



Scotland's Housing Network (SHN): Welfare Reform Forums March 2016

East Forum Edinburgh – Wednesday 16th March 2016 (NASUWT Office)

West Forum Glasgow – Thursday 17th March 2016 (Trades Hall)

North Forum Inverness – Monday 21st March 2016 (The Spectrum Centre)

Summary Report of Events

Introduction

The final round of this financial year's SHN welfare reforms forums took place in March 2016. The Edinburgh and Glasgow events were held in the same week on Wednesday 16th March and Thursday 17th March. The following Monday (21st March) the Inverness event was held.

Approximately 90 people attended the three forums across Scotland. A number of local authorities and housing associations were represented. Universal Credit remains high on the agenda with April bringing in the final roll-out areas in Scotland. Therefore Universal Credit featured prominently in discussions at each forum as well as other topics such as financial inclusion, for example through the Rental Exchange Project and housing support at the Edinburgh event.

Speaking at all the events were representatives from the Department of Works & Pensions (DWP). In Edinburgh Castle Rock Edinvar and the Housing Support Enabling Unit were among the speakers with the Experian and Big Issue Invest Scotland presenting on the Rental Exchange Project in Glasgow and Edinburgh. In Inverness the SFHA also attended to the event.

The programmes differed across the three events with plenty of time left for audience participation and discussion:

- An update from the DWP at all three events on the UC implementation programme - Edinburgh (Bill Higgins), Glasgow (Bill Higgins) and Inverness (Susan Johnstone);
- The Rental Exchange Project was outlined by Experian (Lee Amos) and Big Issue Invest Scotland (Michelle Davitt) in Edinburgh with Lee also covering the Glasgow event;

- Caroline Keir from Castle Rock Edinvar outlined their financial inclusion project at the Edinburgh event and Yvette Burgess from the Housing Support Enabling Unit (HSEU) covered welfare reform and housing support at the same event;
- Tony Donohoe from the SHN gave updates on welfare reform at all the events;
- An update from the SFHA (Jeremy Hewer) on welfare reform at the Inverness event.

In Detail (Presentations and Q&As)

The Forum presentations are available at the welfare reform library (there is also a host of guidance, policy and research documents on welfare reform at this website):

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

You can also sign-up for the SHAW (Social Housing and Welfare Reform) bulletin available to social landlords across Scotland to receive regular weekly practice updates by emailing Catherine Louch at Prospect Community Housing - <mailto:Catherine.Louch@prospectch.org.uk>

At each forum Tony gave some **updates from the SHN's perspective**. As well as confirming that the forums would continue for at least another financial year 2016/17 this included:

- Reference to the Spring Budget Statement from the Chancellor;
- Announcement of the proposed establishment of the new Scottish Social Security Agency by the Scottish Government to administer devolved benefits;
- An update on recent UK and Scotland Universal Credit statistics published by the DWP;
- Update of analysis of 1st 3 quarters of 2015/16 SHN welfare reform indicator returns;
- In Glasgow & Edinburgh highlighting the main points arising from the Argyll & Bute presentation on their 'testing & trialling' project;
- A mini review of the main issues affecting social landlords with regard to welfare reform including Universal Credit roll-out, rent collection, housing support, USDL, citizen engagement and devolved welfare power changes.

The DWP provided an update on Universal Credit roll-out. This focused on two recent developments – changes to 'work allowances' for Universal Credit and the programme for the 'full service' roll-out. In summary the main points were:

- Work allowance is the amount that a UC recipient can earn before their UC award is affected – once a person reaches a certain threshold then 65p from every £1 is deducted from their UC award;
- From 11/04/16 the system will be simplified with only 2 rates – higher and lower rate work allowance. Changes apply to existing and new claimants (affects approximately 4,000 households in Scotland and DWP is attempting to contact all those affected directly);
- Example cited by DWP is single claimant aged over 25yrs with £400 rent – will basically lose entitlement to £111 work allowance and with taper equates to £72.15 monthly loss;

- The “Full Service” will be rolled out in March at Musselburgh Jobcentre (East Lothian) followed by Inverness Job Centre in June and then whole Highland area. Currently it is not intended to begin roll-out of “full service” to other areas in Scotland to 2017-18;
- Across the UK in 2017-18 it is envisaged that the roll-out will be approximately 50 jobcentres per month and will broadly follow the same sequence as the “live service” roll-out;
- The service roll-out is a full digital service for new claims (and change of circumstances) incorporating the 6 current benefits (Housing benefit, Income-Based ESA, Income-Based JSA, Child Tax Credits, Working Tax Credits & Income Support);
- The “full service” is expected to instigate a rapid increase in the number of UC claimants as opposed to existing benefits;
- National migration of existing claims tested in 2018 and finished by 2021/21;
- Housing costs verification – new simplified process based on direct electronic communication with landlord.

