



REPORT TO GARIOCH AREA COMMITTEE – 27 AUGUST 2019

UNIVERSAL CREDIT UPDATE

1 Recommendations

The Committee is recommended to:

1. consider the work that is being carried out by Aberdeenshire Council to support customers in receipt of Universal Credit; and
2. provide any comments or recommendations to the Housing Service regarding the activities to mitigate rent arrears.

2 Background / Discussion

- 2.1 The Government launched Universal Credit (UC) in 2013 and completed the rollout of the full service in December 2018. UC has been available to claimants residing in the Garioch area since 31 October 2018.
- 2.2 UC replaces six legacy benefits for working age claimants and amalgamates them into one monthly payment. At present, only new claimants or those with a relevant change in circumstances must apply for UC. The Department for Work and Pensions (DWP) expects all households claiming existing benefits and tax credits to move across to UC by 2023, either through natural migration or managed migration. DWP is starting with a pilot in England to move existing claimants onto UC and the pilot will be used to determine how to proceed across the UK.
- 2.3 UC is paid monthly in arrears and is made up of a standard allowance and any extra amount depending on the claimant's circumstances, for example an extra amount for children or housing costs. UC is also digital by default which means claimants must apply and manage their claim online.
- 2.4 Following the Area Committee meeting on 26 February 2019, members requested an update on UC, including details of rent arrears up to the end of June 2019 and an update on the support being provided by the Citizens Advice Bureau.
- 2.5 **Housing Service**
- 2.6 The Housing Service continues to be proactive in its approach to UC to ensure tenants receive appropriate levels of support. Procedures have been enhanced to contact every tenant when Aberdeenshire Council is notified of a claim for UC. This is to ensure Housing staff offer suitable levels of support and guidance throughout the UC claims process until monies are received and arrangements have been made to pay rent.

- 2.7 Housing Officers will discuss information with the tenant such as when they expect their first payment to be received, the frequency of payments, how to apply for an advance payment and how to pay rent directly to the landlord so that they do not fall into rent arrears.
- 2.8 Housing Officers will also ask if the tenant requires any financial advice or assistance and will signpost them to relevant agencies. Current early intervention procedures ensure close and ongoing contact with tenants concerned with the overall objective of ensuring that tenancies can be sustained.
- 2.9 In Scotland, tenants can request that housing costs are paid directly from DWP to Aberdeenshire Council. However, these payments are completely at the discretion of the tenant and can be cancelled at any time.
- 2.10 A Managed Payment (MP) can be requested by the Council if a tenant is 8 weeks or more in arrears. The DWP will advise the Housing Service when a request has been approved which normally takes 2-3 days. A MP is not at the discretion of the tenant and must be approved if there are rent arrears.
- 2.11 **Rent Arrears comparison as July 2018/2019**

Balance Date	Total Accounts	Number in Arrears	% in Arrears	Total Arrears	Average Arrears
22/07/2018	12,133	3,984	32.84%	£1,263,769.76	£317.21
21/07/2019	12,168	4,337	35.64%	£1,502,555.25	£346.45

2.12 Managed Payment (MP) Impact

- 2.13 As at 21 July 2019, across Aberdeenshire there were 478 UC cases which had a MP. 48.74% of these have had a reduction in their rent arrears balance where the average reduction of arrears is £442.82.

	MP Authorised	% cases where balance has reduced	Total reduction in Arrears Balances	Average reduction in arrears balance*
Banff & Buchan	188	46.28%	£4,331.79	£378.50
Buchan	130	54.62%	£12,323.05	£445.60
Garioch	35	37.14%	£1,613.31	£421.51
Formartine	33	60.61%	£7,681.01	£637.55
Kin & Mearns	41	43.90%	£1,519.19	£531.15
Marr	51	47.06%	£3,667.57	£450.80
Aberdeenshire	478	48.74%	£19,245.72	£442.82

* NB refers to average reduction in cases where balance has reduced only

2.14 Tenant Requested Direct Payments (TRDP) Impact

2.15 As at 21 July 2019, across Aberdeenshire there were 314 UC cases which had TRDP. 37.9% of these have had a reduction in their rent arrears balance where the average reduction of arrears is £251.36.

