

REPORT TO COMMUNITIES – 28 MARCH 2019

UNIVERSAL CREDIT: ABERDEENSHIRE UPDATE

1 Recommendations

The Committee is recommended to:

- 1.1 **Acknowledge the support being provided to customers in receipt of Universal Credit and provide any further recommendations or comments.**
- 1.2 **Consider the approach adopted by the Housing Service in response to Universal Credit implementation.**

2 Background / Discussion

- 2.1 Universal Credit (UC) full service has been available across Aberdeenshire since 31 October 2018. Universal Credit replaces 6 existing benefits (Housing Benefit, Child Tax Credit, Income Support, income-based Jobseeker's Allowance, income-based Employment and Support Allowance and Working Tax Credit).
- 2.2 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 does not include help to pay for Council Tax. UC is also digital by default which means claimants must apply and manage their claim online.
- 2.3 Universal Support is an integral part of UC and is intended to provide advice and support to claimants who may require some additional assistance throughout the claims process.
- 2.4 The Department for Work and Pensions (DWP) offers Universal Support to all UC claimants and anyone requiring support is currently referred to Aberdeenshire Council as part of a local agreement with the DWP. This agreement has been in place for a number of years during the roll out of UC.
- 2.5 On 1 October 2018 DWP announced that local authorities will no longer be asked to deliver Universal Support from 1 April 2019. A new partnership has been agreed between DWP and Citizens Advice and DWP will provide £39 million of funding to Citizens Advice to provide this service. Following the Communities Committee meeting on 8 November 2018, members requested a progress report to provide details of the support service being made available to UC claimants from 1 April 2019.
- 2.6 Universal Support is currently administered by Aberdeenshire Council's Support and Advice Team (ASAT), which is part of Business Services. 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.

2.7 Following the introduction of UC this support naturally extended to UC claimants, who may be transferring from housing benefit, and the same level of support will continue to be provided from 1 April 2019 onwards. 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.

2.8 The agreement between DWP and Aberdeenshire Council to provide Universal Support covered two specific areas of work – personal budgeting support and assisted digital support.

2.9 Personal Budgeting Support (PBS)

2.10 The objective of PBS is to support claimants transitioning to UC to manage their money and in particular be able to -

- set up direct debits
- work out monthly income and outgoings
- identify and cut back on non-essential items
- plan a monthly budget

2.11 Assisted Digital Support (ADS)

2.12 The main objective of ADS is to help claimants access the internet and apply online for UC. It also includes identifying those who may require more intensive up-skilling to use the internet to promote digital inclusion. Other outcomes include helping claimants to –

- access, navigate and complete an online diary, to-do-list and journal which is part of the UC claim
- notify change of circumstances online
- upload any documents as required

2.13 Aberdeenshire Council received an upfront payment of £13,389 in 2018/19 from DWP to help administer Universal Support, with additional payments dependant on actual take up. This support has been provided both in-house and by working in partnership with other agencies including the CAB. Although Universal Support will transfer to CAB from 1 April 2019, ASAT will continue to provide digital support and general advice as part of its core function.

2.14 In addition, the Housing Service have a procedure in place to make contact with all UC claimants to discuss their claim and how to pay rent. Housing Officers will discuss information 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. Housing Officers will also ask if the tenant feels they require any financial advice or assistance and will signpost them to any additional agencies requested.

2.15 Universal Support from 1 April 2019

2.16 Universal Support will be renamed as the 'Help to Claim' service from 1 April 2019. The emphasis will be to assist vulnerable claimants apply online for UC and to provide support up to the first full payment of UC.

2.17 The Help to Claim service will be available in England, Scotland and Wales and will be delivered by Citizens Advice and Citizens Advice Scotland with continued close partnerships with Local Authorities and other local delivery providers where necessary. However, it is important to note that the service now comes under the full responsibility of Citizens Advice Scotland.

2.18 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

2.19 The Help to Claim service will be delivered by three methods: telephone, webchat, and face to face. The face to face support will be delivered by individual CAB's who are currently considering the best way to deliver this with the resources made available to them. However it is anticipated that this will be an extension of the support they already deliver throughout Aberdeenshire.

2.20 The telephone and webchat support will be 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 Between January and 31 March 2019, Kincardine and Mearns CAB have been delivering a pilot of the webchat and telephone service which covers Aberdeen City and Shire. Jobcentre staff who identify customers requiring additional support provide the customer with details of the Help to Claim service. A copy of a leaflet currently being used is provided at Appendix 1.

2.22 As a result of this pilot the CAB's operating in Aberdeenshire, along with Aberdeen City CAB, have been successful in securing funding to extend the service from April 2019. These CAB's will provide resources to deliver the North-East Scotland regional hub. This will be a multi-channel project that will provide support for UC claimants along with a financial health check.

2.23 The service will be available Monday to Friday from 8am to 6pm and will enable customers to make an appointment at their local CAB if required. The CAB are currently liaising with DWP to ensure customers can access this service as quickly and easily as possible.

