



## **Scottish Housing Best Value Network: Welfare Reform Forums March 2015**

East Forum Edinburgh – Wednesday 18th March 2015 (CIH Office)

West Forum Glasgow – Thursday 19th March 2015 (Trades Hall)

North Forum Inverness – Thursday 26<sup>th</sup> March 2015 (The Spectrum Centre)

### **Summary Report of Events**

#### **Introduction**

In March 2015 the final round of SHBVN welfare reforms for this financial year were held across Scotland. Once again the first event took place in Edinburgh on Wednesday 18<sup>th</sup> March with Glasgow following closely on Thursday 19<sup>th</sup> March. A week later the Inverness event was held on Thursday 26<sup>th</sup> March.

Attendance numbers across the three events were again very healthy and on the increase particularly in Glasgow. In total about 100 people were present across the events. Again the Glasgow event was the busiest (with around 50 attending) and the event in Edinburgh was also well attended. The Inverness event attendance was slightly higher than recent forums with the numbers nearer 20. Once again there was a range of local authorities and housing associations represented with staff involved in a plethora of roles from housing management to tenant participation to finance and housing benefit.

Interest at the forums has increased due to the roll-out of Universal Credit (UC) in Scotland and also perhaps approaching the end of the financial year the arrangements for future mitigation funding arrangements primarily from the Scottish Government. The programme for each event was similar and broadly covered these topical issues including national updates on mitigation funding, the Smith Commission and the Joint Delivery Plan for Housing. Information sharing and communication under Universal Credit as well as the Universal Support Delivery Locally (USDL) were also covered along with presentations from two different local authorities currently involved in rolling out UC. At the Inverness event the SHBVN presented on new guidance covering welfare reform changes to Housing Benefit and its impact on temporary and supported accommodation. Each event finished with small group discussions on the key welfare reform challenges going forward for participants' organisations.

The Scottish Government, the SFHA, Cosla, Scottish Borders Council, North Ayrshire Council and the SHBVN all presented at either one or all of the forums. The programmes at all three events varied slightly:

- An update from Keith McDowell (the Scottish Government) at all 3 events on mitigation funding, Smith Commission and the Joint Delivery Plan for Housing;
- Again at all 3 events Jeremy Hewer from the SFHA updated on Universal Credit with a specific focus on information sharing and communication;
- In Edinburgh Cathie Fancy from Scottish Borders Council presented on their preparations for the roll-out of UC in their area and in Glasgow Marianne McManus covered the same topic for the North Ayrshire Council area;
- Cosla gave an update at all 3 events on USDL (Michael McClements in Edinburgh & Glasgow and Greig Robson in Inverness);
- Break-out session in all locations where participants were asked to highlight key welfare reform priorities for the next year or so for their organisation.

### **In Detail (Presentations and Q&As)**

The Forum presentations are available at:

<http://www.welfarereformscotland.co.uk/>

With the topical issues in the programme there was a good number of questions and discussion at all 3 forums.

Each forum started with a brief update from Tony. The main update was to highlight to participants that the SHBVN had finished the project examining potential indicators for social landlords to measure the impact of welfare reform. A set of 12 specific indicators had been settled on after consultation with a small number of social landlords (3 RSLs and 3 LAs). The intention was now to roll-out the collection of these indicators to SHBVN members as part of the routine data collection exercise in 2015/16.

By the time of the Inverness event Tony was also able to inform participants that the future of the welfare reform events for 2015/16 was now secure as the Scottish Government had informed the SHBVN that funding support would continue for the next year (so thanks to the SG for the timely good news!).

