

# **Carmarthenshire County Council Universal Credit – Position Statement of Homes and Safer Communities / Support for Residents**

**November 2019**



## Summary

With effect from 12<sup>th</sup> December 2018 Carmarthenshire became a Full Service Area for Universal Credit. Anyone making a new claim for one of the effected legacy benefits will be required to claim Universal Credit.

A test and learn exercise is currently being trialled in Harrogate in relation to managed migration and will run until July 2020. Managed migration or Move to UC for existing claimants of the affected legacy benefits to Universal Credit will not now begin until after July 2020. The government has maintained that the full managed migration programme will still be completed by December 2023.

As yet, the Department for Work and Pensions have not issued any information on how the Move to UC will be carried out.

This summary provides an overview of the key support currently offered and planned, following full service implementation. It also provides a snapshot of the current position within the Homes and Safer Communities Department in relation to rent arrears and the number of tenancies on Universal Credit.

## Universal Credit Full Service Support

**Division:** Housing Benefit

**Department:** Corporate Services

The Benefits Section continue to provide support to existing Housing Benefit Claimants and those transferring to Universal Credit.

- The section are pro-active in ensuring Universal Credit Claimants take up entitlement to Council Tax Reduction.
- In addition to this, the section work closely with DWP and provide technical Housing Benefit advice to DWP colleagues when needed.
- The section are responsible for administering the Discretionary Housing Payment Grant, and ensure maximum take up for those not able to afford the shortfall between their Housing Benefit/Universal Credit and rent.
- Discretionary Housing Payment Workshop/training sessions are being held with Landlords including the Housing Department and Housing Associations to ensure that cases are identified and that applications are correctly and fully completed to ensure that awards can be made quickly.
- The Personal Budgeting Support Officer ensures that the customer is able to budget their finances and is able to provide money advice, recommend applying for alternative payments, liaise with stakeholders / organisations, such as the foodbanks and apply for discretionary assistance fund grants.

# Support for Council Tenants

**Division:** Homes and Safer Communities

**Department:** Communities

## General Overview

Within Carmarthenshire County Council's housing stock, we currently have 2,756 tenancies that are in receipt of housing benefit and within the working age category. These tenants will at some point have to move on to Universal Credit. Our estimate of how many tenants will move across to Universal Credit has proved to be correct with around 100 tenancies per month going over to the new benefit.

As at week commencing 30<sup>th</sup> of September 2019, there are 957 tenancies on Universal Credit.

We have a further 1,570 tenancies below pensionable age, not in receipt of Housing Benefit. We are unable to identify what income these tenancies have, but if they have a change of circumstances, could possibly need to claim Universal Credit.

Temporary accommodation is unaffected by Universal Credit and Housing Benefit remains in place.

We continue to work closely with the Department of Works and Pensions (DWP), attending quarterly Regional Social Housing Partnership group and also ad-hoc meetings with DWP Partnership Managers. This is in addition to the Housing Officers working out of Job Centre Plus offices. One of our main objectives is to ensure we are doing all we can to support our tenants through the process. This includes:

- 12 Housing Officers who are patch based and specialise in providing the necessary support to tenants to help sustain their tenancies and ensure that the rent is paid.
- A pre-tenancy service using new grant funding to help and advise new tenants to ensure appropriate benefits are accessed and the tenancy starts on the best possible footing.
- Writing to every tenant below pensionable age advising what support we can offer, enclosing a leaflet on UC and Council Tax Reduction (Appendix 2).
- We are notified when a tenant makes an application for Universal Credit via the landlord portal and aim to make immediate contact to offer support if required.
- Improving household's income through activities including basic budgeting support, advice on savings via utility bills etc. and help to complete DHP applications;
- Working closely with our colleagues in Shelter Cymru to help sustain tenancies.
- Tenants will be signposted to our libraries and Hubs where they can access computers and free Wi-Fi. Assisted Digital Support is provided by the Citizens Advice Bureau.

- Continuing to work with third sector partners to ensure we provide as much advice and support as possible;
- Co-funding with Supporting People, a specialist debt and welfare benefits advice team, co-located at Eastgate to allow ease of referral by Housing Officers.

