



Scottish Housing Best Value Network: Welfare Reform Forums May/June 2015

East Forum Edinburgh – Wednesday 27th May 2015 (NASUWT Office)

West Forum Glasgow – Thursday 28th May 2015 (Trades Hall)

North Forum Inverness – Thursday 11th June 2015 (The Spectrum Centre)

Summary Report of Events

Introduction

In May/June 2015 the first round of SHBVN welfare reforms in this financial year were held across Scotland. Once again the first event took place in Edinburgh on Wednesday 27th May with Glasgow on Thursday 28th May. The Inverness event was held on Thursday 11th June.

Attendance numbers across the three events were slightly less than the previous round of events with about 90 people participating. Again the Glasgow event was the busiest (with around 45 attending) and the event in Edinburgh was also well attended (upward of 30). The Inverness event attendance was slightly lower than recent forums. A range of local authorities and housing associations were represented although generally more HA staff are attending. The roles of those attending continues to vary including staff from housing management, rent collection, welfare rights and advice as well as housing benefit.

Given the continued roll-out of Universal Credit (UC) across Scotland there is a strong level of interest in this area and the impact on housing organisations. The programmes for each event reflected this although there was some variation. Speakers included representatives from three different LAs where UC is 'live' with other topics covered including the impact of welfare reform on young people, welfare reform after the UK election and general updates.

North Lanarkshire, Highland and West Dunbartonshire Councils as well as the DWP, Barnardo's, the SFHA and CIH all presented at either one or all of the forums. The programmes at all three events varied:

- A brief update from the DWP at the Edinburgh (Derek Russell) and Glasgow (Bill Higgins) events on the roll-out of Universal Credit;
- In Edinburgh Joy Campbell from City of Edinburgh Council presented on their experiences of UC roll-out with the same topic covered by two speakers in Glasgow (John Campbell from North Lanarkshire Council and Marion Smith from West Dunbartonshire Council);
- Samantha Cassell's from Barnardo's presented at the Edinburgh event on the impact of welfare reform on young people;
- Also in Edinburgh Ashley Campbell from the CIH outlined the post-election landscape in relation to welfare reform;
- At all 3 events Jeremy Hewer from the SFHA gave a general update on welfare reform;
- In Inverness Tony Donohoe from the SHBVN gave updates on UC feedback from other areas and the post-election welfare reform environment.

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 level of discussion at all 3 forums.

At each forum Tony gave some brief updates from the SHBVN's perspective. This included an update on the **welfare reform priorities for social landlords** identified at the last round of forums:

- Rental income risks and managing arrears processes;
- Communication flow, data sharing and partnership working with DWP;
- Customer profiling and communication with tenants and customers;
- Change management and organisational structures to respond to welfare reform;
- IT and system changes;
- Learning what works & sharing.

Tony also highlighted the DWP commissioned work by IPSoS Mori which is underway examining the supported accommodation provider landscape across the UK and also the role of the Scottish Government led Housing Benefit Reform Stakeholder

Advisory Group as well as recent changes to the Scottish Government Housing, Regeneration and Welfare Directorate. The structure now includes a specific Social Security Policy & Delivery Division.

In Inverness Tony also mentioned the longitudinal research work being conducted by the University of York on sanctions on conditionality. This includes some interviews with UC claimants in Scotland tracking their experiences over a 2yr period. He also highlighted the useful publication "Universal Credit and Rented Housing: Frequently Asked Questions" available as part of the DWP guidance suite for social landlords:

<https://www.gov.uk/government/publications/universal-credit-and-rented-housing>

At all three events **Universal Credit roll-out** dominated the programme with the LA (City of Edinburgh, North Lanarkshire, West Dunbartonshire and Highland) presentations at the forefront. Some of the key points were:

- In Edinburgh and West Dunbartonshire the use of UC 'champions' as main point of contact in dealing with roll-out;
- Issues in lack of communication and clarity over documentation flow from DWP such as lack of notification of tenants in receipt of UC (although acknowledged that DWP is in process of fixing this and due to introduce electronic communication in June 2015);
- UC notification letters with basic 'housing element' identified and lack of clarity on how this has been calculated or no housing costs included in UC award, time period from claim to actual payment, terminology and confusion for tenants i.e. 'housing costs';
- Overall process for Alternative Payment Arrangements (APAs) still not fit for purpose with forms going missing, delays in decision making and difficulties in tracking payments into LA accounts, paper-based system and loss of local control through HB administration;
- Need for good local operational partnerships and communication lines with DWP and Jobcentre Plus (increased 'traffic' with job-centre on clarifying issues);
- Also need for local delivery partnerships and service structure (including RSLs and third sector);
- Difficulties with UC service centres although now introduced dedicated landlord phone line and email address;
- Importance of training of staff and appropriate documentation and resources to do this, use of secure email systems as basis for sharing information, pro-formas for rent information to ensure information correct at point of UC application, updating housing management systems to record UC claimants;

