

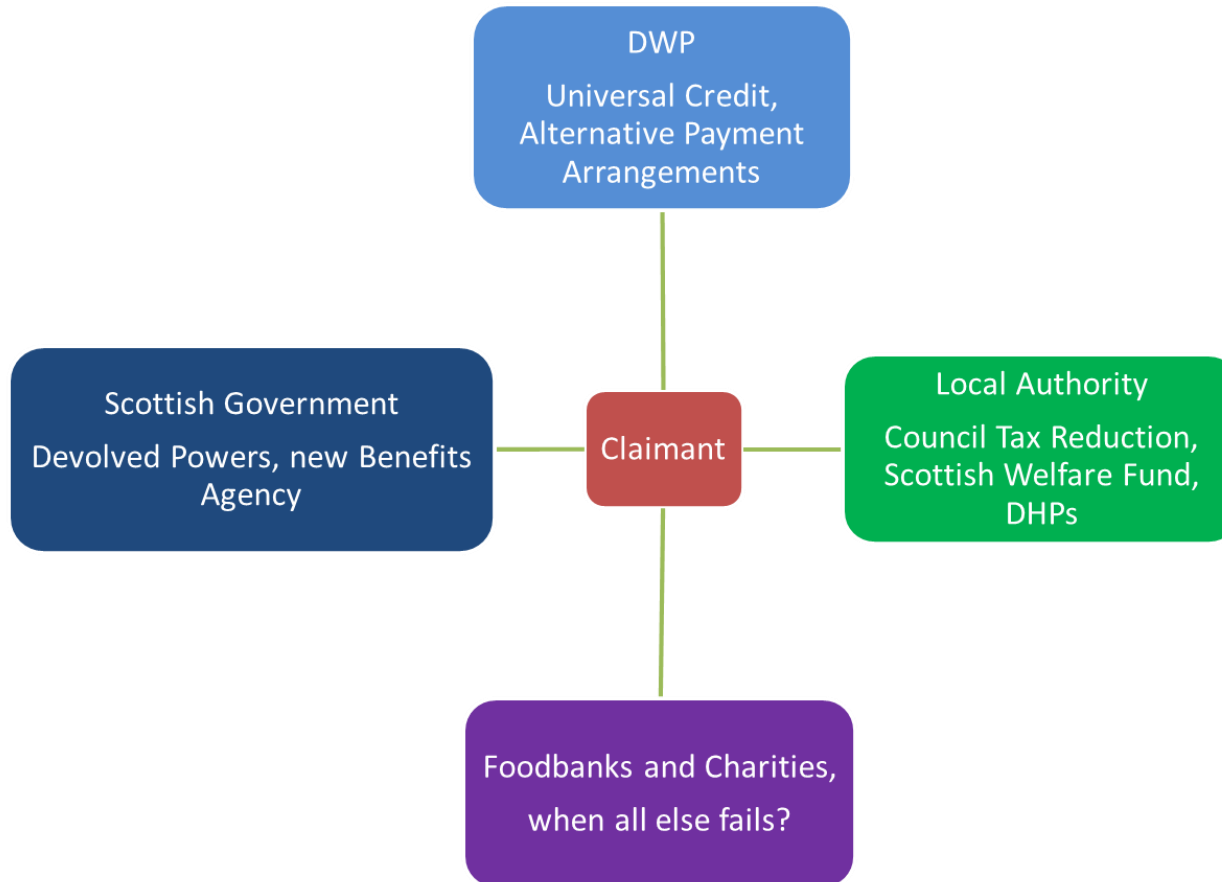


# Universal Credit and Welfare Reform

West and East Welfare Reform Forums

March 2016

# Universal Credit – simplifying Benefits? Really?



## UC – put into practice

- National rollout to new single claimants
- Due for completion by April (Perth and Kinross, Angus the last to go live).
- Restricted service, with gateway criteria
  - Only Inverness has been taking wider range of claimants (couples and families).
  - But ‘lobster pot’ has meant other areas will have some more complex cases through change of circumstances of claimant

## UC - put into practice

- Up to now, UC on “live” system
  - Has never worked well
  - Long and difficult claim application process
  - Dependent on manual intervention, so lots of mistakes
  - Already at capacity
  - Decision not to invest further
  - To be replaced by digital solution, referred to as “full service”