## **Managed Migration / Move to UC**

The Department for Works and Pension are currently running a trial with up to 10,000 benefit claimants in Harrogate on a test and learn programme for 'Move to UC'. This trial will run until July 2020. Once the trial is complete, we are expecting guidance from the DWP on how the move to UC will be handled and time scales. It has also been mentioned that the trial will look at a "who knows me best" approach – this could mean that if a council tenant makes a claim, it will be deemed that we know them best and will be best placed to provide the support for that person to make the claim. Further details on this approach will follow after the pilot has been completed. If this is an approach that will be adopted, it may have resource implications for the department, depending on the numbers and scale of additional work.

## **Facts and Figures**

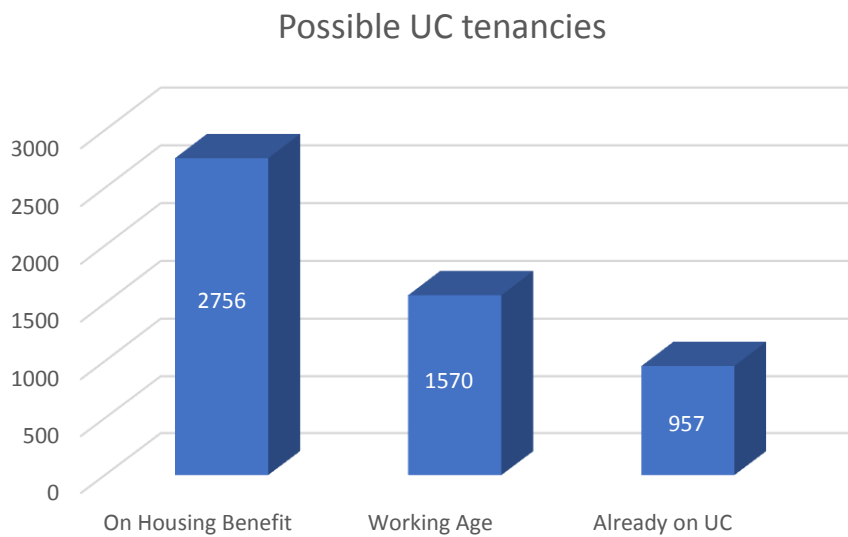
Homes and Safer Communities currently has 957 tenancies in receipt of Universal Credit.

If the numbers naturally migrating to UC remain as they are, it's likely that when the 'Move to UC trial' is complete in July 2020, we will already have approx. 1,800 of our tenancies on Universal Credit. Depending on how long after the pilot ends and when Carmarthenshire is scheduled for Move to UC, many of the historic Housing Benefit claimants may have naturally migrated across to UC before the mass 'Move to UC' takes place.

In January 2018 we identified 3,230 of our tenants at risk of going onto UC (under 65 and in receipt of Housing Benefit) and 2,100 tenants below pensionable age who do not receive Housing Benefit and we are not aware of their financial circumstances.

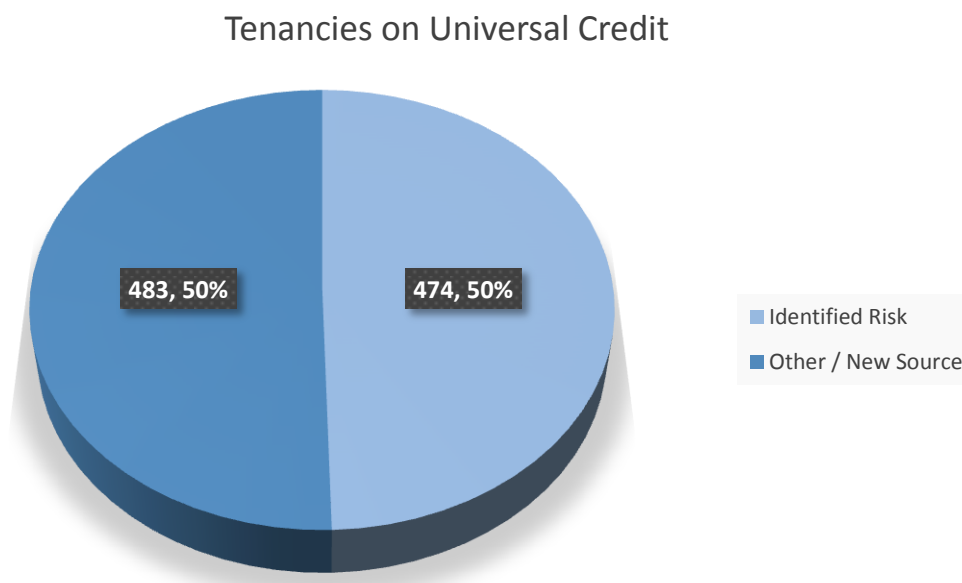
To date we have 957 tenants on Universal Credit.

