



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 11TH JUNE 2019

SUBJECT: UNIVERSAL CREDIT – HOUSING UPDATE

REPORT BY: CORPORATE DIRECTOR – SOCIAL SERVICES AND HOUSING

- 1.1 The attached report was considered by Caerphilly Homes Task Group at its meeting on 16th May 2019 and sought the views of Members prior to its presentation to Housing and Regeneration Scrutiny Committee and thereafter Cabinet.
- 1.2 The purpose of the report is to recommend to Members that Cabinet agree to receive regular updates on the roll out of Universal Credit and its impacts, ratifies the approach being taken to manage the roll out of Universal Credit (UC) and the support being offered to tenants of Caerphilly Homes.
- 1.3 The report outlined the impact of UC on both Council tenants and Caerphilly Borough Council and explained how the roll out of UC operates and the issues this creates, resulting in an increase in rent arrears. The levels of rent arrears are significantly higher than that of tenants not in receipt of UC and it is quite clear that many tenants struggle with the complexity of UC and are at risk of not receiving their full benefit entitlement.
- 1.4 In recognition of the issues being experienced as a consequence of the roll out of the UC the report also explains the additional resource implications for Caerphilly Homes in delivering the extensive support mechanisms that are considered necessary for tenants to sustain tenancies, maximise incomes, improve living conditions and also maintain our rental income.
- 1.5 In addition, Officers outlined an amendment in the report at 10.2 and 10.3 in which 10.2 should read “Despite the positive impact of this increase in support provision over the last 3 years the level of tenant *arrears has increased by 7.5% in 2018/19*. 10.3 should read “Furthermore, due to the increase of tenants’ arrears, it is necessary to ensure sufficient Bad Debt Provision is accounted for within the HRA. This is a reserve for future recognition of certain accounts being uncollectable and is an accounting requirement within the HRA. This level of provision has *also risen over the past 3 years by 10.73% in 2018/19*.”
- 1.6 The Caerphilly Homes Task Group considered the report and length and sought clarification on the Universal Credit system and financial impacts on tenants and the allocation of benefits. Officers explained that there are some people who are worse off as a result of the system; however, there is an issue with budgeting as the system has moved to monthly and not fortnightly payments. In addition, during the assessment process, often people are without money for 5 weeks or more. However, claimants can apply for fortnightly payments on a short term basis to assist with budgeting where possible.
- 1.7 The Task Group raised a number of concerns around the arrears as a result of waiting period and the process and the additional financial difficulty UC is leaving people in. Officers explained that there is an option for people to apply for an advance payment, which acts as a loan and has to be repaid over 12 months, to bridge the gap during the assessment process, however the process can take between 5 weeks and beyond, depending on the completion of

the applications, which are online and Identification checks also need to be completed online with a Driving Licence or Passport, however, if tenants don't have this, they can book an appointment with DWP to action.

- 1.8 Discussions took place around the support provided to tenants by the Tenant Support Officers (TSO) and it was noted that an average of 15 tenants a week are moving over to UC and a number of new ways of working have been implemented, for example Surgeries have been implemented in some areas in which residents can drop in and have the support they need, and TSO's are provided with Wi-Fi enabled tablets to help tenants with applications where need. However, it was noted that the level of support currently being provided to tenants may not be sustainable for future tenants moving to UC, and as a result, all Customer Services Staff and Housing Benefit staff have been provided with relevant training to assist with claims, and an advert has been posted for additional TSO's.
- 1.9 A Member sought further information into the levels of arrears as mentioned in the report. Officers explained that whilst UC has had an impact on the number of tenants in arrears, additional pressures such as a crisis in the family, Christmas period or change to direct payments also impact on the levels of rent arrears.
- 1.10 Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RECOMMENDED to the Policy and Resources Scrutiny Committee (and thereafter Cabinet) that for the reasons contained in the Officer's Report:

- i) It be agreed for a regular update to take place on the roll out of UC and its impact;
- ii) the approach being taken to manage the roll out of UC and the support being offered to tenants be ratified.

- 1.11 Policy and Resources Scrutiny Committee are asked to consider the report and above recommendations and comments from the Caerphilly Homes Task Group and make a recommendation to Cabinet.

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Appendices:

Appendix A Report to the Caerphilly Homes Task Group – Universal Credit – Housing Update – 16th May 2019