Keith McDowall (Scottish Government) followed this with a presentation at all the events covering the **Joint Delivery Plan for Housing, wider welfare reform activity, Discretionary Housing Payments (DHPs) and an update on the Smith Commission**. The main points from his presentation were:

- The Joint Delivery Plan has 33 actions overseen by a joint housing policy and delivery group that reports to both Scottish Ministers and elected members through Cosla – Lesley Fraser from SG is chair and Jim Hayton (Association of Local Authority Chief Housing Officers) is vice-chair;

- Nearly £300m has been committed by the Scottish Government to mitigate welfare reform over the 3 year period (2013-2016);
- In 2015/16 this includes £38m for the Scottish Welfare Fund, £23m for the Council Tax reduction scheme and £35m for DHPs;
- DHP budget has been maintained at current level (not cut) in 2015/16 for full mitigation of the 'bedroom tax' (the LA distribution agreed with Cosla);
- Total Scottish DHP budget for 2015/16 is £48.3m (£35m SG + 13.3m from DWP);
- 80% of initial SG funding allocation provided to each LA with £9m retained for actual spend reconciliation at year-end (SG to top-up by May 2016);
- Three examples of City of Edinburgh, Glasgow City and Highland Council DHP allocation used at three different forums – i.e. 80% of identified need for 'bedroom tax' shortfall taking into account DWP allocation first. For example total 1<sup>st</sup> tranche allocation for Edinburgh is £3.9m (£1.3m DWP + £2.6m from SG);
- On progress with the Smith recommendations a joint Ministerial Working Group has been set up with Scottish and UK Government membership (has met twice already);
- Will devolve legislative competence for DHPs and major powers for housing element of UC (i.e. frequency of payments, pay landlords direct, vary the under-occupancy charge);
- Timescale for development and implementation of devolved powers could be 2017 at the earliest.

Following Keith's presentation there was some questions and discussions. The issue of legacy arrears related to the 'bedroom tax' was discussed again by a number of landlords and how to deal with these and essentially backdate DHPs. Another commented that some LAs were making tenants re-apply for DHPs – Keith re-iterated Scottish Government view that LAs should make this process as simple as possible (Michael from Cosla highlighted that feedback from LAs they had showed that around 80% had streamlined processes for DHPs for those affected by 'bedroom tax'). There was also discussion over the reductions in DWP allocations for DHPs and the future pressures on this. There was also a question raised in Glasgow over whether the SG would mitigate arrears associated with the implementation of Universal Credit – no is the answer to this as mitigation funding is focused on 'bedroom tax' in this context. Again the issue of the longer-term future of DHP funding was raised beyond May 2016 – this is unclear and will depend on new UK and SG administrations but draft Scottish Budget for 16/17 will give some indication of direction of travel for the Scottish funding element. There was also some concern among participants over the different sources to cover rent liabilities that are emerging under UC – for example a DWP housing cost payment, a DHP payment administered by an LA and potentially also a contribution from the tenant. This makes rent collection more complex was the view.

In Inverness there was a query over whether the split of the DWP/SG allocation of DHPs could be made available for LAs – Keith undertook to do this (although also available through Cosla according to one participant). One LA raised the issue of administration costs of DHP and the fluctuating financial allocations over the past 2-3yrs that make planning and administration difficult.

Jeremy Hewer from the SFHA presented more detail on **developments in information sharing and communication with Universal Credit**:

- Highlighted that there has been a significant learning process for DWP in understanding the need for social landlords to know when a tenant is in receipt of UC – this has improved now;
- In February 2015 Social Security Regulations were introduced allowing for better information sharing between DWP and support organisations (including LAs and social landlords);
- These allow for sharing identity of UC claimant, that claimant has tenancy with landlord and date claim/award made;
- The DWP is establishing housing costs teams within its ‘virtual’ service centres (currently Bolton, Glasgow, Bangor and Middlesbrough) but still an issue in terms of quality of service and Jobcentre Plus access to information on UC awards (IT fix for this being sought);
- Still a reliance on postal communication by DWP in relation to roll-out of UC but once a request for housing cost payment passed to service centre then direct email communication possible ([UC.SERVICECENTREHOUSING@DWP.GSI/GOV.UK](mailto:UC.SERVICECENTREHOUSING@DWP.GSI/GOV.UK));
- National roll-out of UC planned over next year in 4 tranches – City of Edinburgh, North Lanarkshire and West Dunbartonshire launched in March in Scotland;
- Reliance on postal/manual systems will continue until IT solutions found so issue over whether system can cope with increasing demands as UC rolled out;
- While roll-out is still focused on single people the ‘lobster pot’ affect will mean that more complex cases will be part of the roll-out – i.e. where a claimant’s circumstances change they will remain on UC.