Currently, we can identify 2,754 cases at risk of UC (under 65 and in receipt of Housing Benefit) and 1,570 below pensionable age who do not receive Housing Benefit.



This means that of the tenants we have seen go onto universal credit

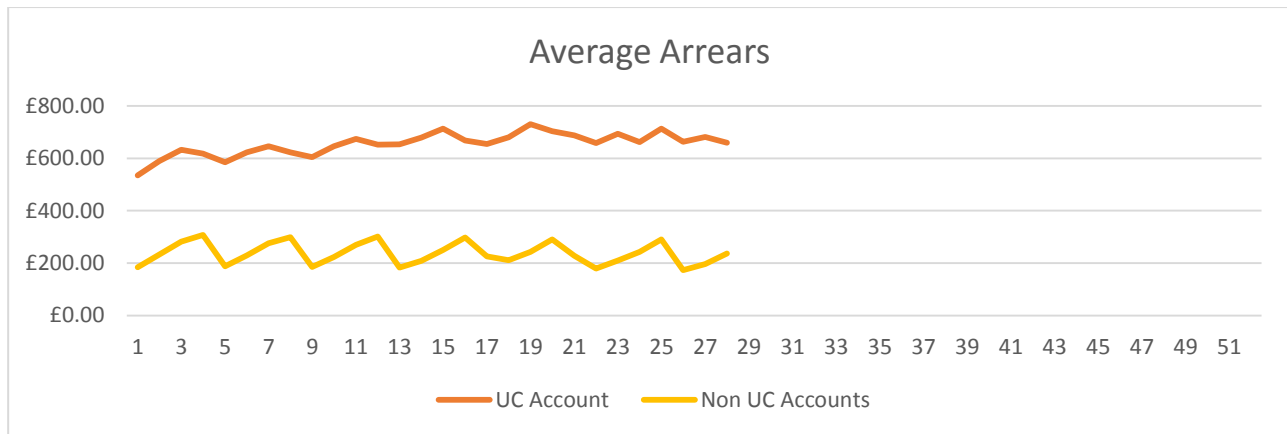
- 474 potential cases from original risk identified
- 483 from other/new sources (not on HB)



This is showing that only around 50% of current cases were from the originally identified risk. This indicates that more tenancies will go across to Universal Credit than originally predicted.

Our average arrears of a tenancy on legacy benefits is: £195.68

Our average arrears of a tenancy on UC is: £681.61



*It should be noted that due to the way Universal Credit is paid (1<sup>st</sup> payment 5 weeks after the claim is made, then monthly) tenants are often not in a position to make a payment into their rent account until they have received their money – monthly in arrears.*

