

REPORT TO KINCARDINE AND MEARNS AREA COMMITTEE – 27 February 2018

UNIVERSAL CREDIT FULL SERVICE IN KINCARDINE AND MEARNS.

1 Recommendations

The Committee is recommended to:

1.1 Note and support the work that is being carried out in respect to the Universal Credit Full Service rollout in Kincardine and Mearns

2 Background / Discussion

- 2.1 At the Kincardine and Mearns Area Committee 03 October 2017, as a result of the Housing Quarterly Performance Exception Report, it was agreed that, given the concerns regarding the rollout of Universal Credit (UC) in the DD10 postcode area, that regular update reports are provided to Area Committee Members, with reference to Housing Performance measures and the potential for rent arrears to become an issue. It was also agreed that the Chair of the Communities Committee be advised of the above. The report was also requested by the Communities Committee which was held on 23 December 2017.
- 2.2 UC replaces a number of state benefits for those of working age and amalgamates them into one monthly payment. It replaces Child Tax Credit, Housing Benefit, Income Support, Job Seekers Allowance (income based), Employment and Support Allowance (income related) and Working Tax Credit.
- 2.3 There are currently two types of UC, UC full service and UC live service. UC live service was rolled out, based on postcode areas linked to Job Centres, in Aberdeenshire from May 2015 to April 2016. Live service limits claims to claimants who are single, fit for work and looking for work.
- 2.4 UC claims in live service areas are now closed to new applicants. New claims in a live service area will, until UC full service is commenced locally, now be made to one of the legacy benefits. The UC live service will continue to maintain the current caseload until the transition to the full service.

UC Full Service

- 2.5 UC full service is currently being rolled out across the UK, by postcode area. This extends the eligibility to all working age people.
- 2.6 Unlike live service, UC full service, is digital by default so all claims will be made and managed online. Claimants will be required to manage their account through their online journal. Claimants who are unable to apply for UC, or manage their UC account, online should contact the UC helpline.

- 2.7 UC full service rolled out to the Montrose Job Centre in November 2017. The Kincardine and Mearns (K&M) area have a number of postcodes affected by this rollout and these are DD9 7, DD10 0 and AB30 1. This gives us the opportunity to 'pilot' full service in Aberdeenshire prior to the full service rollout in Peterhead, Banff, Buckie and Fraserburgh (currently scheduled for June 2018) then Aberdeen City in October 2018.
- 2.8 Approximately 3 months after a postcode area has transitioned to full service all UC live service claimants will start to transfer onto full service. The transfer process is managed by UC and the claimant has no actions until advised by DWP.

Scottish Choices

- 2.9 The Scottish Government laid regulations in the Scottish parliament June 2017 to make UC payments more flexible. These 'Scottish choices' allow claimants in Scotland, in full service areas only, to choose whether they want their housing cost paid direct to their landlord and/or if they want their UC paid twice monthly rather than monthly. These choices will be offered to all persons receiving UC in full service areas, via their journal on their online account, after their first UC payment has been made.

Preparation for Full Service rollout

- 2.10 In preparation for the introduction of UC full service in the K&M area Aberdeenshire Council worked, and are continuing to work, in partnership with DWP to develop a shared understanding of full service and to strengthen the network of support services in K&M and beyond.
- 2.11 A number of 'UCFS Awareness' events occurred prior to the Montrose Jobcentre rollout to full service, specifically:
- Tailored 'UC full service awareness' presentations were held for Aberdeenshire Council Housing and Revenues & Benefits staff.
 - Aberdeenshire Council, in partnership with DWP, ran two 'UC full service - raising awareness in K&M', sessions during November 2017 for those involved with supporting clients in the K&M area.
 - In order to collate early feedback on the UC full service rollout in K&M participants were invited back to a 'UC full service awareness and feedback so far' session in December 2017. Feedback was received and collated and will be used to improve future awareness events and how we support UC full service.
- 2.12 These events were well received and will be used as templates for future events prior to the rest of Aberdeenshire rollout to full service. Aberdeenshire Council were also invited to the Angus 'UC full service' awareness events in order to share best practice.