In terms of questions and discussions on Universal Credit the query was raised over whether the Universal Credit award letter identifies the housing cost element – consensus was that there is a lack of clarity over this? At the Edinburgh Forum City of Edinburgh Council informed that they had 43 UC claims to date and had established a dedicated landlord team to deal with any issues arising. At Inverness there was a query over how long it took to complete a UC form - about 30mins!

Jeremy also advised of a joint DWP/Cosla/SFHA event that was taking place in Edinburgh in late March which was in response to a joint letter from civic organisations in Scotland to the DWP requesting that UC roll-out was suspended until the implications of Smith Commission were clearer. Highland Council, Albyn Housing Society, Dunedin Canmore HA and Oxford City Council as well as the DWP and SFHA were all speaking at the event.

In Edinburgh and Glasgow Michael McClements from Cosla gave an **update on Universal Support Delivered Locally (USDL)** with Greig Robson presenting on the same subject in Inverness. The main points were;

- Dates for tranches 3-4 UC roll-out still to be finalised;
- In Scotland actual projected numbers by DWP low – around 8,000 by July 2015 and 26,000 by July 2016 with only 10-20% having housing costs;

- Consequently the scale of USDL is expected to be low at this stage;
- Delivery Partnership Agreements (DPAs) between DWP and LAs are being put in place for all live roll-out sites;
- Signed DPAs open up small pot of potential resources for LAs to cover digital, budgeting, Council Tax Reduction processing costs but DPAs only apply for 2015/16 roll-out period;
- Long-term DPAs will be wider in scope and at end of 2015 anticipated that new USDL framework will be published;
- This should provide more clarity on funding model going forward and potentially TUPE issues associated with changes to Housing Benefit administration;
- Learning while numbers are low a potential issue along with aforementioned difficulties with reliance on paper-based system, issues with DHP, data sharing and rent arrears;
- However LAs to closely monitor service demands and feed into better resource estimation going forward;
- Cosla lobbying for changes to systems when required and for quicker Smith Commission associated changes where legislation not required;
- Further roll-out of UC dependent on digital solution being in place by April 2016 (current DWP timetable).

At the Edinburgh forum there was discussion over the pressure on DWP staff resources to engage at local level with LAs in implementing UC. Practices seemed to vary although City of Edinburgh Council reported having regular weekly meetings with DWP. There was a question in Inverness over how additional support was being paid for and the additional services required – essentially DWP is using a payment by results approach relying on existing service frameworks to a great extent. Greig also highlighted that DWP will pay for ‘new burdens’ issues associated with benefits administration. There was also some discussion over where an RSL or other support provider may be providing the support and how payments are made for these. Appears to be that funding would mainly be directed through LA and arrangement made to pay other providers.

At the Edinburgh Forum Cathie Fancy from Scottish Borders Council made the following points in her presentation on the **roll-out of Universal Credit in the Borders**:

- Scottish Borders UC live date is 27/04/15 and there is an operational delivery group established including the Council and DWP and linked to a wider welfare reform governance structure;
- As a stock transfer council onus is on engagement with RSLs who own and manage around 11,500 homes (22% of total stock in SBC area with 4 main locally based RSLs) – also high %age of private rented properties at 17%;
- Communications strategy is in place and training needs analysis has been undertaken with a range of partner agencies and stakeholders;
- 4 levels of training options depending on staff needs, roles etc. – DWP keen to promote cascading of training rather than their own direct involvement at all levels;