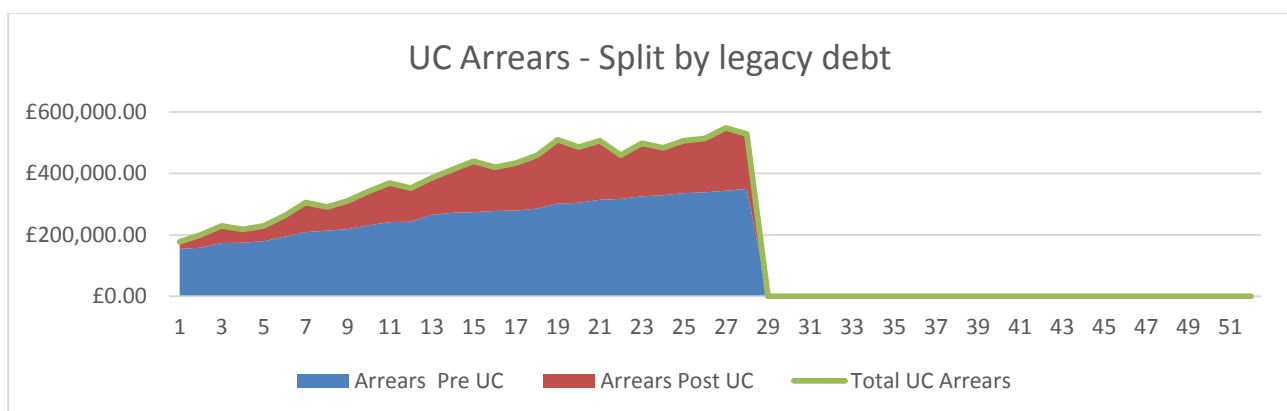
The arrears on UC would also take into account payments that have been made directly to us from the DWP, but that have not yet been paid due to the delay in receiving managed payments.

We currently have 141 of tenants on managed payments, approx. 15%, and depending on what date the payment falls in relation to our 3<sup>rd</sup> party schedule from the DWP, rental payments can take up to 8 weeks to hit the rent accounts. This often falsely inflates the arrears for UC tenancies. The value of the last schedule to come from the DWP was £77,495.

The figure of arrears attached to UC tenancies is £548,011.17. The breakdown is as follows:

Arrears Pre UC: £343,689.45

Arrears Post UC: £204,321.72

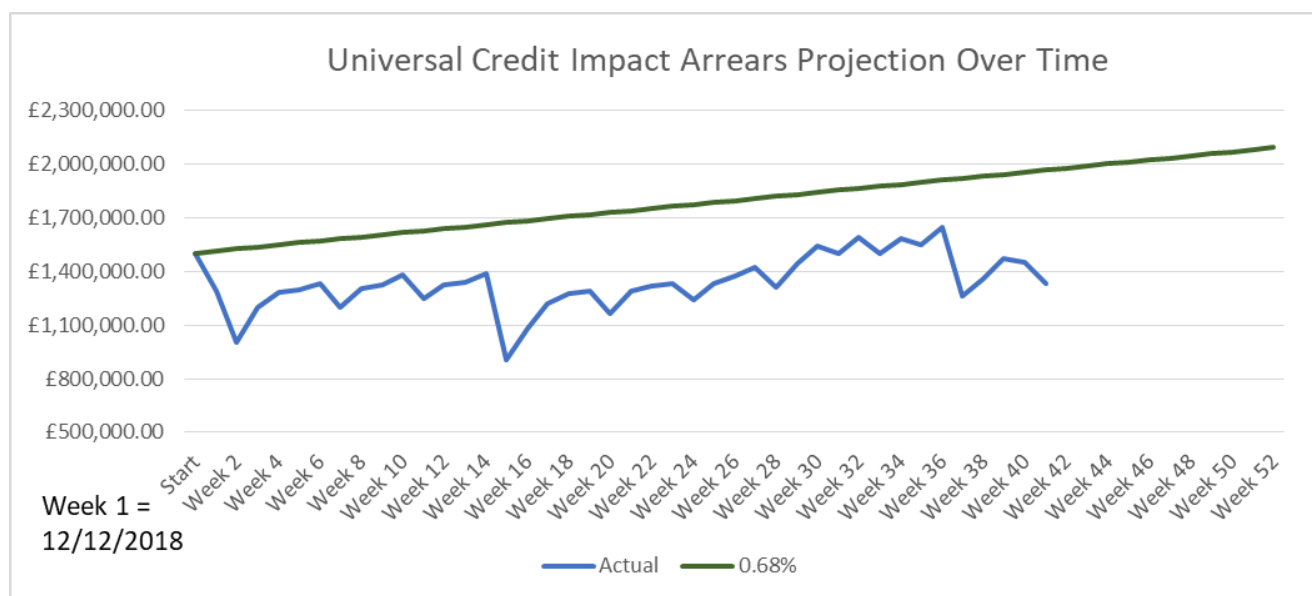


This figure assumes that any payment made after the tenancy moves onto UC comes off the UC figure and not the legacy figure.

