



## **REPORT TO BANFF AND BUCHAN AREA COMMITTEE – 29 JANUARY 2019**

### **UNIVERSAL CREDIT FULL SERVICE**

#### **1 Recommendations**

**The Committee is recommended to:**

- 1.1 consider the work that is being carried out to support customers in receipt of Universal Credit Full Service and discuss the activities to mitigate rent arrears.**
- 1.2 provide any comments or recommendations to the Communities Committee on the work being carried out.**

#### **2 Background / Discussion**

- 2.1 Universal Credit (UC) Full Service has been available in the Banff and Buchan area since 27 June 2018. UC replaces a number of state benefits for working age claimants and amalgamates them into one monthly payment. On the 8 November 2018, the Communities Committee was presented with the attached report (Appendix 1) which provides an update on the roll out of Universal Credit across Aberdeenshire.
- 2.2 The Communities Committee requested that the report be shared with Area Committees, along with information about any multi-agency support being provided at a local level. Community Planning Officers were consulted and information regarding multi-agency support is provided at Appendix 2.
- 2.3 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 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 as set out at 2.2 on the report presented to the Communities Committee (Appendix 1).

### **Stephen Archer, Infrastructure Services**

Report prepared by:  
Ricki Lyon, Development Officer, Aberdeenshire Support and Advice Team  
16 January 2019

## Appendix 1

### REPORT TO COMMUNITIES – 8 NOVEMBER 2018

#### UNIVERSAL CREDIT FULL SERVICE IN ABERDEENSHIRE

#### 1 Recommendations

**The Committee is recommended to:**

- 1.1 Consider the work that is being carried out to support customers in receipt of Universal Credit Full Service and discuss the activities to mitigate rent arrears.**

#### 2 Background / Discussion

- 2.1 Universal Credit (UC) replaces a number of state benefits for working age claimants and amalgamates them into one monthly payment. It replaces Housing Benefit, Child Tax Credit, Income Support, Job Seekers Allowance (income based), Employment and Support Allowance (income related) and Working Tax Credit (all of these benefits are also known as 'the legacy benefits
- 2.2 Housing have a procedure in place to make contact with all UC claimants to discuss their claim and paying rent. Housing will discuss information such as when they expect their first payment to be received, the frequency of payment, 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 will also ask if the tenant feels they require any financial advice or assistance and will signpost them to any additional agencies requested.
- 2.3 There are currently two types of UC - UC full service and UC live service. UC live service was rolled out in Aberdeenshire between May 2015 and April 2016. UC live service limited claims to claimants who were single, fit for work and looking for work. All new claims under the live service were ceased from 31 December 2017 and any existing claims are being transferred to full service. The procedure housing have in place to make contact with all UC claimants will continue through the migration from UC live service to UC full service.
- 2.4 Universal Credit Full Service (UCFS) has been introduced gradually throughout Aberdeenshire. It started at Montrose Jobcentre in November 2017, followed by Jobcentres in Banff, Fraserburgh and Peterhead in June 2018. The introduction of UCFS at Aberdeen Jobcentre on 31 October 2018 concludes the roll out in Aberdeenshire. UCFS extends the eligibility of UC to all working age people and is digital by default, which means claimants must apply and manage their claim online.
- 2.5 Housing costs make up part of the overall UC payment which is paid monthly in arrears, direct to tenants by default. The UK Government policy driver behind housing cost being paid monthly direct to tenants is to give claimants the responsibility to manage their finances in the same way as those not on UC. The change has also been driven by a desire to make moving in and out of work, where salaries are generally paid monthly, a smoother transition.

- 2.6 Claimants may need extra support in managing their single monthly payment and/or taking responsibility for paying their rent directly to their landlord. Alternative Payment Arrangements (APAs) can be set up under UC whereby a managed payment of the UC housing cost element is paid direct to the landlord. APAs can be requested for a variety of reasons including where tenants are in rent arrears by 8 weeks or more. Landlords can also apply for a deduction to be made at source to repay the arrears, known as 3<sup>rd</sup> Party deductions.
- 2.7 Managed Payments of the UC Housing Cost can be requested by the claimant via their online journal after their second UC payment.
- 2.8 We have now received access to the Landlord Portal by the DWP for social landlords in UCFS areas in order to simplify and speed up the process for rent verification and requesting APAs. It is a secure way of transferring relevant tenant information directly to the DWP. The portal is being rolled out based on landlord size.
- 2.9 In terms of rent arrears recovery in Scotland, the Housing Scotland Act 2010 introduced Pre-Action Requirements (PAR) which lays down 7 steps social landlords must take before starting legal action to recover a property. These include support and advice to tenants regarding Housing Benefit and other types of financial assistance. The Scottish Government have not yet amended the PAR to specifically cover UC, leading to concerns that there may not be a consistent approach by landlords or that it may lead to legal challenges in court.