Other partnership activities include:

- Aberdeenshire Council's Project Officer (Welfare Reform) continuing attendance at internal and partnership meetings to provide UC updates.
 - Working with support agencies, including Citizen's Advice Bureau, to ensure personal budgeting and digital support is offered and provided.
 - Aberdeenshire Council, in partnership with support agencies, updated the 'Advice Agencies and Useful contacts in Aberdeenshire' and 'Digital Access' leaflets. These leaflets list the agencies where people can go for financial advice, digital support and computer access in Aberdeenshire and Aberdeen.
 - Regular meetings and communications with the DWP Partnership Manager to ensure latest UC updates are received and issues escalated.
 - Regular UC full service update articles in the 'Tenant's Newsletter'.
 - Collation and analysis of UC related statistics which are then presented to internal meetings and/or DWP.
- 2.13 Where appropriate the challenges associated with UC, e.g. potential accumulation of rent arrears, have been highlighted to our partner organisations so that relevant support mechanisms can be put in place.
- 2.14 Going forward Aberdeenshire Council, Housing and Benefits teams are continuing to meet K&M Citizen's Advice Bureau to ensure partnership working and knowledge transfer are continuing to occur.
- 2.15 Due to the high level of rent arrears being reported in UC full service areas work has specifically been undertaken in order to minimise the predicted impact of UC full service rollout on K&M council tenants through developing processes to improve the monitoring of payments and to limit the impact on staffing resources. This includes:
- The introduction of new IT modules which identify missed payments immediately.
 - Staff being provided with mobile technology which will enable them to support tenants in their own homes and to gather the information from their online journals.
 - Training being provided to staff to enable them to better support tenants and monitor arrears.
 - The impact on resources of the anticipated increased workload is also continuing to be monitored.
- 2.16 When an Aberdeenshire Council tenant applies for UC the DWP advises the Council by email. The notification email includes a request to complete a form to verify the rent liability. This form also gives an option for the Council to apply for a Managed Payment so that, if approved, the housing cost element of the tenant's UC award would be paid direct to the Council. This approval is granted based on tenants meeting certain vulnerability criteria. Tenants can also request a Managed Payment via the Scottish Choices referred to in para. 2.9 above. On the same form an application can be made for an additional deductions to be made from the UC award for tenants in rent arrears. This deduction will also be paid direct to the Council. As at 29 January 2018 there have been 19 notifications of UC "full service" claims received from the DWP and 9 confirmations that Managed Payments have been approved.

- 2.17 As soon as the notification of the UC claim is received from the DWP, housing staff are attempting to contact the tenants to discuss their rent payment plan and the arrangements they are putting in place to pay their rent until they receive their first payment. Staff are also providing advice and information about Managed Payments and additional deductions being requested from their UC if the tenant is already in arrears. Tenants however do not always engage and the arrears process is continuing to be followed. Staff are closely monitoring cases using the IT systems and continuing to attempt to contact tenants as part of the arrears procedure.
- 2.18 Aberdeenshire Council has only started to receive the first Managed Payments and Arrears reductions because there are inbuilt delays in the way DWP forward these payments to landlords. The impact on rent arrears is being monitored and the initial experience is that although the majority of tenants were not in arrears when they claimed UC most have now fallen into arrears. This follows a similar pattern to UC “live service” rollout where arrears initially increased, however in “live service” the arrears have gradually reduced over time. It is however too early to provide any detailed analysis but when it is possible to do so it will be reported to future meetings.
- 2.19 The Head of Finance, Monitoring Officer within Business Services, Head of Housing, and the Director of Business Services have been consulted in the preparation of this report and comments are incorporated within the report and they 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 and take a decision on this item in terms of Section B.1.2 of the List of Committee Powers in Part 2A of the Scheme of Governance as the Committee is being asked to consider a matter or policy which impacts their 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 The staffing requirements relating to this 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 A Town Centre First Impact Assessment is not required for this report as it deals with highlighting the work that has been undertaken locally regarding the introduction of Universal Credit in the Kincardine and Mearns area and makes note of Housing Performance measures and the potential for rent arrears.

- 4.4 With reference to the Corporate and Directorate Risk Registers the risk relates to budget pressures due to the anticipated increase to rent arrears. It is too early to provide any detailed analysis but when it is possible to do so it will be reported to future meetings.

Ritchie Johnson
Director of Business Services

Report prepared by: Natalie Greenland, Project Officer (Welfare Reform)
Susan Maciver, Service Development Officer, Tenancy Services
09 February 2018