As payment dates differ on UC, there is no fixed point in the month when all claims clear the rent balance as it does with Direct Debit.

## Projections

### (ii) Universal Credit Claims



N.b. The above graph counts the number of weeks from 12/12/2018 (Live Service)

Prior to UC coming in, an impact assessment was carried out based on the live tenancies we had on UC. We are currently below our initial prediction. This is due to having a robust plan in place to support our tenants when they move onto UC.

First payments being 5 weeks in arrears will have a significant impact on our arrears. In the initial stages of tenants moving onto UC we should consider arrears of 5 weeks or less as inevitable going forward.

We have collected more actual income each month this financial year than previous years even with the introduction of UC. This is bucking the trend of the UC trials and other Local Authority experiences.

## Foodbank usage

	Carmarthen	Llanelli	Ammanford
Parcels issued 2018/19	1060	1664	717
Parcels issued 2017/18	958	1572	Not provided
Families	153 (14.43%)	287 (17.25%)	457 (63.73%)
Couples	134 (12.64%)	184 (11.06%)	-

Single Parent	194 (18.3%)	343 (20.61%)	-
Single	516 (48.68%)	752 (45.19%)	260 (36.27%)
Other	63 (5.94%)	98 (5.89%)	-

Feedback from the Foodbanks indicate that benefit changes and / or delays seem to be a primary reason for accessing the foodbank. Even though Ammanford did not provide figures for 2017/18, they stated in their e-mail that over the summer period, request for vouchers saw a 43% increase from the summer of 2018.

### **Supporting Welsh Government (Appendix 1)**

Welsh Government have commissioned Policy in Practice to undertake research to assess the impact of Universal Credit on the Council Tax Reduction Scheme (CTRS) and rent arrears in Wales. More specifically the aims of the research are to:

- assess the impact of Universal Credit on CTRS caseload and award levels in Wales;
- develop a clear picture of the winners and losers – i.e households which are better or worse off under Universal Credit in the context of CTRS awards, to inform policy development of the CTRS;
- develop an understanding of patterns of council tax debt and arrears across Wales and within and between Welsh local authorities;
- assess the wider impact of Universal Credit on rent arrears in Wales and the reasons behind this;
- explore the awareness and use the available support offered by DWP, and that provided by landlords and third party organisations.

We have been providing data quarterly on current rent arrears for this project. Letters have also been sent along with a text and electronic link to the 957 tenants we have on UC to take part in a consultation questionnaire on their experience of UC.

**All figures and data provided for week commencing 30<sup>th</sup> September 2019.**



## Support for Veterans

**Division:** Corporate Policy

**Department:** Regeneration & Policy

- Support is provided under the aegis of the Armed Forces Covenant Local Covenant Partnership (AFC LCP) which is organised and chaired by the Council in order to promote collaboration, avoid duplication and cohere activity between public and non-public bodies for the benefit of the Armed Forces Community.
- Regional Veterans' Hubs representatives attending the AFC LCP routinely report an increase in Veterans requiring assistance with Universal Credit form filling and appeals.
- The DWP District Armed Forces Champions representative attends the AFC LCP and offers overarching advice and updates to members as appropriate – they are also able to capture issues and evidence from the ground as appropriate and feed these back through their organisation in order to evolve processes to better meet peoples' needs.
- A member of the Council staff also represents the local Armed Forces Community at the biannual DWP District Armed Forces Champions meeting where Universal Credit roll-out is routinely discussed.

## Signposting Support

**Division:** Yr Hwb

**Department:** Chief Executive's Department

The hwb supports customers with Universal Credit via a signposting service. Customers are signposted to CAB and other UC support organisations including Catch Up, Eiriol and Links. Customers who require digital support are signposted to the library, with a view to digitally upskill via learn direct. Customers are further supported via a triage system and signposted to the relevant employability project to suit their needs, who in turn can support with the customers UC requirements.