- Increased rent arrears for UC cases (i.e. in West Dunbartonshire 8 out of 9 housing cost cases with increased arrears, in Edinburgh out of 64 tenants with £70k of previous arrears this had increased to £84k since UC roll-out);
- Also issue of ensuring compliance of UC processes with pre-tenancy action requirements;
- Personal Budgeting Support – referrals and engagement with customers.

These LA presentations were supplemented in Edinburgh (Derek Russell) and Glasgow (Bill Higgins) by brief updates from the DWP. Points highlighted included the ongoing publication of UC statistics (see link below):

<https://www.gov.uk/government/collections/universal-credit-statistics>

The DWP also pointed to the training/information events that have been undertaken as part of the roll-out (for example 4 sessions with Edinburgh social landlords) and the continuing automation of processes that are due to be implemented as part of the improvement process. For example the landlord notification process due to be automated in June and also trialling automation of Alternative Payment Arrangement process. The Trusted Partners pilot is also currently being run in some parts of England (i.e. Oldham, Birkenhead).

In relation to Universal Credit there was some questions and discussions at all three venues. These included queries over the timescales for various aspects of the UC process. For example the length of time between a UC claim being logged and the interview for an applicant – within 5 working days is the target. Also how quickly an award letter is sent to the applicant – this can vary due to ensuring that applicant has satisfied all points in the process such as the interview and proof of housing costs. In Edinburgh queries over whether the Council's landlord business plan assumptions have changed – yes to take on board risks of welfare reform and anticipation of increased arrears. There was also further discussion on the notification of landlords of 'UC tenant' – should be about 7 days after jobcentre interview but 'task' is set for Service Centre where notification comes from. Another issue was the level of UC deduction for arrears that landlords could request – for example Edinburgh asking for up to 20% (confirmed in Glasgow that Glasgow Housing Association also use this threshold). At the Glasgow Forum the issue of not being able to identify individual APA payments coming from the DWP for tenants to the landlord was raised again. Engagement for RSLs with JobcentrePlus was raised as a difficulty at the Glasgow Forum – solutions to access through LA led forums on welfare reform or for RSLs to directly engage with them (example of one RSL that simply wrote directly to JCP). The importance of secure email systems was again emphasised in relation to the

DWP's ability to communicate directly with both LAs and also the eventual 'Trusted Partner' framework.

In Inverness Gail Ward from Highland Council commented that UC appeared to be working better for those applicants that are 'in work'. However she also pointed out that average rent arrears for all UC cases was now £962 and £772 (excluding those in temporary accommodation). While not all of this is due to UC there is a proportion that is related to the new arrangements. On a positive note the Council's view is that improvements have been made through good partnership working and improved local communication over the past couple of years. Importantly a Highland Operational Forum has been established that brings together representatives from the Council, other social landlords and the DWP to discuss and find solutions to issues. There has also been some good work looking more forensically at three UC cases to understand experiences and where interventions could be improved at an earlier and appropriate stage. The intention is to roll this out as part of a workshop for housing support providers.

Ashley Campbell from the CIH presented on the subject of welfare reform in the context of the recent UK election results with the following main points:

- Highlighting the changing political context in Scotland with the referendum and the Smith Commission proposals and their impact on welfare reform;
- Powers over taxation, Universal Credit and other welfare benefits proposed through Smith Commission;
- In some quarters criticisms of the subsequent legislative clauses that have been drafted to implement Smith Commission – i.e. don't go far enough, watered down and include a veto;
- While changed political landscape is mirrored in UK elections (with SNP gains) too early to say what impact this might have on direction of UK Govt policy in key areas such as welfare;
- Policy direction – Scottish Govt. continued commitment to mitigate Bedroom Tax, UC roll-out continues, wider public spending cuts continues and £12bn of additional welfare savings to be found but little detail yet;