In terms of discussion with regard to UC roll-out, there was a question over the potential increase in demand for Personal Budgeting Support in East Lothian with the “full service” roll-out in Musselburgh. DWP taking this into account in discussions with East Lothian Council and the implementation agreement. However the volume of demand is difficult to estimate. There was another query over whether DWP requires a secure email address for the housing costs verification process (unclear but this is to be checked by DWP).

Other queries were raised over whether contribution-based JSA could be claimed on-line – this was unclear but checked by DWP after forums and it can be (see this webpage):

<https://www.gov.uk/jobseekers-allowance/overview>

Reference was also made to self-employed individuals – for example at the Inverness forum over the surplus income changes for self-employed and whether this is starting from 1st April 2016. Unclear on answer at this stage. **Post-meeting note: According to Statutory Instrument 2015 No.345 this comes into force on 6th April 2016:**

<http://www.legislation.gov.uk/ukxi/2015/345/made>

At the Glasgow forum Liam Spence from Wheatley Group also gave a brief verbal update on ‘Trusted Partner’ status. Wheatley have been given this status and went ‘live’ on Monday 14/03 with more control over the APA process. The benefits are that Wheatley will make recommendations on APA including review period (up to 2 yrs.) and DWP dedicated team dealing with approvals with 1 day turnaround. Only initial issue around disconnect in decision-making within DWP when a third party deduction is included as separate team dealing with this.

Reference to the housing cost verification process was also made across the forums – use of secure email and whether this is a requirement from the DWP. **Post-meeting note: Bill Higgins from DWP confirmed that the system allows for unsecured emails to be used.** In Inverness and Glasgow issues around inconsistency in the information required to verify

rents with tenancy agreements being asked for in some cases as opposed to the agreed template.

There was also some discussion over rent increases and notifications. Further to discussions at last forum this appears to have been resolved with most landlords using individual standard letter notifications and sending these to DWP – DWP appears to be accepting notifications from either landlord or tenant.

In Edinburgh the **HSEU presented on the impact of welfare reform on supported housing** focusing on:

- Proposed UK Government changes applying LHA rate to supported accommodation and those under 35yrs (mainly single people);
- Proposals affects all new tenancies after 1st April 2016 with changes applied from 1st April 2018 – however recent UK Government change proposes that supported accommodation only affected after 1st April 2017;
- Social sector rents (particularly HAs) may be higher than LHA rate for both supported and for those under 35yrs as the Shared Accommodation Rate will be applied in these cases (with some exemptions i.e. care leavers);
- Therefore significant issue for social landlords – UK Govt anticipate that DHPs will mitigate to some extent!;
- Some work with SFHA to measure potential impact – survey of 8 HAs estimated potential shortfalls of £5.2m - £14.3m;
- DWP have also commissioned UK wide research led by IPSO MORI into “...scale, shape and cost of the supported housing sector” (timescale for reporting May/June 2016);
- This research has included 2 focus groups in Scotland, qualitative interviews and an LA & provider survey;
- Future options include localised funding to cover housing support but unclear how this relates to entitlement of assistance through current system and relationship with costs.

There was also some discussion over this at the Glasgow and Inverness forums. Issues raised included the uncertainty over definitions of supported housing through legislation and benefits system and how this affects the Support Exempt Accommodation categories under the current Universal Credit system and LHA rates used for this. Also in Glasgow an update on this included that the IPSOS MORI research is intended to inform the UK Government budget plans for April 2017. Overall view across forums is that this has added another level of uncertainty into the planning and delivery of housing support services.

Castle Rock Edinvar (CRE) presented on financial inclusion and welfare reform at the Edinburgh forum with the following main points:

- CRE part of Places for People so have to consider wider group structure and drivers of housing policy change across UK;
- Financial Inclusion Service has 5 ‘core’ aspects including welfare advice, money & debt advice, home energy/fuel poverty, digital access and sustaining tenancies fund;

- Based on a case management style and a 'home visiting service', with wider range of referral routes including self-referrals (26% of total);
- In 2014/15 1,117 referrals (62% for welfare issues and 38% debt issues as primary reason);
- Generally positive feedback from customers, £15 gained per £1 spent, helps stabilise incomes and tenancies;
- Range of partners – LAs, other HAs, third sector and other statutory agencies;
- Main focus of service across the Lothians area at present;
- Learning points include – develop services with common quality principles and standards but flexible to respond, advice work as core necessity rather than simply an 'add-on' for social wellbeing, technicians or specialists with empathy but alert to boundaries where needs increase and collaborate and collegiate in working with colleagues;
- Mix of core funding and contracted services (for example currently provide Personal Budgeting Support in East Lothian).