2.24 In addition, each local CAB has received funding from Citizens Advice Scotland to provide additional UC support. Allocation is as follows -

CAB	Funding allocation for 2019/20
Turriff and District	£13,500
Banff and Buchan	£15,416
South West Aberdeenshire	£16,000
Kincardine and Mearns	£13,000

- 2.25 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.
- 2.26 Separately, Aberdeenshire Council continues to liaise with local CAB's regarding day to day service delivery. Over the last year there has been a number of funding streams which are being used to fund Information & Advice Services both internally and externally to Aberdeenshire Council. A number of these funding streams will end prior to or on the 31st March 2019.
- 2.27 This break in funding gives an opportunity to review the existing services and explore models that will build on partnership working, ensuring services are accessible, high quality, good value and cover across Aberdeenshire. The outcome of the review will be reported through the Communities Committee once it is completed. The Committee will receive an update in June.

2.28 People on Universal Credit

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

UC claimants in employment	1037 (35%)
UC claimants not in employment	1943 (65%)
Total:	2980 ¹

- 2.30 Aberdeenshire Council records the number of people requiring digital support and personal budgeting support and these figures remain relatively low. Figures up to the end of Quarter 3 (2018/19) show that 152 people have received digital support and 29 people have received personal budgeting support. These figures are based on support provided by Aberdeenshire Council and external support services (e.g .CAB, Gordon Rural Action etc).

¹ Data from DWP statistics Jan 2019

2.31 Housing Service

- 2.32 The Housing Service has been proactive in its approach to UC and has worked closely with ASAT Officers and others to ensure tenants receive appropriate levels of support to cope with the transition to UC and the Council's Rent collection and arrears position remains under close monitoring and control.
- 2.33 Both Scottish Housing Network and Housing Quality Network benchmarking reports recently presented and considered by the Service confirm that rent arrears procedures are a key strength and skills have been further developed to deal with the demands of the UC framework.
- 2.34 The challenge for the social housing sector relates to the key principle of UC which places full responsibility for the claim upon individual tenants. This means that the Council are only made aware of a tenant making a claim if directly notified or if asked to authorise rent level through the DWP Landlord Portal.
- 2.35 Procedures have been adapted and enhanced to ensure that attempts are made to contact all tenants where rent levels are verified on the Portal. This is to ensure that Officers can ensure that the UC claim is completed or to offer suitable levels of support and guidance until monies are received and arrangements made to pay rent.
- 2.36 In circumstances where a tenant chooses not to engage then we are unable to ascertain if they are in receipt of UC or otherwise. In addition, Housing are unable to effectively track UC in payment and are therefore unable to monitor any variations or benefit cessation. This in turn impacts on the ability to monitor and report on any correlation or otherwise to rent arrears levels. Complexities in the interrelationship between UC, Child Benefit or Child Tax Credits place a further barrier to effective evaluation.
- 2.37 Tenants can of course request that their rent charge be paid directly to the landlord. Managed Payments are however completely at the discretion of the tenant and can therefore be cancelled at any time. It is unlikely that the Council would receive notification of the cancellation which places a further barrier towards the tracking and monitoring of claims in payment.
- 2.38 An Alternative Payment Arrangement (APA) 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 from request. Current Early Intervention Procedures ensure close and ongoing contact with tenants concerned with the overall objective of ensuring that tenancies can be sustained. Tenants do have the opportunity to request that an APA is removed but this will only be approved with good reason.
- 2.39 An increasing number of tenants are opting for Managed Payments in the knowledge that there are significant benefits to rent being payed directly to their landlord. The DWP sends the APA and Managed Payments to social landlords on a 4 weekly cycle and forwards a schedule detailing the individual transactions. The number of transactions and total amounts received from the DWP per schedule are detailed below.

Payment Schedule Date	No. of payments on schedule	Increase in no. of payments received from the last schedule	Total amount received from the DWP	Total increase in the amount received from the previous schedule
17.04.2018	206		£8,742.28	
15.04.2018	207	1	£8,614.84	£0.00
12.06.2018	221	14	£8,950.45	£81.05
10.07.2018	203	0	£8,293.99	£0.00
07.08.2019	207	4	£9,702.82	£1,408.83
04.09.2018	222	15	£14,273.77	£4,541.35
02.10.2018	245	23	£23,616.20	£9,342.43
30.10.2018	348	103	£46,649.32	£23,033.12
27.11.2018	413	65	£66,902.73	£20,253.41
27.12.2018	519	106	£86,231.06	£20,138.33
22.01.2019	581	62	£98,895.71	£12,664.65
19.02.2019	670	89	£117,373.91	£18,478.20

2.40 Rent Arrears comparison as of March 2018/2019

Balance Date	Total no of tenancies	Number of tenancies with a rent balance due	% of tenancies with a rent balance due	Total Rent due	Average amount of rent due per tenancy
04/03/2018	12130	6069	50.03%	£1,306,773.11	£215.32
03/03/2019	12116	6074	50.13%	£1,361,539.43	£224.16

2.41 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 D. 7.2 of the List of Committee Powers in Part 2A of the Scheme of Governance as requested for information.

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 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 as set out in this report.

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