## **2.10 Scottish Choices**

- 2.11 The Scottish Government laid regulations in the Scottish parliament in June 2017 to make UC payments more flexible. These 'Scottish choices' allow claimants in Scotland to choose whether they want their housing costs 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.

## **2.12 Impact of UCFS on local authority tenants and the housing service in Aberdeenshire**

- 2.13 Housing have introduced and updated IT Systems and have put procedures in place to assist staff when contacting tenants on UCFS. This includes:
- Payment Arrangement Modules – Allows arrangements to be set up on Northgate Rent System and if payment missed, within 24 hours a prompt is sent to a Housing Arrears Officer (HAO)
  - Key Details – New module which allows us to record tenant is on UC and how payments are being received.
  - All HAO have mobile technology which allow them to assist tenants in their homes with claims for UC or any other benefits.
  - All HAO aim to contact each tenant when we are made aware of UC Full Service Claim and ensure they are aware of all processes relating to UC and paying their rent.

- Landlord Portal – DWP system where we are asked to verify our tenants rent to enable UC Housing element to be paid to tenant. This is a paperless system and has assisted with ensuring correct information is sent to DWP to allow claims to be processed quickly and without error.
- The impact on staff resources of the anticipated increased workload is also continuing to be monitored but currently this is being managed well within existing resources.
- The service has reviewed the way HAOs work with UC claimants and have increased efforts to contact tenants to explain UC and offer direct support.
- The housing service continue to meet and work closely with DWP and Advice Agencies to ensure any issues are addressed and regular updates are received by all.

#### 2.14 Rent Arrears comparison as September 2017/2018

Balance Date	Total Accounts	Number in Arrears	% in Arrears	Total Arrears	Average Arrears
17/09/2017	12196	4096	33.58%	£1,314,337.79	£320.88
16/09/2018	12105	4024	33.24%	£1,229,605.27	£305.57

#### 2.15 Rent Arrears by area as at 16 September 2018

	Tenants on UC	No. in arrears	% in arrears	Total arrears	Av arrears per case
<b>Banff &amp; Buchan</b>	163	132	81%	£67,725.16	£513.07
<b>Buchan</b>	167	138	83%	£69,432.82	£503.14
<b>Garioch</b>	24	18	75%	£17,442.96	£969.05
<b>Formartine</b>	24	16	67%	£6,666.79	£416.67
<b>Kin &amp; Mearns</b>	52	37	71%	£9,197.51	£248.58
<b>Marr</b>	39	29	74%	£8,625.64	£297.44

#### 2.16 Alternative Payment Arrangement (APA) Impact

2.17 As from 16 September 2018, across Aberdeenshire there are 147 UC cases which had an APA. 63% of these have had a reduction in their rent arrears balance where the average reduction of arrears is £481.34.

	APA Authorised	% cases where balance has reduced	Total reduction in Arrears Balances	Average reduction in arrears balance
<b>Banff &amp; Buchan</b>	54	61%	£10,444.72	£434.42
<b>Buchan</b>	54	56%	£14,245.97	£563.31
<b>Garioch</b>	1	0%		
<b>Formartine</b>	3	67%	£610.95	£354.54
<b>Kin &amp; Mearns</b>	19	68%	£4,957.12	£609.55
<b>Marr</b>	16	94%	£4,791.65	£326.43
<b>Aberdeenshire</b>	147	63%	£34,984.37	£481.34

## 2.18 Temporary Accommodation

2.19 Since 11 April 2018, the housing costs element of UC is no longer available to claimants living in temporary accommodation. Those making a new claim for UC will receive the personal element of UC but must claim Housing Benefit with the Local Authority for support towards housing costs. This will continue until the DWP can develop a long-term solution for funding temporary accommodation.

2.20 UC claimants already receiving the housing costs element of UC for temporary accommodation before 11 April 2018 will continue to do so until there is any change to the amount of rent they pay. Following any change, the housing costs element of UC will cease and claimants will be required to claim Housing Benefit.

## 2.21 Managed Migration to UC

2.22 Between July 2019 and 2023, the final phase of the UC roll out will take place. During this phase, DWP will start to migrate all legacy benefits on to UC. This will include existing Housing Benefit claims from working age claimants. During the period of migration, claimants will receive communication from DWP to warn them up to the fact that their existing benefits will be ending and they will have to make a claim for UC. There are no details yet regarding when this will commence in Aberdeenshire.