There was some discussion at the Edinburgh event about the implementation of Smith proposals and current timetabling of process. Scottish Govt representative attending commented that they are working with DWP on this and are hopeful that some can be made more quickly through 'administrative changes'. In Inverness Tony Donohoe from SHBVN also gave some detail on potential post-election changes to welfare reform in the pipeline from the new UK Government. These include the

lowering of the Benefit Cap to £23k per annum and a freeze (i.e. no inflationary rises) on working age benefits and tax credits for 2 years from 2016/17. There is also a move towards removing the automatic entitlement of 18-21yr olds of housing support (aka housing benefit), the possibility of reducing Local Housing Allowance Rates and taxing some benefits that are currently not taxed (i.e. Personal Independence Payments & Attendance Allowance). The UK Government has also pledged to introduce legislation to ensuring that there are no increases in income tax, VAT or National Insurance Contributions over the next 5 years.

In Edinburgh Samantha Cassells from Barnardo's allowed us to focus on the specific impacts of welfare reform on young people from the perspective of a third sector housing support service operating in North Lanarkshire. Samantha is an in-house welfare officer employed by Barnardo's to focus on the 3 goals of prevention, support and connection for young people. The presentation made the following points:

- Service is 365 days a year for young people aged 16-25yrs who are experiencing or threatened with homelessness;
- Based on voluntary engagement, assessment & support plan, key worker and outcomes for young people;
- There can be a number of reason for referrals and young people can have a range of housing issues such as door control, household management, debt, budgeting and health;
- There have been a number of impacts of welfare reform on young people with the most important being changes to sanctions, mandatory reconsiderations, 'bedroom tax', Universal Credit and the Scottish Welfare Fund (SWF);
- Sanctions have had a particularly adverse impact due to literacy issues, lack of communication from JCP/DWP and simply an acceptance of young people of their circumstances when sanctioned along with not enough challenges of mandatory reconsideration decisions or timescales for decisions;
- Awareness of DHPs and process for applying an issue for some young people;
- Good experience of SWF processes but general lack of resources in SWF and basic grants being awarded with impact on standard of living;
- UC now being rolled out in North Lanarkshire but too early to understand full impacts – initial issues around long period awaiting payment, greater individual responsibility on young person and rent arrears/debt;
- Overall though the Barnardo's service reports good outcomes on connecting young people to services, reducing sanction occurrences, income maximisation and helping to reduce rent arrears for this group.

Other issues that came up through the discussion included the potential impact of further restrictions on housing support for young people (18-21yrs) being proposed by the UK Government. There was also a question over experience of young people in the private rented sector and the Barnardo's service had come across some but generally they were living in poor quality properties and conditions.

At all the venues Jeremy Hewer from the SFHA gave a further general update on wider welfare reform policy and practice:

- The DWP digital solution project has now been extended to Croydon as well as Sutton;
- National expansion of UC roll-out in Scotland continues apace (Glasgow and Renfrew coming on board soon!) with tranche 3 due Sept-Nov 15 and tranche 4 Dec 15 – Apr 16;
- Across UK just under 100,000 UC claims by May 7th 2015;
- UC caseload of just under 54,000 as at April 7th 2015 (31% in work and 69% not employed);
- DHP expenditure in Scotland in 2014/15 was £50.5m with the average award £429 (highest in Edinburgh and lowest in South Ayrshire) however core DHP funding has been reduced across the UK by the DWP for this year;
- Housing teams being established in UC service centres (Bolton, Glasgow, Bangor etc.);
- Update on DWP structure and lead DWP officers by region (Denise Horsfall is the Work Services Director and Jim McGonigle UC Group Implementation Lead);
- The SFHA is looking at the issue of how communication with the DWP could be improved for example through a national operational delivery group to give social landlords the opportunity to feedback national issues.

In Inverness there was some discussion over the role of housing associations in the provision of money advice and the need for Financial Conduct Authority registration. Jeremy advised that it is important RSLs are aware of this requirement.

Conclusions

This round of the forums was again well attended and the appetite to share experiences and knowledge among social landlords remains strong. All the presentations were received well with subsequent discussions continuing to emphasise the range of both persistent and emerging issues that need to be addressed as specific policy areas such as Universal Credit are rolled out. As always

further suggestions from participants are welcome for future agenda items. Please email [Moira Fraser](mailto:Moira.Fraser@shbvn.org.uk) at the SHBVN if you have any suggestions.

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

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. Tony can be contacted at <mailto:info@tonyconsulting.co.uk>



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://shbvn.org.uk/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@shbvn.org or telephone 0131 240 5228.



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