

# Universal Credit One Year In: The experiences of housing associations



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# Introduction

## National Housing Federation's Universal Credit evaluation

The Federation is carrying out a live evaluation of Universal Credit, supporting the Department for Work and Pensions' (DWP) ambition to "prove before you move" and "test and learn" before Universal Credit rolls out further. Learning from the Live Running Sites facilitated and provided by the Federation supports this ambition.

The Federation meets monthly with the DWP and all of the members who have stock in the original four North West Live Running Sites. It also meets with housing associations on a regular basis in the other English Live Running Sites, both within and outside the North West. These meetings have provided a great deal of feedback directly to the DWP and Jobcentre Plus.

This report is the formal output from those meetings. It also draws on detailed interviews with a number of associations in the North West and Hammersmith. These interviews were carried out in May and June 2014. These interviews allowed the Federation to go into more depth around specific issues and impacts. The following table lists the associations the Federation interviewed, and includes metrics around areas of operation and stock.

The meetings and interviews form the main sources for this report. The Federation is grateful for all the input from housing associations affected by Universal Credit, and also input from Jobcentre and DWP staff. Without them this report could not have been written.

Association	Areas of operation	Stock (approximate)
Ashton Pioneer Homes	Tameside	1,000
First Choice Homes Oldham	Oldham	12,000
Golden Gates Housing Trust	Warrington	9,000
Notting Hill Housing	London and the South East	22,000
New Charter Homes	Tameside, with some stock in Nottingham	15,000
Wigan and Leigh Housing	Wigan	22,000
Your Housing	Across the North West, Yorkshire and Midlands	32,000

Across the report, we quote from the interviews with these housing associations. These quotations are presented anonymously, but are taken from interviews with various associations noted above rather than just one source and reflect the experience of a range of organisations.



## Universal Credit – a recap

Universal Credit is the Government’s new benefit system, and is underpinned by a number of concepts:

- It is paid monthly, in arrears, to mimic a monthly wage.
- It is “digital by design”; where possible claims should be made online, getting claimants used to undertaking jobsearches and applications online.
- It places the onus on an individual to pay things such as their rent; there is no choice for the claimant of payment direct to a landlord, for example.

- It is responsive – as people on low incomes move in and out of work, Universal Credit will be adjusted but not cancelled, giving people more incentive to work for any period of time that is available.

Universal Credit is a working-age benefit, paid to people in work and out of work, monthly in arrears.

Includes	Excludes
<ul style="list-style-type: none"> <li>• Working Tax Credit (WTC)</li> <li>• Child Tax Credit (CTC)</li> <li>• Housing Benefit (HB)</li> <li>• Income Support (IS)</li> <li>• Income-based Jobseeker’s Allowance (JSA)</li> <li>• Income-related Employment and Support Allowance (ESA)</li> </ul>	<ul style="list-style-type: none"> <li>• Disability Living Allowance (DLA)/Personal</li> <li>• Independence Payments (PIP)</li> <li>• Child Benefit (CB)</li> <li>• Carer’s Allowance</li> <li>• Help with Council Tax</li> <li>• Pension Credit</li> </ul>



The Federation has a range of resources around Universal Credit. These can be obtained from our website: [www.housing.org.uk/universalcredit](http://www.housing.org.uk/universalcredit)

## Universal Credit so far

Universal Credit has been running since April 2013. Below are details of the roll out so far.

Initial trialling April-July 2013	Live Running Site rollout October 2013-April 2014	North West rollout from June 2014
Warrington Wigan Oldham Tameside	Hammersmith Bath Harrogate Inverness Rugby Shotton	North West Jobcentres going live in two tranches, the first between June and July 2014, the second between September and December 2014



In order to be eligible to claim Universal Credit in these areas, claimants must meet a number of “gateway criteria”, ie they are currently the most straightforward cases.

### Gateway criteria

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• be fit for work</li><li>• not be pregnant nor have given birth within the last 15 weeks</li><li>• not be receiving JSA, ESA, IS, Severe Disablement Allowance, DLA or PIP</li><li>• not be awaiting a decision on a claim, or appealing against a decision of non-entitlement to JSA, ESA, IS, HB, CTC or WTC</li><li>• not have any caring responsibilities</li><li>• not be self-employed</li><li>• not be in education or on a training course</li><li>• not have a person acting on their behalf over their claim</li></ul> | <ul style="list-style-type: none"><li>• have at least one suitable account that DWP can pay your money into</li><li>• not expect to receive take-home pay of more than £330 in the next month</li><li>• not be responsible for a young person under 20 who is in non-advanced education or training</li><li>• not be a registered foster carer or a prospective adopter</li><li>• not live in the same household as a member of the regular or reserve forces who is away on duty.</li></ul> |
|---|--|

Once a claimant is on Universal Credit he or she stays on it (what the DWP refer to as the “lobster pot”). In practice this means:

- Single people who start new relationships will continue to claim Universal Credit even if they are part of a couple or a family
- Claimants will continue to claim even if they move outside the area in which they made their original claim.

The introduction to couples commenced on Monday 29 June in five Live Running Sites outside the North West (Hammersmith, Bath, Harrogate, Inverness and Rugby), and then to the remaining Live Running Sites on Monday

28 July. The DWP also removed some of the “gateway questions” on the Universal Credit form. This means that people can choose to self-migrate to Universal Credit, even if they have a legacy benefit claim. Previously anyone with an existing claim for Housing Benefit or Tax Credits was excluded from making a Universal Credit claim. Now he or she can close the legacy claim and make a Universal Credit claim as long as the other gateway criteria are met. Whilst it is not expected that many people will choose to migrate, some claimants may wish to because they are better off under Universal Credit (either because of the income taper, or the removal of the “sixteen hour” rule).

The DWP plans to introduce Universal Credit to families in the autumn.



# Preparing for Universal Credit

**For housing associations and their tenants, preparations for the introduction of Universal Credit must be seen within a wider context of welfare reform. Tenants may have been affected by the benefit cap, size criteria and changes to council tax support and organisations have responded to mitigate against the impact of any combination of these changes.**

Unlike the benefit cap and the bedroom tax, with Universal Credit housing associations will not necessarily be aware of a tenant having made a claim until something happens such as an increase in arrears. As such, associations have prepared for Universal Credit using their skills and experience, rather than necessarily a full knowledge and understanding of implementation in their area.

Housing associations recognise that these preparations are vital given the changes that Universal Credit brings. As money goes direct to tenants who can then choose to pay their rent or not, associations need to put in place processes and procedures to ensure they maximise the rent collection.

**...as an organisation we're not cash rich, we didn't have gap funding when we transferred, so our bottom line really is our bottom line, and we can't really afford to go much below that.**

Housing associations have done a great deal of proactive and reactive work to prepare for the introduction of Universal Credit, in terms of preparing their tenants, staff and organisation. Here we look at what has been most effective and what has worked less well.



## Preparing tenants

### Communication

Communication with tenants about Universal Credit has not just been about raising awareness of the changes, but has also focused on encouraging tenants to tell their landlord when they make a Universal Credit claim and promoting a culture of prioritising rent payment. Messages around Universal Credit have been reinforced in every communication, ensuring the message is consistent and increasing the likelihood of the message being received.

Method	Commentary	Impact
Roadshows	<p>Easier for smaller organisations like Ashton Pioneer Homes (APH), given their community base.</p> <p>Golden Gates Housing Trust (GGHT) has also communicated changes with tenants and residents by having an information stand in local shopping centres.</p>	<p>Can be useful to meet tenants and discuss changes face to face, but may only speak to a small part of the population.</p> <p>The events held by APH to introduce all the welfare changes were very successful – the association itself was surprised as events such as those are not normally well attended.</p>
Printed communications	<p>This has included leaflets, posters in communal properties, and information in the foyers of offices.</p>	<p>Printed information can become quickly out of date.</p> <p>With the slow roll out of Universal Credit it is very difficult to maintain messages, and also to monitor the impact they are having. As Universal Credit is currently open to newly unemployed people it is difficult to predict who will claim.</p> <p>Tenants may be unreceptive until it is directly affecting them. Issues with the Universal Credit roll-out timetable being unclear do not help associations in getting the messages out in the right format at the right time. In a number of cases, organisations have reported being asked by tenants to stop telling them about Universal Credit.</p>
Digital channels	<p>Many associations have used their own websites and their presence on Facebook and Twitter to notify tenants about Universal Credit.</p>	<p>This information can be changed and updated quickly as new information is made available, and therefore has an advantage over printed material. However, not all tenants have internet access.</p>



## Research

Housing associations have recognised that under Universal Credit they need to know a lot more about their tenants than they have previously and so many have carried out research into their tenants' circumstances.

Method	Commentary	Impact
Research	<p>Associations have undertaken a range of ongoing tenant survey work, alongside bespoke research related to specific elements of Universal Credit.</p> <p>Research has included the following:</p> <ul style="list-style-type: none"> <li>• Financial inclusion surveys</li> <li>• A research report into referrals within the organisation, to ensure they are handled correctly, and to look at the outcomes from those contacts</li> <li>• An exercise to match tenants to the "Tier 1" and "Tier 2" criteria for setting up Alternative Payment Arrangements (APAs) (see page XX for an explanation of these)</li> <li>• An exercise to obtain tenants' National Insurance Numbers, and those of other members of the household, as this is currently the identifier for APA payments</li> </ul>	<p>Can be useful to understand tenant behaviours and then use as a means for business planning.</p> <p>Tenants may get "survey fatigue".</p> <p>Information can become quickly out of date.</p> <p>Work to collect National Insurance Numbers is vital for the current system as they are used as the reference for direct payment to the landlord. However, this is a temporary arrangement and it is hoped that a more suitable reference can be used to match payments to rent accounts so this may be unnecessary in the medium to long term.</p>

## Financial and digital inclusion

As Universal Credit claims are expected to be made online and a transactional bank account (one into which payments can be made) is required, housing associations have recognised that tenants may need additional financial products and support with digital access.

Universal Credit has brought to the fore a number of known financial issues affecting housing association tenants. These include:

- barriers to opening new bank accounts if tenants do not have the necessary proof of identity
- dormant accounts because tenants fear high bank charges or have existing debt

- a lack of confidence in direct debits working effectively and a fear of charges if they do not work as they should
- access to affordable credit

**Very few are on – our Universal Credit tenants – are on direct debit, because it's so chaotic. The payment is supposed to be on the third, or whatever, every month, and then sometimes it's a bank holiday and it's not, and they have had a few bad experiences.**





Similarly, associations are aware of issues around digital inclusion which affect tenants:

- a lack of access to digital services, because of the cost of equipment and ongoing costs
- a perceived lack of skills
- the fear of using computers

In response, a number of associations have invested in digital inclusion by increasing access to computers and providing training to develop skills. This recognises and supports the Government's ambition that people should increase their online transactions and to access Universal Credit via the Government's preferred channel.

