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Caerphilly Private Landlord Forum – Universal Credit Update

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What is Universal Credit?

- **It will replace six main working age benefits with one payment –**
 - Housing benefit
 - Income Based Employment and Support Allowance
 - Working Family Tax Credits
 - Income Support
 - Child Tax Credits
 - Income Based Jobseekers Allowance
- **UC is paid monthly** – in a single payment to a household rather than an individual. This includes housing costs and is paid monthly in arrears.
- Is for people **in work** and **out of work**
- **Uses PAYE in real time information (RTI)** – a revolutionary change in the way earnings are handled by HMRC, which reduces the burden of reporting for employers. The new system provides DWP with the information to adjust the amount of Universal Credit payment any employed claimant receives.



Universal Credit – roll-out Assumptions

Feb 2015 to 2016 – new claims to Universal Credit (would have previously been single, JSA customers) via a phased approach

Mid 2016 to the end of 2017 –

- referred to as the “transition phase” by the end of which all new claims will be made to Universal Credit, including couples and families.
- during this period “natural migration” will also take place where change of circumstances under one of the existing benefits will be moved onto Universal Credit.

End 2017 onwards – Universal Credit caseload will continue to build naturally. A period of managed migration will commence but volumetric are yet to be determined.



Universal Credit - expansion timeline (single JSA claimants)

Flintshire Local Authority went live with single JSA customers February 2014 (Shotton Jobcentre only) and are live with couple and families as of March 2015

Tranche 1 – February to April

Flintshire, Wrexham, Neath Port Talbot, Torfaen

Tranche 2 – May to July

Caerphilly, Conwy, Bridgend, Newport, Swansea, Denbighshire

Tranche 3 – September to November

Monmouthshire, Isle of Anglesey, Gwynedd, Carmarthenshire, Blaenau Gwent, Pembrokeshire, Cardiff, Merthyr Tydfil, Ceredigion

Tranche 4 – December to April

Powys, Vale of Glamorgan, Rhondda Cynon Taf



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Personal Budgeting Support

- Universal Credit provides support for claimants to get used to monthly payments and managing finances successfully, making it easier to move into work.
- A range of support services are available to claimants not used to managing money in this way:
 - **Personal planner** is available on gov.uk to help claimants **understand** and **prepare** for financial changes.
 - **Online budgeting** tools for claimants who can help themselves - such as those offered by Money Advice Service and Citizens Advice.
 - **Jobcentre Plus Work Coach** will direct claimants to help and advice in their areas. This could include help from local organisations to open a bank account or to put together a monthly budget. Some people may also be offered support over the phone or face to face to help them.



What local support will need to be available for those who need it?

DWP accept that some people will need additional support to help them make the transition from the current benefit system to the new world of Universal Credit

WLGA have been working closely with DWP to determine what types of support may be required to support local residents as Universal Credit rolls-out.

Universal Support Delivered Locally (USDL) – previously Local Support Service Framework (LSSF).

The Local Support Service Framework (LSSF) was published in February 2013 setting out how local provision may look -

- Providing local digital and financial support for those who need it when Universal Credit rolls-out
- Working to move claimants towards self service and automation - away from face to face delivery
- Working to move claimants towards self-sufficiency and financial independence

Access to digital provision and financial provision are intrinsically linked - those who are digitally excluded are likely to be more financially excluded (risk of increasing the poverty gap)



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What additional support is available?

- **Alternative Payment Arrangements**

- For some claimants, alternative payment arrangements may be required; these might include:
 - paying the rent directly to the landlord (when 8 weeks in arrears)
 - making more frequent than monthly payments
 - splitting the payment within the household.
- There will also be an option to make rent payments direct to the landlord if a claimant reaches a certain level of rent arrears.
- **This will not be a permanent solution**



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Types of customers who may need support

Tier One factors – Highly likely / probable need for alternative payment arrangements
Drug / alcohol and / or other addiction problems e.g. gambling
Learning difficulties including problems with literacy and/or numeracy
Severe / multiple debt problems
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 - Less likely / possible need for alternative payment arrangements
No bank account
Third party deductions in place (e.g. for fines, utility arrears etc)
Claimant is a Refugees / 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 the 'first language').
Ex Service personnel
NEETs - Not in Education, Employment or Training



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Alternative Payment Arrangement Process

- DWP are working closely with landlords and councils to help them pro-actively support tenants to manage the change to UC:
- As part of the learning from their Pathfinder, they have:
 - Introduced a standard template on which landlords can apply for an Alternative Payment Arrangement and deductions from UC
 - Put in place a dedicated Housing Costs team within the UC Service Centre in Bolton.
 - Offered a range of contact methods depending on the severity of individuals circumstances
 - Held a series of meetings with RSLs to address issues they were experiencing.
- Landlords can apply for an Alternative Payment arrangement when a claimant accrues 2 months worth of rent arrears by completing a template available
- There is an email address available to landlords to be used where the following circumstances apply -
 - Vulnerable customers
 - Threat of eviction cases
 - Where a request for an APA has been made and they haven't heard anything
- A telephone number is also available but this should only be used in cases where eviction is imminent



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Additional Landlord Activity

Landlord Preparation Activity –

- Landlords encouraged to get to know their tenants better
- Start to understand tenants needs - barriers to managing a normal monthly UC payment and support to ensure rent payments are maintained, arrears are avoided and tenancies safeguarded

Trusted Partner Proof of Concept –

- DWP are working with internal and external stakeholders on a proof of concept test
- Social Landlords will be able to identify someone requiring an APA and will have the authority to instigate an APA without referring to the UC Service Centre
- The 8 week arrears trigger will not be a requirement of an APA



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Engagement with the private rented sector

Local Authorities are keeping private landlords informed via Private Landlord Forums.

DWP are –

Use a nationwide network of partnership managers to deliver information to private landlords

Running a Business Test in Blackpool

- Started January – runs to the end of April
- Large number of private landlords and transient population
- Trialling an adapted process for private rented sector tenants – customer details/rent agreement going directly to the Local Authority
- Looking for potential good practice/lessons learning for future live running

Meeting with Private Rented Sector Trade Bodies –

- National Landlords Association, British Property Federation, Residential Landlords Association, Council of Mortgage Lenders
- Wales has a representation on the group

In current live running they issue claimants with a welcome pack advising them that they have a responsibility to pay their rent to their landlord themselves, or they may lose their home. It also highlights the need to take proof of housing costs, current tenancy agreement, rent book/proof of rent amount to their interview.



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Discretionary Housing Payment

- Volumes of application have increase by 250% on average across Wales since April 2013
- Increased volumes have remained roughly static
- Local Authority DHP budgets have been cut for 2015/2016 financial year – approx ¼ less than 2014/2015 budget (some Authorities will lose more than others)
- Discretionary Housing Payments cannot be seen as a permanent solution for the majority of recipients



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Questions?