- Over 25 case types that will be excluded from initial UC roll-out in the Borders i.e. couples, homeless, carers, homeowners, self-employed;
- Delivery Partnership Agreement being put in place between SBC and DWP – funding levels capped, does allow delivery by 3<sup>rd</sup> party and DWP will refer cases for personal budgeting support – view of council is that DPAs designed for stock retaining LAs and issue of how to pull-back from any processes that don't work over the year;
- Housing impacts/risks identified include rent collection, loss of temporary accommodation subsidy, increased arrears, need for more resources and contact and communication with tenants, greater demand for support services, issue of secure communication particularly for RSLs (no gsx email system);
- SBC is developing the 'Looking Local' App for use;
- Council has good relationship locally with the DWP and DWP views council as main point of contact even with RSLs being main social housing providers;

Cathie also explained that the Council have had to re-purchase housing management systems for the 200 temporary accommodation properties that the Council owns to cope with some of the new changes to Housing Benefit and UC. In addition it was highlighted that the potential impact on the private rented sector and tenants needs to be understood better.

Marianne McManus presented on her Council's approach to the **roll-out of Universal Credit in North Ayrshire**. The presentation highlighted the following points:

- NAC has 12,841 tenants with 8,507 currently in receipt of Housing Benefit - £13m of Housing Benefit goes to working-age tenants;
- Going live date is 27/04/2015 – for working age single people making a new claim for Jobseekers Allowance;
- DWP estimate just under 2,500 will claim UC up to 31<sup>st</sup> March 2016 (10-15% estimated to have housing costs);
- Sub-group (of existing welfare reform corporate group) established with action plan for delivery of UC;
- DPA still to be signed by Council but expectation that it will be;
- DWP funding local support for claimants with complex needs – services (digital access and budgeting) to be delivered locally with LA and other partners;
- Customer journey agreed with RSLs and Third sector – DWP hrly rate payment for support;
- DWP delivered a train the trainer programme to all social landlords in February 2015 (still to arrange for third sector/voluntary gps);
- Communication strategy important – tenant newsletter, UC leaflet, information in annual CT and rent increase notification, Facebook/Twitter etc.
- Housing Services set-up Welfare Reform Advice Team, tenant profiling exercise including identifying vulnerable tenants, credit union partnership (council will pay 1<sup>st</sup> year of fee for tenants) and other initiatives such as accepting direct debits on any day of the week;

- Review of processes (e.g. sign-ups) and systems undertaken including Northgate IT to identify expected payment dates and text messaging;
- Reviewing rent free weeks and considering impact on temporary accommodation, rent summary statements to be accessible on-line, guidance for staff developed;
- Notable challenges include the DPA, Alternative Payment Arrangements, DHPs, data sharing and timescales.

Marianne also explained some of the detail behind the operation of dealing with vulnerable cases for the housing sector. For example council tenants would be supported by an in-house service, RSLs would support their own tenants and private rented tenants will be referred to other third sector organisations such as CAB. Other issues at present include the fact that the housing cost element awarded under UC for some tenants will not cover the whole rent due to various deductions that might be applied. North Ayrshire Council is 2<sup>nd</sup> best performing LA landlord for rent arrears but arrears are rising. In terms of managing the roll-out the Council has designated one Housing Officer in each area to deal specifically with UC cases. In terms of questions there was one on how the DWP is identifying 'vulnerable' tenants at initial contact stage – asking if rent arrears initially and discussion from there. Marianne was asked to circulate the leaflet for single person UC claimants – agreed that would be provided to SHBVN and published on website. In response to a question over how RSLs would be paid for support – basically Council claims from DWP and paid on to RSL. It is also unlikely that 'trusted landlord' status will be in place for 2015/16. There was a query over the issue of monthly rent due in advance and how this would work – could be 5-6 weeks before payment is made so landlords keeping track of the expected payment date is important (can only escalate after this is payment not made). In terms of DHPs the Council accepts phone claims and has a shortened DHP form for 'bedroom tax' claims.