Method	Commentary	Impact
Financial	<p>Using existing relationships housing associations have with banks and other financial bodies.</p> <ul style="list-style-type: none"> <li>• Golden Gate Housing Trust's (GGHT) business bank has agreed to set up bank accounts for GGHT customers who can only provide minimum identification (name and address).</li> <li>• GGHT is working with a second bank to provide appointments for tenants to set up accounts, where the tenant can use a benefit letter as proof of ID and a housing benefit letter for proof of address.</li> <li>• First Choice Homes Oldham (FCHO) is working closely with its local credit union; this can help tenants save for the two weeks' rent required at the start of the tenancy, and provide access for tenants to a transactional account.</li> <li>• GGHT has also worked closely with its local credit union, to pilot a "Cred-e-card". This has the functionality of a 'jam jar' account that allows money to be set aside for specific payments.</li> </ul> <p>In addition to specific financial products, associations are providing other types of support that helps tenants' financial resilience. For instance, New Charter has:</p> <ul style="list-style-type: none"> <li>• partnered with organisations to provide cheap finance and insurance for tenants</li> <li>• developed a budgeting tool which is available on its website</li> <li>• partnered with a number of Greater Manchester housing associations to open a Smarter Buys Store, which allows tenants to buy discounted white goods.</li> </ul>	<p>As with other elements of preparation, it is perhaps too early to tell what has been successful in terms of products and services.</p> <p>Take-up of GGHT's Cred-e-card up was low. GGHT believes this is because people only need to use something like this when they are at crisis point. One of the users reported to GGHT that he was scared of putting his money from Universal Credit into the new credit union account because he felt he had so much difficulty getting his Universal Credit payment in the first place. Trust is therefore an issue. If a claimant has a poor experience of Universal Credit they may be unlikely to trust another element of the system, even if it is designed to help them.</p>



Method	Commentary	Impact
Financial (continued)	<p>Some smaller associations have limited resources to directly provide this type of support and instead focus on creating links with other to provide support to tenants. Whilst creating and maintaining the links can be time consuming, it allows tenants to receive services from the best placed organisations. For an organisation like APH this includes local organisations and services that provide money advice and improve financial confidence.</p>	
Digital inclusion	<p>A number of associations provide computer access to tenants:</p> <ul style="list-style-type: none"> <li>• FCHO has had computers in its main office foyer for some time. It is branded as a “Learning Zone”, but people can use the PCs to bid on properties or submit a Universal Credit claim, and staff are on hand to assist them.</li> <li>• FCHO has set up a project group to look at digital inclusion for its tenants. This issue has risen in profile within the organisation and is becoming a key priority. There are a number of digital hubs in Oldham that tenants can be signposted to.</li> <li>• GGHT has accessed DWP pilot funding to help some of its residents get online.</li> </ul> <p>Other associations work closely with local and national partner organisations to help people get online.</p> <ul style="list-style-type: none"> <li>• Wigan and Leigh Housing (WALH) worked closely with Wigan Council to run a Get Online course, aiming to get people online. The campaign involved workshops at various community locations such as libraries and community centres. It was heavily advertised with flyers and posters. In addition, the organisation has hired a digital inclusion officer.</li> </ul>	<p>GGHT is currently evaluating its pilot to provide feedback to the DWP.</p> <p>WALH felt that the Get Online campaign had not been as successful as it might have been. The council had invested money into the programme, and the take-up was very low. At some workshops just one or two people turned up, and they were often older people who weren’t working and had the time to attend. However, it had been hoped that the sessions would appeal to younger people, who were the target group given the pressures of Universal Credit. The limited roll out of Universal Credit meant that it was not a driver for tenants to improve their digital skills.</p>



Method	Commentary	Impact
Training	<p>Associations have offered training sessions to tenants covering issues such as budgeting and digital skills. GGHT obtained funding and worked with the council to run a multi-agency session in preparation for Universal Credit.</p> <p>New Charter developed a project called “Thinking BIG” (Benefits and Income Generation), which ensured all staff were made aware of the impact of Universal Credit.</p>	<p>GGHT’s multi-agency session was not successful because Universal Credit claimant numbers were small.</p> <p>Tenants sometimes do not want to engage with training. Digital courses and budgeting courses are often heavily undersubscribed due to tenants not wanting to take part until they have direct need for it.</p>

## Preparing housing association staff

To prepare staff for the introduction of Universal Credit, housing associations have provided staff training and changed individual roles and team structures.

Method	Commentary	Impact
Training	<p>Training has been a mixture of top level general training and more detailed training that relates to specific job roles, for example:</p> <ul style="list-style-type: none"> <li>• APH has cascaded training through the whole organisation</li> <li>• GGHT has provided general training across the organisation, focusing more detailed training in specific teams</li> <li>• Your Housing has monitored their Universal Credit claims and have now developed a programme of training based on their findings.</li> </ul>	<p>Training has been useful in ensuring employees across organisations are aware of Universal Credit and the implications for their roles.</p> <p>Training can be tailored for specific roles, going into more depth when required.</p>



Method	Commentary	Impact
<p>Role and team changes</p>	<p>Some have formed a specialist team to deal with Universal Credit claims while others sought to spread responsibility across housing/income management teams:</p> <ul style="list-style-type: none"> <li>• APH prioritised improving their income management skills in house while ensuring staff are able to signpost tenants needing detailed support with debt.</li> <li>• Other associations, such as FCHO, have worked with existing staff and reworked teams to meet the challenge posed by Universal Credit. FCHO has created a culture across the organisation to make sure all staff are aware of their responsibility to ensure tenants pay their rent.</li> <li>• A dedicated team within GGHT retains control of Universal Credit, whilst trying to ensure responsibility is not taken away from neighbourhood officers, who the organisation sees as being the key link with tenants.</li> </ul> <p>Some associations have taken on additional staff, some permanent, some temporary:</p> <ul style="list-style-type: none"> <li>• WALH created new rent officer posts and a team leader post to deal with welfare reforms.</li> <li>• WALH has created a “financial support team”, following the removal of funding for a Citizens Advice Bureau worker. This new team has brought together five rent officers, who have a remit of dealing with debt and providing financial assistance. This is in comparison to a traditional rent officer, who would pursue arrears and payments. In complex cases, the rent officer will refer an individual to the financial support officer. The financial support officers have targeted Universal Credit cases as soon as they became aware of them. Tenants may subsequently be signposted to external support.</li> </ul>	<p>In almost all cases, associations reported that staff had bought into the need to be responsive to Universal Credit. Changes to team structures had been accepted, and seemed to be working effectively. WALH felt that their staff training had been particularly successful. However it was noted that “...the staff are fully versed, they’re ready for it kind of thing, and it’s almost like it’s not happened, you know to the extent that we thought.”</p> <p>However notes of caution were highlighted. Clearly the rollout is more limited than originally anticipated. Some associations have taken on additional staff, and these staff may now be subsumed into other teams, or doing different roles to those they were hired to do. This may be a challenge for associations to manage in the future, in terms of ensuring that the staff can be pulled back to deal with Universal Credit when the time comes.</p>



Method	Commentary	Impact
Role and team changes (continued)	<ul style="list-style-type: none"> <li>GGHT has taken on additional staff, including an extra court officer and extra neighbourhood officers.</li> </ul>	
Communication between staff	<p>Communication between staff is also very important. Associations need to put in place systems to capture learning from their Universal Credit claimants, in order to more effectively provide support. In smaller, geographically-focused organisations this is more straightforward, whereas in larger organisations which may be spread over a wider area this may be more challenging. Some organisations have created specific teams to monitor and manage their Universal Credit work, ensuring there is a central point for other colleagues to contact, and ensuring any learning is not lost.</p>	

## Preparing the organisation

Many associations have looked at the need to change internal processes, policies and procedures. Some organisations have planned for Universal Credit well in advance of it being introduced, amending the detail of their overall approach as necessary. Others have been more reactive and waited for it to be introduced, before seeing what the impacts were and amending policies and procedures accordingly. All have implemented changes in response to wider welfare reform which will also help the association and tenants manage the transition to Universal Credit.

Type of approach	Commentary	Impact
Holistic organisational approaches	<p>First Choice Homes Oldham (FCHO) has developed a holistic “rent first” approach in response to all aspects of welfare reform. The approach ensures tenants are aware of the importance of prioritising their rent. It is a fully marketed campaign, including promotion on the housing association’s vans and consistent messaging from the contact centre. The rent first approach starts with pre-tenancy work including an affordability assessment.</p>	<p>Many associations said that it was too early to tell the exact impact of changes to policies, as roll out had not occurred as expected and some processes had not been tested with large numbers of tenants.</p>



Type of approach	Commentary	Impact
<p>Holistic organisational approaches (continued)</p>	<p>All prospective tenants are rated according to their risk (high, medium or low) as part of a triage process. The assessment includes both affordability and factors affecting budgeting and paying bills. This latter element was not originally included, but it was noted that tenants may be able to afford their rent, but due to other factors may not pay it. Having identified affordability and other issues, the correct support for tenants can be put in place.</p> <ul style="list-style-type: none"> <li>• For those who are seen as “high risk”, there is mandatory face-to-face tenancy training.</li> <li>• For those who are a “medium risk”, there is online tenancy training.</li> <li>• For those who are a “low risk”, they can decide whether to access budgeting training.</li> </ul> <p>If a person does not access or complete the compulsory training then he or she will not secure a tenancy. Should he or she be in a high risk group and complete the mandatory training, then “wrap around” support by a support worker is provided once the person moves into the home. People in the medium risk group will also continue to be given support (most likely by a neighbourhood officer).</p> <p>All new tenants also have to pay two weeks’ rent as it is due at the beginning of the tenancy. The local credit union is promoted to prospective tenants as a means of saving for the two weeks’ rent. New tenants also have to set up a direct debit, though the organisation recognises that not everyone will continue to use this to pay their rent. These details are on Choice-Based Lettings, so prospective tenants know what is expected of them if they decide to bid for properties.</p>	<p>FCHO is monitoring this approach closely and believes that it is currently working well. Rent collection levels are higher amongst new tenants in comparison to existing customers. The organisation is more target driven: an overall rent collection target is translated into cash collection rates for individual staff members.. Staff members can also be compared in terms of the number of telephone calls made, the payments taken and the number of letters sent.</p> <p>FCHO has also added an additional question to its affordability assessment because too many people were falling into the low risk group, so it was necessary to make the criteria more stringent. FCHO monitored the process for three months before altering it. FCHO works flexibly, so if issues are not picked up at the initial allocations interview, then they can be picked up by the neighbourhood officers, and the appropriate support can be put in place.</p>