In response to a question it was clarified that there are 10 people within this financial inclusion service at CRE. Social Return on Investment was also cited and the challenges in measuring for this type of service. Opening up referral routes is important in the Personal Budgeting Support process for welfare reform and working relationships with work-coaches. Low-take up of PBS in Fife cited by one attendee and how to encourage this appears to be an ongoing issue across Scotland.

In Edinburgh and Glasgow the **Rental Exchange Project was outlined by Experian and Big Issue Invest Scotland (the same presentation was provided at last Inverness Forum in February 2016 so main points are in the previous WR forum report)**. In terms of the discussion and points raised:

- Focus of the project is on connecting tenants rental payment history to their credit record to hopefully improve their credit rating and open up opportunities to more affordable credit;
- Also adds to the digital ID process for tenants by providing another source of information to authenticate customers;
- Had to satisfy Information Commissioner in use of data and only cost to landlord is in communicating with tenants over the inclusion of their data in the project;
- Landlords can benefit from reporting tools (this is a commercial option for landlords with cost) that provide broad data on financial health of their tenant population;
- To date around 1m tenants across UK are now part of the project (In Scotland Elderpark HA have recently joined the project);
- There is no cost to the tenant but for obvious reasons it can't use tenants in receipt of full Housing Benefit where generally paid direct to landlord (as no direct payment responsibility).

In Inverness **the SFHA provided a broader update on welfare reform issues for housing associations** including:

- Noting the point that the new Scottish Government agency potentially adds another administrative point of contact for customers;
- National roll-out of 'live' UC system due to be completed in Scotland by April 2016 with Perth & Kinross and Angus the last to go;
- Reminder of other welfare changes due to take effect including the new Benefit Cap from Autumn 2016 (£20,000) – DWP estimate of figures by LA are available in banded groups with on average in Scotland approximately 300 households affected per LA area;
- Also highlighted 'disconnect' between Council Tax Reduction Scheme and Universal Credit – claimants need to be made aware to claim. Noted that in Highland 'credit card' style information is given out in Jobcentres;
- Re-emphasised SFHA concerns over the LHA rate application to supported and under 35yrs and the potential negative impact on HAs and that DHPs are not a solution to this!
- There is updated guidance from the DWP on Alternative Payment Arrangements.

Also used a case study highlighting what HAs can do to mitigate welfare reform issues with emphasis on engaging and communicating with tenants, support provision, collaboration and empowering tenants. Case study includes engaging with DWP, visiting jobcentres, co-location as well as communication strategy for tenants including visits, tenant newsletter articles, using bulk mailing to convey messages. Provision of support services such as money and welfare benefits advice, fuel poverty, referrals to other services such as employment support and IT support.

Further discussion on Universal Credit in Inverness led to these points emerging:

- Need to use escalation routes if particular issues with DWP staff for example in relation to verification of housing costs;
- Probably still inconsistencies in UC Service Centre approaches and advice;
- Specific Service Centres will be allocated to 'Full Service' roll-out areas;
- In terms of Universal Support Delivered Locally (USDL) recommendations on this expected in July 2016;
- That current UC claimants in the "live system" will have to 're-apply' to go on to the "full service" rather than a straightforward migration!;
- Increasing pressure on housing support services with 70% of time spent on benefit issues.

Conclusions

Attendance at the March 2016 events was very good and thanks again to all those that participated in the forums sharing their experiences and learning. As always further suggestions from participants are welcome for future agenda items. Please email [Moira Fraser](mailto:Moira.Fraser@shn.gov.uk) at the SHN if you have any suggestions and we will endeavour to incorporate these.

These forums are delivered by the SHN to support landlords with assistance from other national housing organisations such as the SFHA. Part funded by the Scottish Government the SHN forums have three established regional networks in north, east and west Scotland.

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

The events are chaired and facilitated by Tony Donohoe, SHN Associate. Tony can be contacted at <mailto:info@tonyconsulting.co.uk>.



Presentations

For more detail on the discussion please see the presentations posted on the SHN website at:- <http://www.scotlandshousingnetwork.org/welfare-reform/>

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](#) Tel: 0131 466 3710



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