# UC – put into practice

- “Full Service”
  - Trials in small number of jobcentres, to be extended to 6 more including Musselburgh
  - Claimed to be much more user friendly
  - Decision to start National rollout in May 2016
    - Inverness in June
    - Rest of Highland in November
    - Pace to pick up in 2017 with completion in 2018
- All new claims will be UC – no gateway criteria

# Welfare Cuts

- Benefit Cap
  - Currently £26,000
  - To be cut to £20,000 from autumn 2016
- Removal of entitlement to Housing Benefit to under 22s
- Limiting child element of UC and Child Tax credits.
- Cutting of in-work allowances

# UC Work Allowances

		BEFORE SUMMER BUDGET		AFTER SUMMER BUDGET	
		WITHOUT HOUSING COSTS	WITH HOUSING COSTS	WITHOUT HOUSING COSTS	WITH HOUSING COSTS
Single	NO DEPENDENT	£111	£111	<b>ABOLISHED</b>	
	WITH DEPENDENT	£734	£263	£397	£192
	WITH DISABILITY	£647	£192	£397	£192
Couple	NO DEPENDENT	£111	£111	<b>ABOLISHED</b>	
	WITH DEPENDENT	£536	£222	£397	£192
	ONE OR BOTH WITH DISABILITY	£647	£192	£397	£192

- Chancellor's Autumn statement
  - Social Housing HB/UC capped at LHA maxima
  - Shared accommodation rate for under 35s
- Two stage process
  - Affects tenancies created after 01/04/2016
    - Since put back for supported accommodation (01/04/2017)
  - Implemented from April 1<sup>st</sup> 2018



- Generally, housing association rents are below LHA levels, BUT
  - Shared accommodation rate for under 35s will not cover rent costs
  - Supported accommodation rents can be lot higher than LHA maxima
- DHPs are not the antidote! (Neither for claimants nor for housing associations)

# Interventions

- Discretionary Housing Payments
  - Being used to mitigate the ‘bedroom tax’.
  - Scottish Government boosting funds by £35million to fully mitigate ‘bedroom tax’
  - Being used for something it was never designed for.
- Scottish Welfare Fund
  - £38 million in draft budget
  - Crisis and Community Care Grants

# Interventions

- Council tax reduction
  - 100% reduction possible
  - Disconnect with Universal Credit
- Devolution - Scotland Bill
  - New powers to vary rate of housing costs
  - Can make direct payment to landlord a default
  - Can vary frequency of payment and split payment
  - But can do nothing about first payment

## So what can HAs do?

- Engage with tenants and inform
- Support for tenants through advice and sign posting
- Empower tenants through training
- Collaborate and cooperate with range of stakeholders – we are not alone!

## Case study

- Housing association in central Scotland
  - 2,500 properties
  - Operates in one Local Authority area
- Strategy of :
  - Engagement with DWP and Council Revenue and Benefits
  - Tenant Communication
  - Provision of support

# Engagement with DWP

- 12 months before UC rolled out engaged with JobCentre:
  - Invited DWP to visit, learn about roles and services offered that would benefit job seekers
  - HA staff visit JobCentre to see what it means from DWP angle
  - Discussing co-location to offer “one stop shop”
  - Looking to see if can secure DWP funding for digital inclusion training.

# Engagement with tenants

- Leaflets and guides printed and distributed
- Article in tenant magazine
- Re-telling the message in any bulk mailing (e.g. rent statements)
- Since introduction of bedroom tax, visit to each tenant likely to be affected by change to discuss personal circumstances and onward referral to support agencies as appropriate

## Support services

- SLAB funding to engage dedicated CAB money and welfare benefits officer
- Dedicated fuel poverty adviser
- In-house local authority housing benefits officer (very valuable asset)
- Tenant starter packs
- School uniform project
- Referral service for employment support.



## Support Services (Continued)

- Drop in IT support with IT volunteers.
- Can refer tenants with no IT skills to Community Engagement officer, who can arrange formal training at local college
  - Have managed to source PCs/laptops for tenants
  - Tie in with organisation providing refurbished PCs

# Potential Ideas?

- Rental Exchange Project
  - Run by Experian and Big Issue Invest Scotland
  - Opportunity for tenants to get a credit history
  - Better chances of access to affordable credit
  - Need to tie in with Credit Unions?
- Fee free bank accounts
  - Agreement between government and banking industry
  - Launched December 2015



# Thank you

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