Type of approach	Commentary	Impact
<p>Holistic organisational approaches (continued)</p>	<p>New Charter’s call to staff for ideas to help with welfare reform resulted in the introduction of a dedicated Specialist Welfare Advice Team (SWAT) in August 2012 which has subsequently contacted thousands of tenants affected by welfare reform. Other ideas included:</p> <ul style="list-style-type: none"> <li>• Starting the arrears procedure much earlier than before, after a single missed payment, as the organisation found early contact is vital.</li> <li>• Account managers can now deal with debt of up to £400, which frees up the time of rent recovery officers who spend more time on estates dealing with more serious cases.</li> <li>• Setting up additional direct debit collection dates, as the Universal Credit payment cycle can start on any date in a month (and remains on that set date)</li> <li>• Asking new tenants to pay two weeks’ rent at the start of the tenancy.</li> <li>• Evening and weekend working to engage with more elusive customers.</li> <li>• Estate initiatives, where the whole team spend a week concentrating on more troubled areas, contacting and visiting all customers in arrears and ensuring arrangements are put in place or accounts are cleared.</li> </ul>	<p>More effective use of resources and knowledge is built up within a specialist team.</p> <p>Tenants are encouraged to take responsibility for their rent payments from the start and will assist the transition to Universal Credit. Part of the review of the impact of this is to check where tenants are getting the money from.</p>
<p>“Watch and learn” approaches</p>	<p>Other associations have been more reactive to Universal Credit. GGHT has tightened pre-tenancy policy and changed the format of rent statements to reduce possibility of fraud. Others, which operate in more than one area, took the opportunity to see what happened before changing policies and procedures. Your Housing, for instance, did little preparation because their exposure in the initial four Pathfinder sites was limited.</p>	<p>Your Housing felt that having one income officer dealing with all the Universal Credit claims helped them to gain a better understanding of the impact of the benefit.</p>



Type of approach	Commentary	Impact
<p>“Watch and learn” approaches (continued)</p>	<p><b>“...we didn’t do a lot of preparation because we knew it was going to be coming in in a small trickle, and we didn’t have that much stock compared to our whole organisation... I think our strategy for the first twelve months of Universal Credit was to, rather than go in and immediately start changing processes and escalation procedures, was to sit back and learn from our first twelve months without radically changing anything...”</b></p> <p>Only recently has the organisation begun to change its policies and procedures. At the start of 2014 it realised that spreading claims across a couple of teams meant that it was not able to capture learning. At the start of the year all the claimants were moved to a single officer and a single manager. In May the organisation developed a “lessons learned” document, pulling together all of this material, to inform a review of processes. One immediate outcome was the need to look at the arrears escalation process.</p>	
<p>Use of housing management software</p>	<p>Universal Credit puts new demands on housing management systems:</p> <ul style="list-style-type: none"> <li>• Your Housing has begun to look at different IT products to help in managing its income collection service more smartly. It wants the ability to look at arrears balances on a daily basis, rather than the current practice of looking weekly on a Sunday.</li> <li>• New Charter has included a new module on its rental system that records “expected payments” and highlights when a payment has not been received.</li> </ul>	<p>As associations are just commencing this sort of activity and claimant numbers are small, it is too early to report on much progress or draw conclusions.</p> <p>In tandem these two enhancements allow New Charter to remind tenants of the importance to pay their rent, and follow up those who have not paid.</p> <p>In hindsight, GGHT believes more time should have been invested in changing or enhancing their housing management system, rather than in financial products (such as the Cred-E-Card) that were underused.</p>





Type of approach	Commentary	Impact
Mobile IT equipment	Housing associations are also equipping staff for mobile working, which allows staff to better support tenants in their neighbourhoods and own homes. WALH has introduced iPads which are available across the organisation for rent officers to provide tenants with online access. Other associations are also looking at similar routes, whilst some are also looking at providing a great number of handheld devices to ensure that tenants can pay their rent when visited by housing officers.	Associations are just commencing this sort of activity specific to Universal Credit, so it is too early to report on progress.

## Finding out a tenant is on Universal Credit

**One of the biggest challenges for housing associations has been the lack of information about which tenants are claiming Universal Credit. Currently there is no requirement for the Department for Work and Pensions (DWP) to tell housing associations that their tenants are on Universal Credit so housing associations are using a range of proactive and reactive methods to find out whether a tenant is on Universal Credit.**

### Open dialogue with tenants

Some housing associations do a lot of work with potential tenants before they sign up, which can have positive outcomes in developing a good relationship with the tenant in the future. Associations hope this will mean the tenants will tell them they are making a Universal Credit claim. Your Housing, for example, has found out about some tenant claims through its contact centre, which results in an alert being sent to the income officer who manages that area.

Once a tenant has told the housing association they are claiming Universal Credit, processes can be put in place to maintain the dialogue with tenants and help them manage their claim effectively. Ashton Pioneer Homes (APH) has a daily presence in its estates

and therefore finds out from tenants that they are claiming Universal Credit during these conversations, finding out about the majority of their claimants at the start of the claim.

Housing associations may use general contact with tenants to find out if they are claiming Universal Credit. One association has segmented its tenant population into those most likely to be claiming Universal Credit (until recently, single people). A series of short questions are used by the contact centre staff when contact is made by someone from that group – to find out if someone is working or not, and if not whether they are on Universal Credit. Contact with tenants will also be made by housing officers. One association has reduced the patch size that housing officers have to cover, and made them generic as they feel that this is a more effective use of resources.



While some Universal Credit claimants who are managing to pay their rent may be known to their housing association, there may be others who they are unaware of and it is therefore difficult to get a true sense of the impact of Universal Credit. The DWP statistics by area do not give a breakdown of cases by housing costs or tenure.

## Triggers – including rent arrears

...it's never a case of they're paying their rent and we contact them and it crops up in conversation, it's always because they've fallen into arrears.

In most cases, housing associations will only find out that a tenant is on Universal Credit when they have gone into arrears. Some associations, such as First Choice Homes Oldham (FCHO), Ashton Pioneer Homes (APH) and Wigan and Leigh Housing (WALH), debit their rent accounts on a weekly basis, so they will know if a tenant is accruing arrears very quickly. They can therefore react quickly and put the necessary support in place.

The difficulty of collecting rent weekly when Universal Credit is paid monthly has been recognised as it adds extra layer of complexity for people who are now budgeting monthly. FCHO is looking at whether to debit rent monthly, but because of small numbers of Universal Credit claimants, the current benefits of doing so are small given that Housing Benefit based on weekly periods. .

A number of associations made reference to “triggers” that they use to find out that a tenant is on Universal Credit.

These include:

- A request for a rent statement or a tenancy agreement which might be required in support of a Universal Credit application
- The cessation of a Housing Benefit claim – this may or may not mean a person has begun to claim Universal Credit

Gathering the necessary information from Universal Credit claimants, to help the organisation assist their tenants more effectively. This information may include:

- information about the household
- employment status (in work, not in work, about to commence work)
- income and debts
- if they have a bank account, and whether they are overdrawn
- if they have vulnerabilities
- if they have any literacy problems
- if any other organisations are supporting them – including contact details
- if they need money advice
- if they can access the internet
- details around their first payment and how much they expect that to be
- details of their rent account including arrears.

Your Housing is planning to develop some training for its community officers and contact centre around these triggers.

Housing associations may also find out a tenant has made a Universal Credit claim when the DWP contacts them for clarification around rent-free weeks or rent amounts.

## The future

Housing associations are considering how they will continue to find out whether a tenant is claiming Universal Credit once numbers begin to increase. WALH believes it will have to continue using the same methodology of waiting for someone to fall into arrears and then ask the question when contact is made. New Charter also believes it will have to wait for someone to fall into arrears before making contact with them after the first missed payment, or it might be seen as harassing tenants. However many hope that some form of data sharing agreement will be in place between housing associations and the DWP to facilitate this most basic sharing of information.

Associations recognise that knowing a claim has been made should be easier when migration commences. This does however assume some sort of data sharing is in place, so that housing associations are notified in advance.



## Sharing information

The lack of two-way information sharing between social landlords and the DWP was one of the most frustrating aspects of the new system for housing associations. They felt that they were unable to support tenants effectively and that the system was open to fraud and error. With the improvement of communication channels with the DWP they reported that it was now more likely that DWP staff would check with them information provided by the tenant or allow the housing association to provide information about the property, rent and service charges and arrears though this only happens on a case by case basis.

Housing associations can request an Alternative Payment Arrangement for money to be paid direct to the landlord from the start of the Universal Credit claim if the tenant has high arrears or there are other factors (see page 24 for the list of factors). However under the current system these factors will not be picked up unless the tenant volunteers the information to DWP staff or contacts his or her landlord to say a claim has been made.

Golden Gates Housing Trust (GGHT) and their local jobcentre are now trialling a form which tenants can sign in the jobcentre which is then passed to GGHT so that any support needed can be put in place including a request for an Alternative Payment Arrangement. The results from this have been positive in that the need for support is being picked up at the beginning rather than at the point of two months rent arrears. GGHT tenants are also encouraged to go to the landlord for the correct information to verify the claim as well as for advice.

Housing associations saw information sharing as the key to smooth transition of claims from the old to the new system. DWP is now looking at the detail of where this needs to happen to ensure that Universal Credit works as effectively as possible. A task and finish group of landlords has been set up and met with senior officials to advise on the questions of what information to share and when. Linked to this work, the DWP is also considering how the process of identifying the need for an Alternative Payment Arrangement can work when Universal Credit is widened to larger numbers of people and how referrals from landlords can be taken as recommendations for APAs.



# Universal Credit claimant journey

Based on the Department for Work and Pension's map, this diagram explains the process for making a Universal Credit claim. In this section, we look at each part of this process, how it is working and the impact it has on tenants and their landlords.





## Applications

Most applications for Universal Credit are made online. For those who cannot make their application online, the application can be made over the telephone or in person at a Jobcentre.

### The experience

Unlike our last report, where people were finding it difficult to make an online claim, many housing associations reported that their claimants had made no reference to difficulties claiming online in conversations they had.

**Initially a few of the people struggled... I don't know if they've changed the process, but our latest claimants said it was really quite easy.**

The claimant made a claim online in June 2013. Their son helped them make a claim. They found the process to be moderately easy. The claimant borrowed money from their family and a neighbour because the first payment was late, and they hadn't received an award notice. They found the voice-activated telephone easier to use than the traditional keypad menu system. The claimant was not offered an interim payment, nor were they offered personal budgeting support. The claimant was told it could take a week to process the interim payment, so they didn't follow this up. Rent arrears rose from £870 at the point of claim to £1,110 when the first payment was due.

One association stated that in conversations with tenants, they had reported that the online application was the easiest part. However some report that it is still a long process.

**I think it's a long process, but people have said it's easier than claiming Job Seekers Allowance for the majority.**

However, people still need access to computers or assistance:

- Ashton Pioneer Homes (APH) reported that the majority of their claimants had gone to the Hub to make their claim. The Hub is funded by the DWP through the local authority in Tameside as part of local Live Running support arrangements and is being used effectively for Universal Credit applications. APH has also opened up access to the internet throughout the week at its own Tenants' Base. In both the Hub and the Tenants' Base, help will be on hand to assist those having trouble filling in their form.
- Wigan and Leigh Housing (WALH) reported that many of its tenants had successfully made a claim, with some needing a bit of additional support which was received from the Jobcentre or the "live centres" in Wigan. The organisation itself had not provided any direct support to claimants in completing their application.
- First Choice Homes Oldham (FCHO) noted that the majority of their claimants had completed their claim in their own home.

it is still being reported that after a certain period of time the claim times out and the tenant has to start again from the beginning, so the need for a save function and means to resurrect a claim remains.

