 6 more including Musselburgh
 - Claimed to be much more user friendly
 - Decision to start National rollout in May 2016
 - Inverness in June
 - Rest of Highland in November
 - Pace to pick up in 2017 with completion in 2018
- All new claims will be UC – no gateway criteria

Welfare Cuts

- Benefit Cap
 - Currently £26,000
 - To be cut to £20,000 from autumn 2016
- Removal of entitlement to Housing Benefit to under 22s
- Limiting child element of UC and Child Tax credits.
- Cutting of in-work allowances

UC Work Allowances

		BEFORE SUMMER BUDGET		AFTER SUMMER BUDGET	
		WITHOUT HOUSING COSTS	WITH HOUSING COSTS	WITHOUT HOUSING COSTS	WITH HOUSING COSTS
Single	NO DEPENDENT	£111	£111	ABOLISHED	
	WITH DEPENDENT	£734	£263	£397	£192
	WITH DISABILITY	£647	£192	£397	£192
Couple	NO DEPENDENT	£111	£111	ABOLISHED	
	WITH DEPENDENT	£536	£222	£397	£192
	ONE OR BOTH WITH DISABILITY	£647	£192	£397	£192

- Chancellor's Autumn statement
 - Social Housing HB/UC capped at LHA maxima
 - Shared accommodation rate for under 35s
- Two stage process
 - Affects tenancies created after 01/04/2016
 - Since put back for supported accommodation (01/04/2017)
 - Implemented from April 1st 2018

- Generally, housing association rents are below LHA levels, BUT
 - Shared accommodation rate for under 35s will not cover rent costs
 - Supported accommodation rents can be lot higher than LHA maxima
- DHPs are not the antidote! (Neither for claimants nor for housing associations)

Interventions

- Discretionary Housing Payments
 - Being used to mitigate the ‘bedroom tax’.
 - Scottish Government boosting funds by £35million to fully mitigate ‘bedroom tax’
 - Being used for something it was never designed for.
- Scottish Welfare Fund
 - £38 million in draft budget
 - Crisis and Community Care Grants

Interventions

- Council tax reduction
 - 100% reduction possible
 - Disconnect with Universal Credit
- Devolution - Scotland Bill
 - New powers to vary rate of housing costs
 - Can make direct payment to landlord a default
 - Can vary frequency of payment and split payment
 - But can do nothing about first payment

So what can HAs do?

- Engage with tenants and inform
- Support for tenants through advice and sign posting
- Empower tenants through training
- Collaborate and cooperate with range of stakeholders – we are not alone!

Case study

- Housing association in central Scotland
 - 2,500 properties
 - Operates in one Local Authority area
- Strategy of :
 - Engagement with DWP and Council Revenue and Benefits
 - Tenant Communication
 - Provision of support

Engagement with DWP

- 12 months before UC rolled out engaged with JobCentre:
 - Invited DWP to visit, learn about roles and services offered that would benefit job seekers
 - HA staff visit JobCentre to see what it means from DWP angle
 - Discussing co-location to offer “one stop shop”
 - Looking to see if can secure DWP funding for digital inclusion training.

Engagement with tenants

- Leaflets and guides printed and distributed
- Article in tenant magazine
- Re-telling the message in any bulk mailing (e.g. rent statements)
- Since introduction of bedroom tax, visit to each tenant likely to be affected by change to discuss personal circumstances and onward referral to support agencies as appropriate

Support services

- SLAB funding to engage dedicated CAB money and welfare benefits officer
- Dedicated fuel poverty adviser
- In-house local authority housing benefits officer (very valuable asset)
- Tenant starter packs
- School uniform project
- Referral service for employment support.

Support Services (Continued)

- Drop in IT support with IT volunteers.
- Can refer tenants with no IT skills to Community Engagement officer, who can arrange formal training at local college
 - Have managed to source PCs/laptops for tenants
 - Tie in with organisation providing refurbished PCs

Potential Ideas?

- Rental Exchange Project
 - Run by Experian and Big Issue Invest Scotland
 - Opportunity for tenants to get a credit history
 - Better chances of access to affordable credit
 - Need to tie in with Credit Unions?
- Fee free bank accounts
 - Agreement between government and banking industry
 - Launched December 2017



Thank you

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