Finally in Inverness Tim Pogson from the SHBVN gave an overview of the **impact of recent welfare reform changes affecting the payment of Housing Benefit for temporary and supported accommodation**. The SHBVN has recently produced guidance on this and can be found on their website at the following link:

<http://shbvn.org.uk/app/download/5798798439/Defining+Specified+Accommodation+for+housing+benefit+purposes+Jan+2015.pdf>

Key points from Tim's presentation included:

- Clarifying what qualifies as Supported Exempt Accommodation (provider has to be HA, charity or voluntary organisation) with care, support or provision;
- Managed properties, refuges and hostels are other categories of accommodation but are not exempt from the bedroom tax (SEA is exempt from 'bedroom tax');
- Identifying the type and range of accommodation is important for LAs and social landlords in terms of the categories;
- Develop and maintain a register of specified accommodation in conjunction with Housing Benefit teams and DWP;
- Clear documentation required on provision of care, identity of landlord and who 'care' is provided on behalf of;

- Localised funding pots are being proposed by DWP where budgets would be devolved to LAs to pay for the additional costs associated with this type of accommodation – DWP is conducting research (IPSOS Mori leading on this) into the cost of supported housing to assist in ‘sizing the pot’ exercise.

At all 3 forums the day finished with a breakout session focusing on **the key challenges facing organisations in relation to welfare reform**. In small groups participants were asked to identify the priorities for their organisation and then to agree on a written list of around 5 key ones to be fed back to the wider forum. Tony collected these lists and undertook to type them up and use to inform future forum programmes. Across the forums there was a significant degree of common issues identified with the main ones summarised below:

- Customer and tenant profiling;
- Communicating changes to customers but balancing this with actual numbers affected at this stage being low;
- Rent collection risks and different payment routes to cover one rent liability (UC/DHP/tenants own);
- Training for social landlords on UC specifics given stretched staff resources across housing sector;
- Overpayment recovery – loss of local focus and control for HB administration to UC service centres;
- Vulnerable UC customers (tenants) and how support will be resourced and co-ordinated;
- Communication and information flow as well as consistency from DWP;
- Potential confusion with 2 different welfare systems operating plus Smith Commission change implications;
- RSLs working in multiple and different LA areas having to engage with potentially different arrangements for UC implementation;
- Organisational and culture change for staff and re-structuring potentially of housing team roles and functions;
- Risk of cycle of debt and issues such as waiting period between claim and actual payment (5 weeks);
- Sanctions and impact on tenants income and day to day living;
- Systems and channel shift to on-line;
- Learning what works and sharing practice.

### **Conclusions**

This round of the forums had one of the highest total attendances yet with interest perhaps rising due to the roll-out of Universal Credit. All the presentations were received well and a lot of questions and discussions were generated. As always further suggestions from participants are welcome for future agenda items. Please email [Moira Fraser](#) at the SHBVN if you have any suggestions.

These forums are part of a range of projects being delivered by CIH, SFHA and SHBVN to support landlords. Part funded by the Scottish Government the SHBVN forums have allowed three regional bases in north, east and west Scotland to be established.

The forums are free to all social landlords across Scotland – both SHBVN members and non-members. The sessions are intended to allow landlords an opportunity to share practice and support one another's intervention strategies.

Once again, the events were chaired and facilitated by Tony Donohoe, SHBVN Associate.



### **Presentations**

For more detail on the discussion please see the presentations posted on the SHBVN website. Each of the presentations can be viewed or downloaded on SHBVN's website at:

<http://www.shbvn.org.uk/welfare-reform/east-forum/>

they can also be accessed at the Housing & Welfare Reform Library by following the link:-

<http://www.welfarereformscotland.co.uk>



### **Mailing List**

To ensure that you receive all information on forum events and outputs make sure you are on our mailing list by contacting Moira Fraser at:- [moira.fraser@shbvn.org](mailto:moira.fraser@shbvn.org) or telephone 0131 240 5228.



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