In our last report, we also noted issues of claimants being routed onto the incorrect benefit. This seems to have become much less of an issue now. APH reported having a couple of claimants routed onto the incorrect benefit, but stated this had not been problematic: "...it seems to have been ironed out, I think it was probably a few hiccups at the Jobcentre really."



There may need to be some further work on the wording used on the application form. One association has noted that some tenants are not ticking the box asking them if they claim any other benefits because they do not realise that Housing Benefit is a benefit. Until recently, ticking this would have immediately ended the claim process. This has meant, in some cases, people claiming both Universal Credit and Housing Benefit.

Once a claim has been submitted, almost all other activity associated with Universal Credit is completed in person at the Jobcentre, or via the service centre over the telephone. The aim, ultimately, is that this will be reversed and much of the activity can be done online such as reporting changes of circumstances. One element of Universal Credit that is online now is using Universal Jobmatch as a means of searching for jobs. Some associations have reported that some claimants are finding this experience frustrating. Claimants are reporting being unable to complete their application if they have not managed to access to Universal Jobmatch, though the DWP has put support in place to help claimants achieve this. Some claimants have reported that they have difficulty in completing their job search diary on the site, as well as having difficulty uploading their CV. As a consequence of this, claimants have reported being sanctioned. In addition, claimants have reported that any online job search activity they complete which does not use Universal Jobmatch is not formally recorded. This poses a problem given that Universal Jobmatch only lists a proportion of vacancies.

**The claimant made a claim online in July 2013 using a friend's computer; the friend also helped the claimant complete the form, and they found it easy to complete. The claimant was not offered an interim payment, nor were they offered personal budgeting support. The claimant is currently disputing the amount of money which is due to be paid. The claimant reported calling the DWP four times about this and not being called back. The claimant was also concerned about looking for jobs using Universal Jobmatch. Using Universal Jobmatch registers on your Universal Credit claim, but using other job search sites does not. The claimant was therefore concerned about being sanctioned for not looking for work when they were.**

**The claimant made the claim over the telephone in July 2013 and found the process very difficult and that the local Jobcentre would not help them. The claimant has no internet access and no mobile phone, but was not offered support when making the claim. The claimant was offered and took up an advance payment, which had to be paid back over six months. The claimant was told initially they had to claim JSA, but then were told they had to claim Universal Credit. The claimant has tried to upload a CV onto Universal Jobmatch as they were advised not doing so would affect the claim. The Jobcentre computer does not have a hard drive so they couldn't save the CV and upload it. The claimant wanted to apply for various jobs using Universal Jobmatch, but couldn't do so as they needed to upload a CV. The claimant's rent arrears rose from zero at the point of claim (they were a new tenant) to £660 when their first payment was received.**

One association believes that some of its older Universal Credit claimants (ie those in the mid-thirties upwards) are more used to the JSA regime and find Universal Credit more difficult to deal with. Younger Universal Credit claimants may not have previously been on JSA and take it as given that it has to be claimed online, and that it is paid monthly



## Notifications and payment amounts

Once claimants have submitted their application, they are notified about their claim by letter. This includes details of their expected payment amount.

### The experience of claimants and housing associations

There remain issues regarding the consistency and quality of claim confirmations. APH reported that some of their tenants stated that they did not receive confirmation that they are on Universal Credit as speedily as might be helpful or were unclear about timescales.





**The chap that we've been speaking to today – our newest claimant – he knows round about when he's going to get his money, but he hasn't had confirmation, he doesn't know how much money he's going to get, or confirmation from the DWP that he's on Universal Credit.**

Tenants may get indicative information regarding the amount they will be receiving on the final screen of their application that may differ from that finally received. There will be reasons for this (such as what happens during the claim assessment period), but these are not necessarily explained to or understood by the tenant.

Concerns have also been expressed about the accuracy of payments received by tenants. One association believes that some payments are wrong by twenty to thirty pence a week (suggesting that the wrong information is being used for the benefit calculation), whilst others may only be wrong by a penny. They claim that on some occasions payments are rounded up to the nearest penny when they should be rounded down and vice versa. Regulations state that payments should be rounded up when the amount is a half or more, and rounded down when less than a half.

## The experience of claimants and housing associations

A range of feedback was provided on the interview process. One housing association noted that it sometimes took a long time for claimants to be called back to invite them to interview. One solution might be to send the applicant a text or email at the point of submission, acknowledging the online application and setting out timescales.

Another housing association suggested that some claimants did not find out about their interviews because the DWP left messages on their mobile phones that they were unable to access or respond to as they had no credit.

There is a need for clarity around what information the tenants need to bring to the interview. One association reported that their tenants were going to the interview and then having to return a few days later to sign their claimant commitment.

One association was told by their tenants that they felt the terminology used by the Jobcentres was too complicated. The association fed this back to the Jobcentre and has met with them to discuss the issues.

It has also noted that the new regime is a culture change for tenants and the need for the tenant to collate supporting information for the interview is therefore a challenge for some.

**I think what people are telling us is they're so used to everything being done, is that the onus is on the individual to go and get the tenancy agreement, go and get a rent statement. That's what they're struggling with.**

The interviews have not proved effective at uncovering the necessary information. In most cases existing rent arrears, other debts and other issues have not been uncovered



## Interviews

Once the applicant has submitted the application online, he or she is called back within two or three days and invited to an interview at the Jobcentre. The interviews are an important part of the process of applying for Universal Credit as it is where the Claimant Commitment is signed. They are where the DWP will try to pick up any pre-existing issues such as debt or arrears, and make a recommendation for Personal Budgeting Support or/and Alternative Payment Arrangements (with the final decision made by the service centre). They are also where elements of the claim are verified.



## Identifying the need for budgeting support

At the interview in the jobcentre, the DWP staff should ask tenants about difficulty budgeting, including rent arrears and any other debts. These questions are to investigate the need for budgeting support and alternative payment arrangements (APA).

The DWP has described factors that might result in a need for budgeting support, making reference to “tier one” and “tier two” factors. Existence of tier one factors make it highly likely an Alternative Payment Arrangement (APA) will be needed, whereas tier two factors may or may not result in an APA.

### Vulnerability: “tier one” and “tier two” factors<sup>1</sup>.

**Tier one factors are those where it is highly likely or probable that there will be need for an Alternative Payment Arrangement.**

The factors are:

- Drug/alcohol and/or other addiction problems e.g. gambling
- Learning difficulties including problems with literacy and/or numeracy
- In temporary and/or supported accommodation
- Homeless
- Domestic violence/abuse
- Mental health condition
- Currently in rent arrears/threat of eviction/repossession
- Claimant is young either a 16/17 year old and/or a care leaver
- Families with multiple and complex needs

**Tier two factors are those where it is less likely or possible that there will be need for an Alternative Payment Arrangement.**

The factors are:

- No bank account
- Third party deductions in place (eg for fines, utility arrears etc)
- Claimant is a refugee/asylum seeker
- History of rent arrears
- Previously homeless and/or in supported accommodation
- Other disability (e.g. physical disability, sensory impairment etc)
- Claimant has just left prison
- Claimant has just left hospital
- Recently bereaved
- Language skills (e.g. English not spoken as a ‘first language’)
- Ex-service personnel
- NEETS – Not in Education, Employment or Training

### The experience of claimants and housing associations

These factors are not being picked up consistently by the DWP. This may be because the claimant does not tell the DWP because he or she does not wish to disclose information or does not understand the question.

A very high proportion of tenants who have claimed Universal Credit have existing arrears and other debts. New Charter believes that around three quarters of its Universal Credit claimants have existing arrears, whereas WALH stated, “All bar one of our live cases had arrears prior to Universal Credit, and the vast majority have increased in arrears”.

Some have other vulnerabilities such as substance misuse and mental health issues. Very few of these issues are picked up at the interview and as a consequence until recently no tenants have had an APA applied from the start of their claim and very few were offered Personal Budgeting Support.

<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/181400/personal-budgeting-support-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181400/personal-budgeting-support-guidance.pdf). It should be noted that this list is intended for use when Universal Credit includes a wider claimant group. Some of these factors would preclude a Universal Credit claim





There appears to be differences between Jobcentre advisors as to whether issues, including arrears, are being picked up, with evidence suggesting it is working better in some Jobcentres than others. However, if the number of referrals to Personal Budgeting Support and the establishment of APAs is a measure of success, then the process to identify issues is failing.

The DWP has recently introduced a number of changes and pilots to better identify need for Personal Budgeting Support including:

- A pilot “warm hand over” of claimants to the providers of personal budgeting support in both Shotton and Harrogate whereby the Jobcentre will call the local authority directly to start the Personal Budgeting Support process, rather than asking the claimant to make their own arrangements.
- A series of new questions asked of claimants about whether they can manage their money. This is being run as a randomised control trial in several sites across the North West.

However even if claimants do not have existing issues including debt at the point of claim, this does not mean they will not need support during the life of the claim. A combination of circumstances (eg coming out of employment, having to manage a much smaller monthly amount of money) may mean someone who could have previously budgeted may now not be able to cope. The DWP will need to be mindful of this and ensure processes are in places to pick up cases that need support but do not meet the tier 1 and 2 criteria.

Housing associations have a great deal of information about their tenants that could be helpful to the DWP in understanding existing vulnerabilities. Under any data sharing, this information could easily be shared with the DWP, and enable the correct action to be taken.



## Personal Budgeting Support

If a claimant is deemed to be vulnerable, and less able to manage their money, they are offered Personal Budgeting Support. The DWP’s guidance on Personal Budgeting Support<sup>2</sup> (PBS) states that there are two types of PBS:

- Money advice
- Alternative Payment Arrangements (APAs)

For the purpose of this report we have split the two elements.

The delivery of local support in Live Running Sites is different to the way it will operate under full rollout conditions. Currently, the local authorities have either contracted delivery of support with a single organisation (such as Remploy or Citizens’ Advice Bureau), are delivering support in-house.

### The experience of claimants and housing associations

**We’ve not had anybody going onto the PBS. We’ve had to signpost all that need or accept money advice through our own internal service. I think we’re picking up a lot of the personal budgeting support cases. We’ve got a few that have gone to our tenancy support officers as well because they just needed a bit more assistance...? We have had people getting foodbank vouchers and things like that, and help with their day-to-day budgeting, rather than, you know, money advice, debt advice... And we’ve referred them to our employment and skills officers as well. So we’re probably doing the whole service that the personal budgeting support would do anyway.**

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/181400/personal-budgeting-support-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181400/personal-budgeting-support-guidance.pdf)



Very few tenants claiming Universal Credit have been offered or accessed support. There are potentially two reasons for this. Firstly, this may be due to the claimant group itself being newly unemployed people so may be more likely to be able to budget without assistance. Secondly, the Jobcentre and DWP may not have been effectively picking up claimants' vulnerabilities (including rent arrears and debt). This is not just an issue affecting housing association tenants: "I was at a meeting this morning when the manager of [the PBS service provider] was here, and she said there's still not any take-up."