2.23 As an indication of the number of claims that will be moved across to UC, there are currently 6549 Housing Benefit claims from working age claimants. The table below show the breakdown by tenancy type -

Tenancy type	Number of claims (September 2018)
Local Authority	3320
Housing Association	1595
Private	1634

2.24 Claimants who are moved across to UC under managed migration are eligible for transitional protection. This ensures the amount of UC a person receives is not less than they would have received on previous benefits. The transitional protection remains in payments until such time the normal UC payment catches up over time. Claimants are only eligible for transitional protection when they are moved across to UC by DWP.

## 2.25 Universal Support

2.26 Universal support is advice and support provided by Aberdeenshire Council or local support providers for the purpose of assisting claimants with –

- Making a claim for Universal Credit and/or managing their online claim (assisted digital support);
- Managing their financial affairs (personal budgeting support)

- 2.27 Aberdeenshire Council is working closely with local support providers to monitor the number of people requiring support to make a claim for UC or manage their finances. The level of support required was minimal until UCFS was introduced in north Aberdeenshire in June 2018. Since April 2018 there have been 74 referrals for digital support and 24 referrals for personal budgeting support.
- 2.28 Digital and personal budgeting support is presently provided by Aberdeenshire Council's Support and Advice Team; however a grant agreement has recently been finalised with other local support providers to ensure assistance can be provided in a timely manner where necessary.
- 2.29 On 1 October, it was 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 to deliver this support. Funding arrangements for Aberdeenshire Council to provide Universal Support will remain in place until 31 March 2019 only.
- 2.30 In addition to providing customer support, a UC awareness event took place on 25 October in Inverurie. This event provided an overview of UC and was attended by staff at Aberdeenshire Council and other external support services. Aberdeenshire Council and DWP also attended a number of Private Landlord Forums in September.
- 2.31 Other partnership activities include:
- Staff from Aberdeenshire Council's Support and Advice Team attending internal and external partnership meetings to provide UC updates.
  - Attendance at private landlord forums throughout Aberdeenshire.
  - Aberdeenshire Council, in partnership with support agencies, provides an 'Advice Agencies and Useful contacts in Aberdeenshire' and 'Digital Access' leaflet. 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.
- 2.32 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 at 2.2.

### **Stephen Archer, Infrastructure Services**

Report prepared by:

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Tracy Noles, Service Development Officer, Tenancy Services  
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27 September 2018



## **Banff & Buchan - Multi Agency support as at 14 January 2019**

### **Health 4 Work Project**

This project brings together employability, financial inclusion and health services to ensure clients can secure employment or stay in employment. This project supports additional staff within Here 4 You, which will be transferred to the JIC building to address any social issues including support to claim Universal Credit, additional benefits, money advice, wellbeing services and a warm handover to employability services.

### **Aberdeen Foyer - JIC Building**

Aberdeen Foyer delivers a range of employability programmes, gives general advice, money advice, digital skills and access to the internet. The services support client to make a Universal Claim and ensure they are up dating their Universal Credit claims.

### **Banff & Buchan Libraries**

Support with Digital skills and free internet access which supports clients to ensure their Universal Credit claim is kept up to date. The staff have had awareness raising sessions in relation to Universal Credit and will help clients secure an email address so they can make online claims. Access can be limited due to opening hours

### **Banff & Buchan Citizens Advice Bureau**

The CAB's main office is in Peterhead however they will carry out home visits to those clients that can't access the main office. The CAB delivers general advice, money advice, welfare rights and will be delivering the Universal Credit support contract from the 1st April 2019. The CAB will be delivering sessions 2 days a week from Fraserburgh Job Centre.

### **Turriff & District Citizens Advice Bureau**

The CAB's main office is in Turriff. The Turriff CAB has outreach sessions in Banff & MacDuff. The CAB delivers general advice, money advice, welfare rights and will be delivering the Universal Credit support contract from the 1st April 2019.

### **SMART project**

This is a money advice / welfare rights project for all social landlord tenants except Aberdeenshire Councils tenants. The service is delivered one-to-one in the homes of tenants.

### **Aberdeenshire Council**

Money advice workers based in Peterhead who support council tenants across the north of Aberdeenshire including Fraserburgh & Banff. There are welfare rights workers that support referrals from the adult service team that work within Fraserburgh and Banff areas. Employability support & services are delivered across Banff and Buchan in partnership with the third sector.

### **SCARF**

Energy Champion project supports people to reduce their energy bills. The project trains local people up to deliver this service so they are in Fraserburgh, Banff, MacDuff and cover some of the rural areas of Banff & MacDuff.

