



East Lothian Council

UNIVERSAL CREDIT FULL SERVICE

THE EAST LOTHIAN EXPERIENCE SO FAR

LIVE SERVICE TO FULL SERVICE IMPACT

- Live Service Universal Credit was introduced in East Lothian on 27th April 2015 (New claims/Gateway conditions). Under live service **550** claimed UC in East Lothian with only **134** liable for Housing costs (**55** ELC tenants). Although this did start to create additional work the impact was manageable
- ELC Rent Income Team had, prior to UC, been very successful in reducing rent arrears with a 9.86% reduction in 2014/15 and 7.75% reduction in 2015/16
- At the end of 2015/16 current tenant rent arrears were **£1,295,782.60**

LIVE SERVICE TO FULL SERVICE IMPACT

- East Lothian became the first Local Authority in Scotland to move on to Full Service on 23rd March 2016 (New claims/trigger changes)
- As at end of November 2016 ELC have **710** council tenants in receipt of UC. Total rent per fortnight to be collected from these tenants being **£90,731.95** equating to **£2,177,566.80** over a 12 month period
- **612** of these **710** tenants have rent arrears
- So far **137** APAs have been requested

LIVE/FULL SERVICE ROLL OUT ACTIVITIES

- 01.10.15- PBS arrangements put in place with CRHA
- 09.12.15- Announcement that full service to be rolled out to Musselburgh Job Centre on 23.03.16
- 15.01.16- JCP, ELC Managers and CHX meet
- 10.02.16- Welfare Reform stakeholder event held to publicise rollout
- 16.03.16- DWP LA support pack was provided
- 17.03.16 to 30.03.16 -training provided to relevant staff
- 17.03.16- Draft DPA and Data Sharing agreement received
- 23.03.16- UC Full Service begins
- March to May 2016- inserts in annual billing, articles in tenants and residents publications. UC information on ELC website
- 14.07.16- DPA agreed and signed off (delayed due to negotiations on funding as model was less generous than expected)
- July 2016- In the absence of any DWP material, UC booklet published (now also being used by Job Centre Officers)

DWP/LA ENGAGEMENT

- Under live service a Welfare Reform Task Group was set up and Welfare Reform action plan put in place: Covering support activities such as Customer Service, Welfare Rights, CAB, East Lothian Works
- Operational Delivery Group set up: Regular local meetings between Revenues, Benefits, ELHA, CRHA and Job centre
- DWP Operational Excellence Division visited ELC in December 2016: one off visit to examine impact of Policy and processes on ELC services

KEY IMPACTS/POINTS TO NOTE

- The wider range of people in scope therefore higher volume of cases
- Reliance on UC customers to make and maintain claim online
- 7 day waiting period
- Time from claim to payment 42 days before first payment
- Demand on Scottish Welfare Fund
- Level of deduction from first UC payment causing further ongoing hardship
- Increase in foodbank referrals
- Payment of UC Housing costs to customer
- Confusion from customer on separation of Housing costs and CTR claims to LA
- Reliance on automated data transfer has seen errors, missing documentation, Data Protection breaches

KEY IMPACTS/POINTS TO NOTE

- Lack of consistency of knowledge of Service centre staff
- Recognition of vulnerable people and DWP processes in dealing with these
- Previously agreed data sharing no longer applies under UCFS curtailing LA to gain any information regarding payments, deductions etc (we are just the landlord)
- Reliance on customer to provide all information regarding claim progress, award details etc
- Increased risk of potential homelessness due to delays in Housing costs assessment and award
- Growing reluctance of Private landlords to let to UC customers therefore impacting on homelessness
- Increased demand on DHP budget
- Early indications that petty crime increasing in East Lothian

WORK OF RENT INCOME STAFF

- Early engagement with tenants moving on to UC. (Face to face contact)
- As UC paid in arrears staff are dealing with tenants under significant financial pressure who often require ongoing support
- Interviews with customers which would have normally taken 15 minutes are now averaging 1 ½ hours for a UC customer
- Staff are often just discovering vulnerability issues in tenants that previously were not aware of due to tenant being in receipt of maximum Housing Benefit (issues such as mental health, addiction, learning difficulties, literacy and numeracy)

ACTION TO MITIGATE EFFECTS

- Deploying previously office based staff to carry out early intervention
- Optimising APAs (although delays and issues are causing difficulties)
- Welfare Development Officer appointment
- 2 Modern apprentices to free up time for visiting officers
- Transfer of Welfare Rights Team to Revenues (effective 04.01.17)
- Procurement of new software to assist with collection and debt recovery management
- UC leaflet
- Web pages
- Online Calculator (Entitledto)
- Revenues staff participating in local radio show along with chairperson of Tenants and Residents panel
- Links with other LAs and HAs
- Working with CoSLA to share understanding of impact and thinking around future devolved powers

RENT INCOME TEAM VISITING PACK

As previously mentioned the work of ELC Rent Income Team has greatly increased as including the time taken to deal with a UC customer face to face.

The rent income team visiting pack now contains the following documents in case required:

- A six page Financial assessment and support checklist
- Information on SWF
- Council Tax Reduction application
- Foodbank referral form
- Consent to share personal information
- Rent standing order mandate
- Referral to tenancy support services
- CAB client referral form
- DHP application form
- Rent arrears re payment agreement
- PBS service information leaflet
- Warm home discount scheme

JCP SURGERIES

- Since September 2016 a JCP Work Coach has been carrying out surgeries at Local Libraries in recognition that it is not always easy for customers to travel to the Job Centre
- Surgeries are working well and customers have praised the assistance the officer provides
- This also takes some pressure off LA customer service staff dealing with UC enquiries
- Sadly verification appointment cannot be carried out at surgery and must be done at Job Centre

FURTHER ACTION

- Since 5th September 2016, the Scottish Government has had devolved powers in relation to welfare, which it is yet to use. An update report on Welfare Reform and Universal Credit which was presented to full Council on 20th December 2016 made several recommendations. Amongst the recommendations made to Council were four which could potentially have a positive mitigating effect in relation to the impact of UC on rent arrears if acted upon by the Scottish and UK Governments.
- Those recommendations were:
- To ask the Scottish Government to take immediate steps to use its powers to have the housing cost element of UC paid direct to landlords.
- To seek financial recompense from the UK Government for the loss of Council Tax and Council house rent income as a result of UC.
- To ask the DWP to carry out an urgent investigation into the impact of UC in East Lothian on claimants and on the local authority and other social landlords.
- To ask the UK Government to suspend the housing cost element of UC until this investigation takes place.

FURTHER ACTION

- A decision was taken at the Council meeting to issue letters to Scottish and UK Government regarding the impact of UC in East Lothian
- A letter therefore has been issued to Angela Constance MSP urging the Scottish Government to consider using devolved powers to have Rent costs paid to landlord
- A second letter was issued to Damian Green MP requesting an urgent investigation into the impact of UC and that the Government consider suspending UC Housing Costs element until solutions found. Also seeking financial recompense for loss of Council Tax and House rent income

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