DWP have been aware that take-up of PBS has been low, and has commenced work to address this. Associations have provided a number of anecdotal reasons as to why take-up – even after referral – is so low. One association has had discussions with its local Jobcentre, and has been told that PBS referrals are being sent through to the Bolton service centre, but are then not being processed effectively. The local authority is then not getting the referrals through. Other associations have reported that they believe invitations to support sessions are made by telephone and as with other telephone communication from the DWP, tenants may be unwilling to answer calls from a withheld number. Similarly, if they are out of credit, they will not be able to respond to messages left. The DWP contacts claimants offering PBS three times, and then the process needs to commence again.

**...she runs the PBS, and what she was saying is that "We ring people and text them and leave them messages, and then they don't turn up for the PBS, that's why the numbers are low", and then someone raised that if they have no credit they're not going to know are they?**

It is believed that this lack of take-up does not reflect need. Given a high proportion of housing association tenants are carrying arrears and other debts and the challenge of budgeting monthly on a low income, there is need for PBS. There may be reasons people do not want to access PBS. Many associations find that their budgeting support services, particularly seminar-type sessions, are often under-used until someone is in crisis.

**...they don't want to know until they are in debt – "I don't have any problems" – and they just see it not as an assistance to be able to use their money wisely, only something that's necessary once they're in debt.**

There is also a danger of creating a service that duplicates other personal budgeting support. Many associations provide budgeting and other support to tenants, regardless of whether they have been referred to PBS within the Universal Credit process. If support cannot be provided in-house, then associations will signpost them to other support. Some associations also believe the way local support is currently set up under Universal Credit adds confusion and additional steps for claimants when accessing that support. Claimants may avoid the support because there are too many steps. DWP has recognised this and has developed small-scale pilots where the referral to budgeting support is done by phone by the Jobcentre advisor whilst the claimant is present. This streamlines the process, and it is recommended that this forms part of local support services in the future.

Housing associations ask that they are allowed to make referrals to PBS providers. This would result in more referrals, and help the DWP to identify the need for support. Associations could also be involved in the delivery of budgeting support, given the amount of work already carried out in this arena.

Under full roll out, support will be delivered by or under contract to the local authority but managed through the Local Support Services Framework (LSSF) partnership including DWP. Housing associations will need to consider what support they offer, what is available locally and how to engage with the LSSF partnership that determines what is available locally.



## Alternative Payment Arrangements

The second element of Personal Budgeting Support is the provision of an Alternative Payment Arrangement (APA). APAs take three forms:

- the direct payment of the housing cost element to landlords (known as managed payments)
- the splitting of payment between members of a couple
- more frequent payment of benefit.

The process for putting in place a managed payment to the landlord where the issue is arrears is as follows:

- If a tenant has two months' arrears at the point of claim, then an APA can be set up by the DWP when the claim is established.
- If the association finds out a claim has been made, and that tenant has the equivalent of two months' arrears or more, then they can apply for an APA straight away. Otherwise, associations have to wait for two months' arrears to accrue before they can apply for an APA (the "two months trigger").

So far, associations believe that only the first type of APA has been invoked. This is unsurprising given that until recently, couples were not part of Universal Credit. The evidence presented below therefore relates solely to managed payments.

Until recently the process for applying for an APA because of the arrears trigger was as follows:

- Housing associations call the DWP Universal Credit helpline to advise the DWP that an APA is needed.
- The DWP tells the housing association to make the application in writing and send it to a postal address in Wolverhampton, where a task is raised for the service centre to action.
- The task is then actioned by agents in Bolton or Glasgow, and a decision made.
- The landlord and tenant are notified by letter of the decision.

## The experience of claimants and housing associations

Long, protracted, wasteful, under-resourced...

Managed payments are in place for a high proportion of housing association tenants. However, very few were put in place by the DWP at the start of the claim without intervention from the housing association. If an association knows of a claim being made, and that tenant has the equivalent of two months' arrears or more, then the association will request an APA immediately. However, there remains confusion about elements of the APA process for some associations who are waiting for eight weeks' arrears to accrue even if the tenant already has substantial arrears that would warrant the awarding of an APA.

### Sending the application by post

Associations have found some of their APA applications were lost in the post, so began sending them recorded delivery. Even then, they still report that some applications are going missing.

### Notifications

Notification letters are sent to the tenant and the association. This contains a date (or period) when the association should expect payment, the amount, and the duration the APA is in place for (with a scheduled date for review). Notifications have not been received consistently by either the housing association or the tenant.

One association stated it had received no notifications for their earliest APA applications. Earlier notifications sent through to the housing association provided a week's window when they should expect payment. This was helpful in some ways, but less helpful in others given that associations had to monitor their accounts on a daily basis for the payment before posting it to the correct rent account. One association stated they could not tell their finance department that a payment had been received as they wouldn't know when it was due. More recent notifications have had a specific date associations should expect payment, but in many cases this date is not the date the money is received.



There are instances where the landlord cannot understand why the APA payment differs from housing cost notifications. Some associations are also concerned about other elements related to accuracy. Association staff suspect there is a degree of cutting and pasting because letters are addressed to one person but then refer to another in the main body. Some consistency in terms of content has been introduced recently, as previously associations reported getting letters which were very light or very heavy in content.

## Payments

Payments are not yet being received consistently on the same date each month, even though the APA process should mimic the Universal Credit payment process, which itself mimics monthly payments for people in work. Associations have reported that payments are received within a week of the expected payment date: "...you don't know whether you're going to get it at the beginning of the week, or the end of the week, or the beginning of the week after". This makes it difficult for associations to plan. If they put an "expected payment date" on their system, then the rent account will be flagged as going into arrears.

In some instances payments are being received which are different to the amount stated in the notification letter. The cause of this is unclear.

One association noted that, at the time of the interview, it was having to speak regularly to the DWP to ensure APA payments were made to them. In the monitoring it has done, it has noted instances where APAs were set up and not being paid consistently to the association each month.

Associations have referred to occasions when APA payments have been sent in error to the tenant. This money is not recoverable from the DWP, but it has to be recovered from the tenant, who may well have found another use for it. Some associations have reported this occurring with several different tenants each month.

## Using the National Insurance number as an identifier

Within the current live running areas the DWP is using the tenant's National Insurance number as the reference for the direct payment of Universal Credit to the landlord. The DWP intends this as a

temporary arrangement so while it is important for associations in the live running areas to note National Insurance numbers. It is hoped that in the future a more suitable reference can be used to match payments to rent accounts.

Associations still find it very difficult receiving payments with only a National Insurance number identifier. Some associations will have this information – either because they already had it, or have collected it as part of their preparations for Universal Credit – but some will not. When this occurs they are left with payments that they cannot assign to the correct rent accounts. Some associations have said they it is difficult for them to find payments which have been sent through with a NINo identifier.

There remains an issue about how the posting of payments using the NINo will hold up once claimant numbers start increasing dramatically. Currently associations can cope with the small number of APA payments, and posting them to the correct rent account.

**But if we were searching thousands, then no that would be an absolute nightmare of a process. Can you just imagine, it would just tie up one person for days on end?**

## Recent changes

The DWP has recently improved the APA payment process. These changes have included:

- The creation of a standard template for all landlords (social and private landlords) to use, replacing the individual forms that each landlord had developed
- The creation of a specialist housing team in the Bolton Service Centre to deal not only with APA requests but all housing cost queries
- The establishment of an email address and telephone number direct to that team, to allow housing associations to follow up APA requests; the telephone number is to be used in urgent cases close to eviction.



There is now some evidence of two-way communication. Some associations are being contacted by the DWP subsequent to sending an APA application, in order for arrears to be confirmed.

Associations generally welcome the APA form, but believe it is something that needs to be submitted electronically. Processing times have now fallen and the DWP aims to process APA requests within seven days from receiving the correct information.

**...We find now that the new form that we're using, we're getting them through much quicker and more accurately than we were when we were just using a standard letter. So that's good.**

**I think it's good now they've got a template, that's great, but again it needs to be electronic, to be able to send the template and the supporting documentation through. I mean that should be a lot less resourceful for the DWP. But the APAs are quickening up.**

The process has speeded up.

**Initially it was about three months, then it got down to about two months, and the latest ones were through in about a month – the last two were through relatively quickly. I'm hoping now it's about a month.**

Despite recent changes, a number of housing associations have continued to voice their concerns...

**It's soul destroying really. I think the main issue is that you don't know that they've received it, you wait a couple of weeks before you chase it, and then you realise they haven't received it, so you have to start all over again, and they don't backdate anything. I just think the need to establish a means of letting you know that they've received it... it's still long winded, and it's still got to go to the same places...**

**Slow. Slow, yeah. And archaic in a way, it's not online...**

Associations ask that the process is made electronic – a simple process would be to allow the emailing of APA request forms. The barrier remains the lack of a secure email channel between housing associations and the DWP. This must be instated before migration and steady state.

The high number of APAs in place indicates that the process of establishing need for personal budgeting support because of arrears and other vulnerabilities is not working. Associations ask that the APA process is directly linked to the Personal Budgeting Support process. Those on APAs should be automatically routed onto PBS.

One association has noticed that some of its earliest claimants are now managing to reduce their arrears and paying their rent on time. These are tenants for whom APAs were just about to be applied for, as they were all refusing to engage. The association wonders if, after a certain period of time of struggling, tenants do get used to the idea of a monthly payment and the need to pay their rent. The association wants to do more work with this group of tenants to see if something triggered the change in behaviour.





## Arrears – third party deductions

Associations can also apply for third party deductions to cover paying back arrears. This is a separate process to the APA process, though third party deductions can be applied for using the standard APA form. Third party deductions are paid to housing associations every four weeks, as it follows the existing process for other third party deductions (from JSA etc.).

### The experience of claimants and housing associations

As with the APA process, housing associations are unsure that the DWP has received the application for a third party deduction as no notification is given. Whereas the APA process continues to improve, the process for claiming third party deductions relating to arrears continues to be slow.

**...the arrears payments are just awful, because last month we said it was averaging 144 days, which is just chronic.**

**We've claimed for every single APA, but we've got one through.**

Third party deductions for arrears are made on a different cycle from the APA (four-weekly, rather than monthly), and associations are unclear what the correct identifier should be (the DWP has stated that the identifier is a “creditor reference number” (for housing associations this will most likely mean a tenant or property reference number). Some associations believe there is a knowledge gap in the area of the business that deals with historical arrears payments: “... we had problems with the knowledge of staff at the DWP, they didn't know what the process was...” Associations note that it continues to be difficult to contact the right people about third party deductions. Some associations are devising their own alternative arrangements to overcome the lack of progress with regards to third party deductions, because the process is taking too long.

The claimant made a claim online at the start of January 2014, at home, with some assistance from the Jobcentre (as they were told problems with their particular postcode meant it could not all be claimed online). They were offered an advance payment and had to pay it back over six months. The claimant's rent arrears rose from £71 when making the claim to around £800 by the time the first payment came through. The claimant explained that the biggest temptation is not to spend all the Universal Credit money and ensure that the rent is paid. A rent recovery plan has been agreed with the association, and once in a routine the claimant believes they will be able to cope.