	TRDP Live	% cases where balance has reduced	Total reduction in Arrears Balances	Average reduction in arrears balance*
Banff & Buchan	121	33.88%	-£15,181.50	£239.77
Buchan	60	45.00%	-£487.69	£312.36
Garioch	25	28.00%	-£2,198.76	£294.90
Formartine	19	36.84%	£715.84	£448.65
Kin & Mearns	47	40.43%	-£2,141.46	£166.55
Marr	42	42.86%	-£5,639.69	£182.12
Aberdeenshire	314	37.90%	-£24,933.26	£251.36

* NB refers to average reduction in cases where balance has reduced only

2.16 Universal Credit Support

2.17 On 1 April 2019 a new partnership was formed between DWP and Citizens Advice Scotland to provide support to UC claimants. This is called the 'Help to Claim' service and is available to anyone who requires additional support throughout the UC claims process. The emphasis is to assist vulnerable claimants apply online for UC and to provide support up to the first full payment of UC.

2.18 The Help to Claim service is delivered by Citizens Advice Scotland with continued close partnerships with Local Authorities and other local delivery providers when necessary. However, it is important to note that the service now comes under the full responsibility of Citizens Advice Scotland.

2.19 There are four Citizens Advice Bureau's (CAB) operating within Aberdeenshire:

- Turriff and District CAB
- Banff and Buchan CAB
- South West Aberdeenshire CAB
- Kincardine and Mearns CAB

2.20 The Help to Claim service is delivered by four methods: telephone, webchat, email and face to face. The face to face support is delivered by individual CAB's in each of the above areas. The telephone and webchat support are delivered through regional hubs and where necessary claimants will be referred from these hubs back to the claimants preferred bureau (typically their local office).

- 2.21 The four CAB's covering Aberdeenshire provide resources to deliver the North-East Scotland regional hub. This is a multi-channel project that provides support for UC claimants along with a financial health check.
- 2.22 The service is available Monday to Friday from 8am to 6pm and enables customers to make an appointment at their local CAB if required. Since 1 April 2019, the CAB's covering Aberdeenshire have provided the following support:

Support type:	Number of claimants:
Face to face	113
Telephone	222
Webchat	54
Email	13
Total:	402

- 2.23 Support via telephone is proving to be the most popular method of support; however, the CAB aims to see claimants face to face within 48 hours at their local bureau if necessary. CAB have advised that diversifying the methods of support they provide has helped to enhance their overall service.
- 2.24 In addition to the support provided by CAB, Aberdeenshire Council's Support and Advice Team (ASAT), which is part of Business Services also provides support to UC claimants. The team has a presence in Banff, Fraserburgh, Peterhead, Inverurie and Stonehaven and staff already provide a wide range of financial support and advice to claimants in receipt of Housing Benefit, Council Tax Reduction and/or the Scottish Welfare Fund.
- 2.25 Following the introduction of UC this support naturally extended to UC claimants, who may be transferring from housing benefit. One of the core functions of ASAT is to provide financial support and advice to claimants, regardless of which benefit they are in receipt of.
- 2.26 The UK Government budget for providing Universal Support has been agreed until March 2020. DWP will review the support that is in place towards the end of March 2020 and determine whether any changes need to be made, including how that support is provided.

2.27 People on Universal Credit

- 2.28 The table below denotes the number of people in Aberdeenshire currently in receipt of UC (figures available up to June 2019). This includes all claimants, i.e. council tenants, private tenants, homeowners and those with no tenancy.

UC claimants in employment	1,624 (35%)
UC claimants not in employment	2,985 (65%)
Total:	4,609 ¹

¹ Data from DWP statistics July 2019

- 2.29 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3 Scheme of Governance

- 3.1 The Committee is able to consider this item in terms of Section B. 1.2 and 11.2 of the List of Committee Powers in Part 2A of the Scheme of Governance. B. 1.2 allows the committee to make recommendations to Services and any other Committee on any matter which impacts its area. B. 11.2 allows the Committee to review and make recommendations on the effectiveness of Council policy implementation and Service delivery within the area.

4 Implications and Risk

- 4.1 An Equality Impact Assessment is not required because the reason for the report is for the committee to note and consider and there will be no differential impact, as a result of the report, on people with protected characteristics.
- 4.2 There are no financial implications. The staffing requirements relating to the attached report will be met within existing resources. The impact of UC will continue to be monitored and staffing resources and/or reconfiguration of workload may be reviewed.
- 4.3 With reference to the Corporate and Directorate Risk Registers ([found here](#)), the risk relates to budget pressures due to the anticipated increase to rent arrears. This risk is being mitigated by the activities Aberdeenshire Council has adopted as set out in this report. There is also a risk due to changes in Government policy and legislation. This risk is mitigated by having dedicated Development Officers within Housing and Business Services who monitor the changes within UC.

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6 August 2019