



Universal Credit

Housing Scrutiny Sub Committee

26th February 2019

Tower Hamlets Housing Forum

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The logo for Universal Credit consists of the letters "UC" in a large, bold, blue, sans-serif font. The letters are stylized with a slight 3D effect, featuring a gradient from a darker blue on the left to a lighter blue on the right.

UC

*Universal
Credit*

Background

- Introduced by the Welfare Reform Act 2012
- Aim to simplify the benefits system
- Combination of 6 benefits
 - Income based Jobseekers Allowance
 - Income based Employment Support Allowance
 - Income Support
 - Working Tax Credit
 - Child Tax Credit
 - Housing Benefit

Background

- One monthly payment to the resident
- Introduced in April 2013 in Pathfinder areas
- Live system  Full Service

Roll out of Universal Credit

- Tower Hamlets went live with the full service from 2017
 - February 2017 – Poplar JCP
 - March 2017 – City Tower JCP
 - October 2018 – Bethnal Green JCP
- Claims only for those with two children or less until 1st February 2019
- Households in receipt of a Severe Disability Premium to remain on legacy benefits - 16th January 2019

Roll out of Universal Credit

- Managed migration pilot for 10,000 legacy benefit cases from July 2019. A test and learn approach.
- Managed migration 2020 – 2023
- No agreed method for the roll out

Key Changes

- Automated direct payments cease
- Residents responsible for paying their rent to their landlord
- On line claims for Universal Credit
- Housing Benefit ceases and residents receive a housing element of Universal Credit

Key Changes

- 2 week run on of Housing Benefit
- 2 children limit only applied to those born after 6th April 2017
- Mixed age couples to claim Universal Credit instead of Pension Credit from 15th May 2019
- 2 week run on of legacy benefits from July 2020

RP Response



- Dedicated specialist Welfare Reform staff focusing on Welfare Benefit advice
- Focus on home visits and out of hours working – personal contact is key
- Action Plans to mitigate risk
- Supporting residents to apply for Discretionary Housing Payments
- Use of specialist IT to track Universal Credit payment dates e.g. Rentsense

RP Response



- Good, consistent communications - Promoting the changes and what it means for residents
- Specific Universal Credit patches/ officers – greater response where needed most
- Alternative Payment Arrangements where applicable
- Trusted Partner Status
- Review of payment methods and introduction of digital self-serve
- Greater range of payment options

Impact



- Increase in caseload for RPs
- Increased rent arrears initially for those on Universal Credit
- Time lag for receipt of Alternative Payment Arrangements
- Greater resources needed to guide residents through the complex changes including digital by default
- Range of personal and social impacts for residents whilst waiting for claims to be assessed

Risks

- Potentially increased rent arrears for all social landlords
- Risks for vulnerable tenants who need support
- Court decisions
- Potentially increased homelessness and debt

Mitigation of Risk

- Regulator of Social Housing - Sector Risks Profile includes welfare reform
- Most RPs show this as a Red risk on their risk registers
- Detailed policies, procedures, action plans and staff in place to support residents

Mitigation of Risk

- Strong partnership working with the Council and the Department for Work and Pensions
- Close working with the Council's Homelessness Service to ensure prevention of eviction, in particular working with residents who previously had rent paid direct
- Range of measures to support collection of income



Any Questions?