There remains confusion about the various payments made by the DWP. One association has highlighted the issue of collecting water rates. The association has received no payments for water arrears and had not understood the need to make separate applications for rent and water deductions.

Associations ask that the DWP looks to join up the Universal Credit service centre and the third party deductions team as quickly as possible. In addition, because the processing of applications is taking a long time, housing associations remain concerned that payments are not backdated to the point of application.

## Short-term benefit advances

Universal Credit is paid monthly, in arrears, with the first payment received one month and seven days after the claim is made. During this time, claimants can apply for a short term advance if they are in financial hardship, including having difficulty paying rent. This needs to be paid back and is deducted from future benefit payments over the course of three (six in exceptional circumstances) months.

Once a tenant has been in receipt of Universal Credit for six months, they can apply for a budgeting advance, which is intended to cover unforeseen or one-off expenses such as a cooker or washing machine.



## The experience of claimants and housing associations

Very limited take-up of advances are being reported while at the same time tenants are not making payments towards their rent. This could be due to tenants being reluctant to apply, applications being unsuccessful or claimants not knowing that an advance was possible. Associations also reported some confusion over the recovery periods.

Anecdotally, associations believe that tenants are put off by the repayment terms which are too short. Claimants are therefore borrowing money from friends and families instead: "...then they can pay it back... You borrow it off your mum then you can pay it back..." One association reported that just one tenant out of fifty Universal Credit claimants had received an interim payment.

**What we are finding is that not a lot are doing the advance payments. But they must be being offered because people are saying "I don't want them". Immediately they come back and say that the rate they're going to take it off me is too high... if we borrow money from family and friends we don't have to pay it back at that rate and that's what people are kind of saying to us, that the rate of recovery is too high.**

**But some are a bit wary, because if they feel they can just about stretch with the help of family and friends, they know that if they take it they're just going to be forever in that [debt].**

One association noted that their staff look at financial products and services for tenants before looking at advance payments as they are seen as a last resort that potentially reinforce the debt cycle.

The claimant made an online claim in January, with no help, and found the process difficult. The claimant applied for an advance payment, but applied outside the three-week window when an application needs to be made. The claimant's final wage from his last job was taken into account which reduced his first Universal Credit payment to £350 rather than the £630 he thought he would get.. Because the claimant had set up various direct debits, he incurred charges when these bounced. The claimant does not want to move to a Direct Debit for their rent payment, as the halving of money has scared him. The claimant is also vulnerable, as he openly admitted to being an alcoholic. The claimant owed £800 in rent at the point of claim. This rose to £1,030 when the first payment came through.

Associations have also reported that when a young person living with his or her parents applies for an advance payment, it is assessed on the household income and not their own.

**We had one and they refused him a hardship payment because of the other income of the mother and father in the household – that shouldn't be the case... if somebody in the household is getting X amount, they've obviously got their own commitments for that, there's no saying how much it is, that they can or they have to support that other person. It's irrelevant. And it takes it away from "You should be responsible for yourself.**



The claimant made a claim online in January 2014, receiving no support, and found it very difficult. The claimant received an advance payment in January 2014 and had to pay it back over the next four months. The claimant described the process as a nightmare and felt they were going round in circles all the time. The claimant obtained their tenancy agreement, as required in the application process, but was called two weeks later by the DWP asking for a copy of an up to date rent statement. The claimant took this to the Jobcentre but this wasn't processed, so the claimant's first payment did not include housing costs. The claimant asked for Personal Budgeting Support. The housing association has picked this up. The claimant owed £250 in rent at the point of claim, which rose to £620 by the first payment.

## Discretionary Housing Payments

Discretionary Housing Payments (DHP) are available to, amongst others, those affected by welfare reform who may be struggling to pay their rent. This includes Universal Credit claimants but the tenant must make a claim to the local authority which continues to administer the DHP system.

### The experience of claimants and housing associations

Housing associations are not aware of any tenant successfully claiming a DHP to top up a Universal Credit claim. Two associations noted that it was difficult to get the necessary information from the DWP to support a DHP application. One association stated that the council had wanted to see evidence that the DWP were deducting the bedroom tax from the Universal Credit claim, and it was problematic getting a letter from the DWP confirming this. The second association stated that it felt that poor communication between the DWP and the local authority had contributed to the DHP being refused.





# Impact of Universal Credit

## Impact on tenants

### Getting tenants into work

A number of housing associations are aware of Universal Credit claimants who have gone back into work:

- APH is aware of two tenants who have been claiming Universal Credit and have recently entered work. Both are on low incomes so are still receiving their Universal Credit top-ups.
- FCHO is aware of fifteen tenants who have claimed Universal Credit and gone back into work. For the subsequent six months their claim stays open. At the time of the research, some had only recently gone back into work, so the association was looking closely to see whether Universal Credit would kick back in should they find themselves out of work again.

However, associations are cautious regarding the impact Universal Credit has had on getting people back into work, because those who have returned to work are a small subset of a small claimant group. "It's difficult to say... because it's such small numbers."

**We've got one lady who goes in and out of employment a lot. She came as a Universal Credit claimant back in December, went into work for a couple of weeks and then went off work again. We think there are some vulnerabilities there but she continues to engage with us, so we are supporting her. But she is in breach of a court order quite severely.**

**We have got two people that we interviewed who said it works well for them. They work part time. One of them is agency, so he's in and out of work, and said it's great for him... But he said it's great because he's on a zero hours contract – been able to rely on his Universal Credit to change rather than having to ring everybody.**

The claimant is a working claimant and made a Universal Credit claim. They made the claim online, in the council office, and found the process easy. The claimant accessed an advance payment. The tenant told the DWP they were working one month, but the employer also did this – and this was deducted twice, with the error repaid within a week. The tenant is better off on Universal Credit than under the previous system and has found the claim relatively easy. The claimant has agreed to do 25 hours of jobsearching activity if they work ten hours a week.

For those in work, the process does seem to be working. New Charter reported some feedback from a tenant: "They've just said it works really well for them. 'Don't bother us again!'" This is clearly a challenge for associations, who would like to be aware of changes of circumstances, but don't want to be seen to be hassling tenants.

However, given the claimant group (mainly made up of young, single people), it is possible that moving in and out of work on a regular basis is part of their employment cycle. As such it could be expected that they would go back into work fairly quickly if they found themselves unemployed. Some associations have noted that their tenants have stated they are going back into work, but this isn't necessarily the case. Given the lack of data sharing, associations are unable to confirm one way or the other with the DWP.



**... he was supposed to be going back to work, and then didn't. So some are telling us that they are going back to work, but we don't know for definite. They don't want to engage, they just want to get on with it.**

A Universal Credit claim should continue to run in the background and resurrect for the first six months after someone goes into work. If a person's earnings are below the threshold set by the DWP, then he or she will continue to receive Universal Credit payments while working. Several associations have pointed out that when a claimant goes back into work, he or she is sent a new claimant commitment to sign and return. Because some people are failing to do this, their claims are automatically shut down. This means they will need to reclaim Universal Credit if they find themselves out of work again.

**They've started work – "Oh why do I have to do that, fill a form in, I'm not on Universal Credit now, I'm working." Even though their top up might be Universal Credit.**

Because Universal Credit stays "live" for six months after someone moves back into work, some associations are continuing to track cases for six months when they do find work in order to see if the claim does resurrect itself when needed.

Associations are also unclear about how the APA process will work once a claimant who has been in work comes back out of work. The DWP has stated that if a claimant stays on Universal Credit when re-entering work, then the APA will be reviewed and a notification of the outcome is sent to both the tenant and the association. If the claimant enters work which removes them entirely from Universal Credit, but subsequently finds themselves out of work, then a new APA application will need to be made.

## Poverty

There is anecdotal evidence of Universal Credit contributing to financial difficulties amongst claimants. It adds to pressures resulting from the benefit cap, bedroom tax and reduced help with council tax. Food bank use is increasing and housing associations are handing out more food vouchers than previously.

**We never used to give vouchers out, it wasn't necessary till this last twelve months, so yeah we're doing that quite regularly now. I think with Universal Credit it's that first five weeks before they get any money when they've got no money whatsoever, I don't know how people are expected to live. Obviously they're coming in, they can have up to three vouchers, so they probably have been maxing that out in that first five week period. And Tameside floating support [might give] a little bit of help towards the gas and electric from funding that they can tap into.**

**We would actually go and physically pick up – you know, go to the food bank and get a food parcel for the tenant and drop it off at the house, things like that.**

**The other thing with the foodbanks as well is that they were always set up around the fact that you can have three parcels, because it might be a week, or at most ten days [before a benefit payment came through]. It's not, it's five weeks. So if they've had three parcels one a week for the first three weeks then what do they do for the other couple of weeks?**



It is also recognised that some people may be in a desperate situation and therefore access foodbanks operated by different organisations.

In addition to using foodbanks, some associations are aware of claimants relying on family and friends to provide not only financial support, but also food. Housing associations reported being told by their tenants that if the claimant stated at interview that their friends and family will help them, then that immediately disqualifies them from a short-term benefit advance.

There are concerns that the processes within Universal Credit are putting pressure on tenants. The cumulative effect of the sanction regime, the month and seven days it takes to process the claim, and the repayment schedule for advance payments may push people into poverty: “when he eventually got his Universal Credit, he couldn’t afford it, because he was constantly relying on advance off everybody, that he’s had to pay back.”

Some associations believe sanctions are putting additional strains on claimants’ ability to cope financially. Under Universal Credit, as happens now under Job Seekers Allowance, only a claimant’s personal allowance can be sanctioned and the tenant may use the rent element of the benefit to pay for things other than rent. If an APA payment is in place, then they may have little or no money.

Tenants may be unclear that information about their award gives only an interim amount. One tenant was told they would be getting £600, but actually received half of that. He had not realised that the DWP would be netting off the money received from his last employer as he was paid during the Universal Credit assessment period. “He was really distraught about the whole thing. It seems to be the communication...”

Some associations use the Universal Credit claim as a means of putting in additional support, so that issues around poverty and financial exclusion can be picked up early. FCHO refers all of its Universal Credit claimants onto housing support, but the level of engagement is the responsibility of the individual. One association is using the application for an APA as a trigger for sending the claimant details through to the money care team. The team will contact the tenant to try help with debt issues and put some budgeting support in place.

**If people have got into that stage where they’re not paying rent because they’re paying other things, if we can sort them from a debt point of view before they come back off the APA, hopefully they wouldn’t then just go full circle again.**

### **Evictions and tenancy sustainability**

Housing associations have begun (and in some cases) completed legal action against tenants. Evictions are always the last resort, and associations will have worked tirelessly to avoid eviction. However, in some cases the level of arrears becomes unsustainable, or the tenant refuses to engage, that recovery of possession is the only route available.

In some cases, APAs have been put into place, so the court order has been suspended. One association has made other agreements with tenants to pay a small amount off arrears. In almost all cases, evictions are occurring because of arrears prior to a Universal Credit claim being made. This means it is all the more important that processes around the APA and the third party deductions work effectively and in a timely manner to help avoid evictions.

One association stated that the APA payment had been sent to the tenant by mistake, and when the association came to seek an eviction, the judge would not grant it because it was the DWP’s error. However, the housing element cannot be recovered from the DWP, as it has to be sought from the tenant.

**We’ve had two evicted. We’ve had some give up their tenancy. They were vulnerable, they had debts to start with, it was just an added pressure.**



One association indicates that their claimant group tends to be the most transient.

**There's been a bit of a trend with the people who are going onto Universal Credit as well, they seem to be the most transient tenants. They join Universal Credit when they already had really high arrears on their account, so they've already got that attitude that the rent arrears don't matter, and now they're getting the payments direct, it takes however long to get your APA through, and by that point you're already at eviction stage because they haven't engaged... Their home isn't of much value to them to be honest, we might find it different when it's couples and families, but right now with the single claimants...**

Another association has praised the setting up of the housing team, together with the email address and phone number.

**With that email address, as well, Kenny, our officer who's dealing with it, has emailed and he got a response within 24 hours, and it was a positive response, as well. So he was really pleased with that, wasn't he? It went on to prevent an eviction which, ultimately, is why it's been set up.**

### **Claimants who manage their claim successfully**

In addition to those tenants that housing associations are aware have found work, there are also some who are managing their claim successfully. Some tenants are paying their rent and either do not have arrears or are making efforts to reduce their arrears.

**She was one of the first ones, where there were issues, and [the APA application] went missing, didn't it? Things went astray. But whilst we were trying to sort that out, she sorted herself out. She came forward with an arrangement, didn't she... she's done really well, managing, because she got to quite a high level, didn't she?**

### **Impact on housing association staff**

Housing associations are conscious of the need to review support for staff and monitor sickness levels. Organisations report that Universal Credit and the wider welfare reforms are causing benefit claimants additional stress and anguish, and in some cases this is affecting housing association staff. They are looking at resilience training for their staff, recognising that Universal Credit is one change amongst a range of welfare reforms ("Universal Credit is just a shift rather than a cut"). They note that it is mostly those welfare reforms that reduce claimants' money that are having the biggest effect on claimants, and therefore on staff. "It's the frustration of the customer and they take it out on you."

One association believes staff are currently coping well because they have been chosen especially because of their manner and capabilities. "We knew that they would be the best person to look after them, and they've got the enthusiasm and they want it to work." However, they recognise that at some point the specialist Universal Credit function will have to be rolled back into the mainstream income service, particularly when numbers start rising. Other associations also recognise that some of their solutions to Universal Credit will also only ever be temporary.



## Impact on housing associations

**I thought the bedroom tax would be worse than Universal Credit, and it's turned the other way round now... It's really, really complex. I didn't think it would be like this. I knew it would be bad, I knew it would be hard work, and there'd be glitches, but...**

### Monitoring Universal Credit claims

**It's just something you're dealing with. It's there. It's come in. Everybody knew it was coming in, all the team were prepped for it, all the team were trained for it.**

Housing associations are closely managing and monitoring claims at the moment, often manually. This is because Universal Credit is a new system, and there is a need to learn from experiences and secure rental income. Monitoring is vital for several reasons:

- It helps to feed information back to the DWP when processes are not working effectively, or additional DWP support is needed
- It helps feed into organisation business planning, particularly around scenario planning given the rollout to couples and families, and the migration of existing benefit claims
- It can feed into team and individual KPIs and targets

Such close involvement is likely to be unsustainable once wider roll out to other claimant groups and migration begins. For example, GGHT has introduced an automated report that can be run daily, but it is not as detailed or comprehensive as the manual reporting which is being continued in the short term.

**And it's only 40 people. And we've got 8,600, so that's a drop in the ocean, so that's why it's on a manual basis, which isn't great...**

**Our Universal Credit cases because there are so few, we know everything about them because you can do with such a small number. We've actually been out to them, visited them, rang them, we've been continually in touch... but obviously as that grows it's going to be impossible to do that and the fear is they will get kind of lost in the system really.**

### Monitoring income levels

Because housing associations have income coming in each day under Universal Credit – both from tenants and the DWP (APAs and third party deductions) – there is the feeling that they are unlikely to ever have a true reflection of their income again.

**We'll never balance our books at the end of the year ever again once [Universal Credit] comes in.**





**[Under Housing Benefit] we know we've got our four-week cycle, we know our best week, we know what the arrears are at the best week, we know what our cash collection is at our best week, so I must admit I've had a lot of people saying "when are you monitoring from?" We get an awful lot of payers on the first of the month, so we've got it so that the first Monday of every month is our monitoring time, so that will ensure that the majority of our first of the month payers come on. We're never now going to have that, it's always going to be a snapshot in time, and trying to work out what your true and technical arrears are is a thing of the past. And it will be – that's what it is on that particular date, and it will vary. So some months you'll dive...**

Those associations with rent-free weeks will most likely see their technical arrears increase over the course of the year. Universal Credit payments are averaged out over the course of the year, so each monthly payment will be lower than the rent due until rent-free weeks occur. Only then will the rent accounts balance.

Housing associations may take more people to court over failure to pay rent in the future as a result of Universal Credit and wider welfare reforms. However, court costs increased to £250 per case from April, which one association has calculated would cost an additional £70,000 this year alone just to put the same number of cases before the court. Therefore, housing associations will need to think carefully about how they respond to this, and whether they take as many cases to court.

## Rent increases

Many housing associations applied rent increases in April 2014. Under the current system tenants need to inform the DWP of an increase in rent and eligible service charges. Associations have dealt with this in different ways. One association sent off copies of the rent increase letters for their Universal Credit claimants to the DWP in a single envelope, though there was no agreement with the DWP to deal with the information. Another tried to do the same, but was told to send each letter through individually. A third association sent out their rent notifications to their tenants, including a specific letter for those it knew were claiming Universal Credit telling them to take it to the Jobcentre. A separate reminder was sent out, and then, because there were only had a small number of claimants, each one was visited. The association recognises this is not scaleable when more tenants are claiming Universal Credit.

## Culture change for tenants and associations

It is recognised that one of the policy intents of Universal Credit is to make claimants more responsible for their actions: "...that's the difficulty, isn't it, we've been that used to doing stuff for people it's difficult to move away, give them the responsibility." This means a culture change is needed for both tenants and housing associations: "...their culture is to help everybody, do everything for them, which is fine, but we'll soon have to step back." This is not only a change in culture, but also a change in the power relationship. It puts responsibility back in the hands of tenants, whilst also taking power away from housing associations: "...you feel like you're losing control, and it's such an important part."



## Fraud, error and theft

A number of instances have been raised relating to fraud and error. WALH has indicated that the requirement of sending rent information on headed notepaper is open to misuse and fraud. It is very easy for someone to forge a letter for housing costs. Indeed, GGHT has experienced such an issue. Having provided a tenant with a rent statement on headed notepaper, the tenant then altered one of the figures from a six to an eight, and was paid more in housing costs than they were entitled to. This issue could easily be avoided if there was a direct means of sharing data between housing associations and the DWP.

Sending material through the post is subject to theft, both financial and relating to identity. There is particular concern about the amount of confidential material sent through the post to request an APA, which could be intercepted and used fraudulently.

Until recent changes to the application form, some tenants were unclear that their Housing Benefit was a benefit and therefore did not tick the box for the question asking if they were claiming any other benefits. This meant that in a few cases claimants were being paid both Universal Credit and Housing Benefit. The lack of data sharing meant that the DWP could not confirm with housing associations about the tenants' rent and whether this was already covered by housing benefit.



# Relationships

**A key element to the successful running of Universal Credit is for housing associations to have the right relationships with the right people and organisations locally.**

## With tenants

Housing associations believe their work with Universal Credit claimants is far more intensive than with tenants in receipt of Housing Benefit. This work can take many forms, including in-depth support, signposting to other support and claim monitoring. Not only will they be contacting tenants on a regular basis, but they will also be contacting the DWP, Jobcentres and other agencies on the tenant's behalf on a regular basis.

Housing associations believe they have a more in depth relationship with their Universal Credit tenants than with other tenants. Whilst this is not a bad thing per se, it does reflect the time commitment needed from housing associations to support their Universal Credit tenants.

**It's more intense because there's more contact really, but we've tried to support them as much as possible. There has been more communication, more support than a standard tenant if you like.**

**We probably have doubled the amount of contact that we have with the customer – with the Universal Credit customers – than what we would normally have.**

**...the cases we have at the moment, and we only have a small number, are very very labour intensive, much more intensive than any account we manage. So the concern for us is what does that look like when we scale that up. We don't know the answer yet.**

**Even though we've only got 36 it's quite time consuming. We've been doing journeys for the tenants... I think what will happen in reality is that we'll do quite a lot of intensive work at the beginning.**

Some associations are finding that their senior staff are getting more heavily involved in Universal Credit cases, when they would have much less involvement in Housing Benefit claims. This obviously has both a time and cost implication.

Your Housing changed its process in dealing with tenants on Universal Credit. Initially it had in place a "softer" approach with tenants – wanting to avoid legal action, working closely with tenants to ensure rent payments were being made. This was not working effectively, however, as arrears increased. The more recent approach has been for Your Housing to set out its expectations and requirements of tenants – with the threat of earlier legal action. First contact is seen as being vital. Tenants are engaging more and arrears are coming down prior to any court action taking place.

Some associations have taken Universal Credit as an opportunity to get to know all of their tenants better.





In the absence of any data-sharing agreement, associations have to take what their tenants are telling them at face value. Whilst undoubtedly most will be truthful, some may be deliberately not telling the truth. WALH noted that, with regards to DWP sending through the first Universal Credit payment late:

**I mean, again, you're relying on the tenant telling you. If the tenant's not paying their rent, the ideal get-out is that "Oh, I've been waiting for my Universal Credit for three months", but they have said they've been twelve weeks without money... that's what one of the claimants has said. Again, whether that's true is another matter.**

Associations find that some tenants engage, whilst others do not. One association believes tenants are engaging because they are coming for help and assistance, though they do not necessarily pay their rent.

**...they're coming in actively seeking support from us, they're actively giving us updates when we're asking for them, and getting in touch – if the first payment doesn't come in on the fifteenth they're getting in touch to let us know. And they're given empowerment by the claim, so in some ways Universal Credit is working the way it was intended.**

## With the DWP

### Jobcentres

Relationships with Jobcentres still tend to be more positive than negative, with some exceptions. One association noted how important it was to have a good relationship with the Jobcentre as staff at the local Jobcentre were intervening with the service centre on the association's behalf. When the association was struggling to get historical arrears payments processed, the Jobcentre contact asked for all the details so they could speak to the service centre. At the time of interview, they noted that a lot of payments had recently come through. Another association noted that their local Jobcentres were being very helpful and were communicating effectively with the housing association.

However, a third association felt it did not have much of a relationship with its local Jobcentre. They felt there were reasons for this, in that the most recent Jobcentre manager had left, and they hadn't been proactive about making contact with the new manager. APH also noted that sometimes the Jobcentre engages only with the bigger associations in the area, bypassing the smaller organisations.

Having a positive relationship often depends on the individuals concerned. One association noted that it previously had a poor relationship because staff at the Jobcentre would not engage with them. A new manager was then put in place, who wanted to work closely with housing associations, which has resulted in the housing association and the Jobcentre jointly running job clubs and job placements for young people. The same association is also now working closely with the Jobcentre to co-run interviews with Universal Credit claimants, in order for the housing association to see what the experience is like for claimants. This is to mitigate, to a degree, the issue of tenants saying something different to the housing association than has been said to the Jobcentre, and also saying different things over the telephone than in person.



As roll out in the North West has commenced, a number of associations have begun working with their local Jobcentre staff. It has been noted that the knowledge of local partnership managers about Universal Credit policy, development and rollout plans has been less than that of the local authority – or the DWP have been unable to say anything publicly that other partners (such as the local authority) can comment on.

**It's the DWP that is the barrier really, and it's not because they don't want to engage, it's just the lack of information and what they think they can and can't share. We're at the table with every local authority that we work in, the DWP are at the table, the local authority are at the table, the issue is that they just don't know very much, and they're not empowered to give you anything, even if they do know it, and – I suppose it's fair enough to some degree – there's no decision making ability, even at a local level...**

### Service centre and other DWP staff

**...going back to the very first claimants, you'd ring the DWP and they just didn't know, and our staff probably had more knowledge than some of theirs, if I'm honest. It should have all been set up... The problem that we've had is that the DWP haven't known how it was going to work, so they've not been able to tell us and prepare us really, because their own staff haven't seemed to be clued up.**

In the first 12 months of Universal Credit, housing associations reported variable service from the service centre. Some staff at the service centre would be as helpful as they could, given the constraints around not being able to share data and information about individual claims. Others would work to the letter of the policy and be unwilling to discuss details around particular claims. Associations would also contact the service centre and be told they would be called back; sometimes this occurred, but on other occasions it did not, so associations would have to initiate contact again.

There has also been feedback about variations in service received from the two service centres in Bolton and Glasgow, which need to be ironed out: "It was a nightmare and you didn't know if you were going to get Bolton or Scotland, Glasgow, and that was – you know, let's just throw it up in the air and hope it lands at Bolton to be truthful."

**There is no process. You get advisors telling you one thing. I think it's just depressing. And I think also depending on who you get in the Universal Credit world, if they're not technical and they don't understand, they try and give you a generic answer. Well, I'm sorry, that's not good enough.**

The relationship with the Bolton Service Centre has been improving. This is probably down to a number of reasons, including:

- An openness to engage with housing associations subsequent to a meeting facilitated by the National Housing Federation and held at the Bolton service centre in March 2014
- The creation of a housing team within the service centre
- The creation of an email and telephone route into the service centre.



Relationships between associations and other DWP staff have, in the main, been positive. DWP staff are generally open to direct communication, as well as attending the monthly meetings with housing associations facilitated by the Federation across the Live Running Sites.

**...someone to get back in touch with me straight away. And then I had a further query and again she got back to me straight away. If you've got any specific queries they do respond. So with regard to that sort of relationship it's good.**

### With local support service providers and other partners

Associations have relationships with local support service providers and other partners locally. These relationships vary, both in form and content, between different associations, depending on who operates locally and whether there is a need to engage.

### With local authorities

There remains some confusion and concern about the role of local authorities with regards to Universal Credit.

**I'm really confused about the relationship with the local authority in relation to Universal Credit. I'm not sure there is one. I'm not sure what their role is... Why have they got any more to give than a housing organisation? So why are they pivotal? I just need to understand that better because I don't believe we've got a Universal Credit relationship with the local authority... It's a bit odd. To me their relationship should be the same as ours, because we essentially wouldn't have a relationship in relation to benefits with the local authority in the future, would we?**

Some feel having local authorities in between the DWP and claimants is adding a layer of complexity that isn't needed.

Associations wonder if the relationship with local authorities would be different if rollout had occurred at the speed originally envisaged. If migration was currently occurring the relationship with local authorities would need to be a lot stronger. In addition, LSSF will be operating in full rollout differently to the way local support is being delivered in the existing live running sites. This means that local authorities may not be as fully engaged in the process as they might be.

### With providers of local support services

Housing associations generally report positive relationships with providers of local support and products. For example, APH has a good relationship with its local provider of support services, Citizens Advice, which they believe will be helpful when PBS does start properly. The Hub (a local resource in Tameside, which provides, amongst other things, computer access) is particularly well used, and support is there for individuals should they need it, without the presence of staff being overbearing.

APH also has a good relationship with Tameside Floating Support. Their relationship allows APH staff to carry out joint interviews if the tenant is a Universal Credit claimant.

FCHO has a good relationship with the CAB. Someone from the CAB spends a day a week in FCHO's offices, providing a drop-in service. There is an additional agreement for CAB to provide additional support hours where a tenant may have more in-depth support issues (such as multiple debt).

FCHO also has a good relationship with the local credit union, which spends a day a week in FCHO's offices. FCHO requires new tenants to have direct debits set up, so works with the credit union and banks to achieve this aim. However the organisation has recognised it struggles trying to get existing tenants to pay using direct debit. To that end it has recently put in place an incentive, whereby tenants who set up and pay using direct debit for three months are paid £25 into their credit union accounts.



If they continue this pattern for another nine months, a further £25 is deposited. In addition, the organisation has given funding for the credit union to provide affordable lending. This ties in with the organisation's requirement for two weeks' rent up front.

FCHO also has good relationships with two high street banks. One comes into the offices to help tenants set up bank accounts, whilst the other works closely with tenants to ensure they bring the right information to help them set up a basic bank account. This is a particular agreement with the local branch. This bank does not charge for bounced direct debits, whereas the other does. The bank will also provide dedicated resources to provide tenants with budgeting advice and information about paying by direct debits.



# Recommendations and conclusions

**No one involved in the first year of Universal Credit would underestimate the impact on tenants, associations and DWP staff. Universal Credit brings with it an ambition to drive change and housing associations are pleased to be part of the DWP's 'test and learn' approach to implementation.**

DWP has listened to the evidence and implemented real service improvements. The processes for ensuring that housing costs are assessed accurately, tenants can be referred for budgeting support and housing costs can be paid direct to the landlord are more effective. Housing associations have also learned from experience and reviewed practice, policy and priorities. Dialogue is ongoing and the this report is only one small part of an ongoing process aimed at making Universal Credit work for tenants and social landlords.

There remain much greater challenges to come. There are around 2.26 million housing benefit claims for people living in social housing that need to transfer to Universal Credit. We need a system that is robust enough to cope with large numbers of people and does not put undue pressure on housing association resources.

**So we've got an 88% collection rate on Universal Credit. If that's typical it's unsustainable. We keep saying low numbers, but that's all we've got to go on at the moment, so you've got to be concerned, you'd be stupid to ignore that, we've to work on that basis and just hope it gets better...**

**Although there's only sixteen cases, if we had 22,000 of those, we wouldn't be able to manage it. Because there are sixteen, we've been able to put in a bit of intensive support in there. But if it does roll out further, which is the intention, obviously, then it's going to become really difficult to manage because of the... it's labour intensive. The financial support team have been working for tenants, so they were created in readiness for welfare reform, not just Universal Credit, but bedroom tax as well. But yeah those sixteen cases do take up a lot of time, because you're chasing them up, you're chasing DWP.**

## Changes to the current system

The current system is designed to deal with small volumes of straightforward claims. These recommendations relate to improvements in that system.

The provision of a link, sent to an email, or a claim number which could be input to resurrect a Universal claim (as can be done with a Housing Benefit claim currently), would both be welcome additions. Both of these would allow tenants to go back in and continue their claim.



The standard form for Alternative Payment Arrangements (APAs) and third party deduction requests is a major improvement. Decision times on APAs are now much faster but third party deductions remain slow. Claims for third party deductions are not backdated to the date of application so the length of time for processing is very significant.

The specialist team in the service centre to deal with housing costs and the single email/telephone point to escalate cases means that the service is much more responsive. If the DWP could be more open with regards to communication around APAs (for example, confirming when an APA payment is likely to be granted, this would be helpful particularly in urgent eviction cases.

The ongoing dialogue and trialling of new approaches is very welcome. These include:

- The trialling of different approaches to identify the need for personal budgeting support and ensure that appointment is made
- Form which the tenant can sign in the job centre that can then be passed to GGHT alerting the association to a claim. At the same time the tenant is encouraged to go to the landlord to get the right evidence to support the claim. Where trials have produced positive results then these changes should be quickly rolled out to other live areas. This has the potential to reduce administration costs for both landlords and DWP.

Once we have results from the trials around Personal Budgeting Support (PBS) these should inform a new more open process to ensure people get the support they need. Housing associations ask that they are allowed to make referrals to PBS providers. Given the amount of work done around supporting people to be able to manage rent payments more direct involvement with referrals would help streamline resources locally.

Tenants need to know what information to bring to the JCP to verify the Universal Credit claim for housing costs. DWP and housing associations need to be sure that information for tenants is clear and produces the desired response. For example, landlords need to provide tenants with a document the DWP can use to verify a claim for service charges eligible for Universal

Credit. There could be more trialling of sharing of information within the current system: some associations have October rent increases and it should be possible to trial landlords sharing this information with the DWP to ensure claims are calculated correctly. There could be more trialling of the online form to optimise likelihood of tenants putting in the correct information on rent and service charges.

### **Wider expansion – what needs to happen?**

These recommendations cover the wider roll out of Universal Credit:

- Alternative Payment Arrangements (APAs) – the process needs automated transfer of data rather than letters in the post. This would cut costs and speed up processing times. Landlords are best placed to identify the need for an APA and should be able to make this recommendation to the DWP.
- There remains concern about lack of detail in the wider roll out timetable. Landlords and local authorities need notice to prepare but this does not need to be exact dates and exact tenants. Organisations need a broader timetable based on geographical areas and claimant groups in order to plan and ensure resources are available at the right time. Within this they then need more precise details but within a shorter timescales to allow them to start working with tenants.
- ‘Test and learn’ approach should be maintained and roll out should not proceed to large numbers until existing sites have proved the ability to manage claims including couples and families. The monthly single payment of benefit represents a huge change to the way that many low income families manage their money. We must learn the lessons from the Live Running sites on what needs to be in place to support people to manage their money.
- Housing associations need to be involved in the design of local support services and are key delivery partners.
- Efficient two-way data sharing between the DWP and social landlords so that tenants can receive the support they need and the social landlords able to transfer data on rents, tenancy status, property size and type which will reduce the chance of fraud and error.



Associations are aware of the concentrated work required currently to manage a small number of claims. They do not believe this is sustainable as numbers begin to increase. They are concerned about how they will resource the work required to support more claimants.

**...the cases we have at the moment, and we only have a small number, are very very labour-intensive, much more intensive than any account we manage. So the concern for us is what does that look like when we scale that up. We don't know the answer yet.**

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