

# All quiet on the Universal Credit Front?

SHN Welfare Reform Good Practice Forums

June 2019

## The story so far

- February 2019: 67,720 households in Social Rented Sector with housing costs, of which:
  - 14,327 have Scottish Choices direct payment to landlords
  - 25,056 have APA Managed Payments to Landlords
  - Combined direct payments: 68%
- 199,823 HB claimants 65 and under in SRS
  - 100,476 Housing Association and Co-ops
  - 99,348 Local Authority

## Managed Migration

- Managed Migration pilot due to start in Harrogate July 2019 - could last up to a year
- Full migration not due to start in September 2020, but still finish by 2023
- New regulations to be introduced July 2020 for two-week run-ons of JSA, ESA and IS

## Severe Disability Premium

- Gateway introduced January 16<sup>th</sup>, 2019
- Claimants in receipt of SDP no longer migrated to Universal Credit
- But approx. 10,000+ were migrated prior to introduction of gateway
  - DWP regulations to pay compensation for loss of SDP, of £80 per month, for those migrated prior to gateway, compared to £180 per month for those migrated after, ruled illegal by High Court

## Mixed Age Couples

- Couples where one member younger than state retirement age and the other over state retirement age
- No longer have option (after May 14<sup>th</sup>) to claim Pension Credit rather than UC
  - Potential loss of income £7,000 p.a.
  - Seen to hit WASPI women in particular

# DWP Communication Campaign

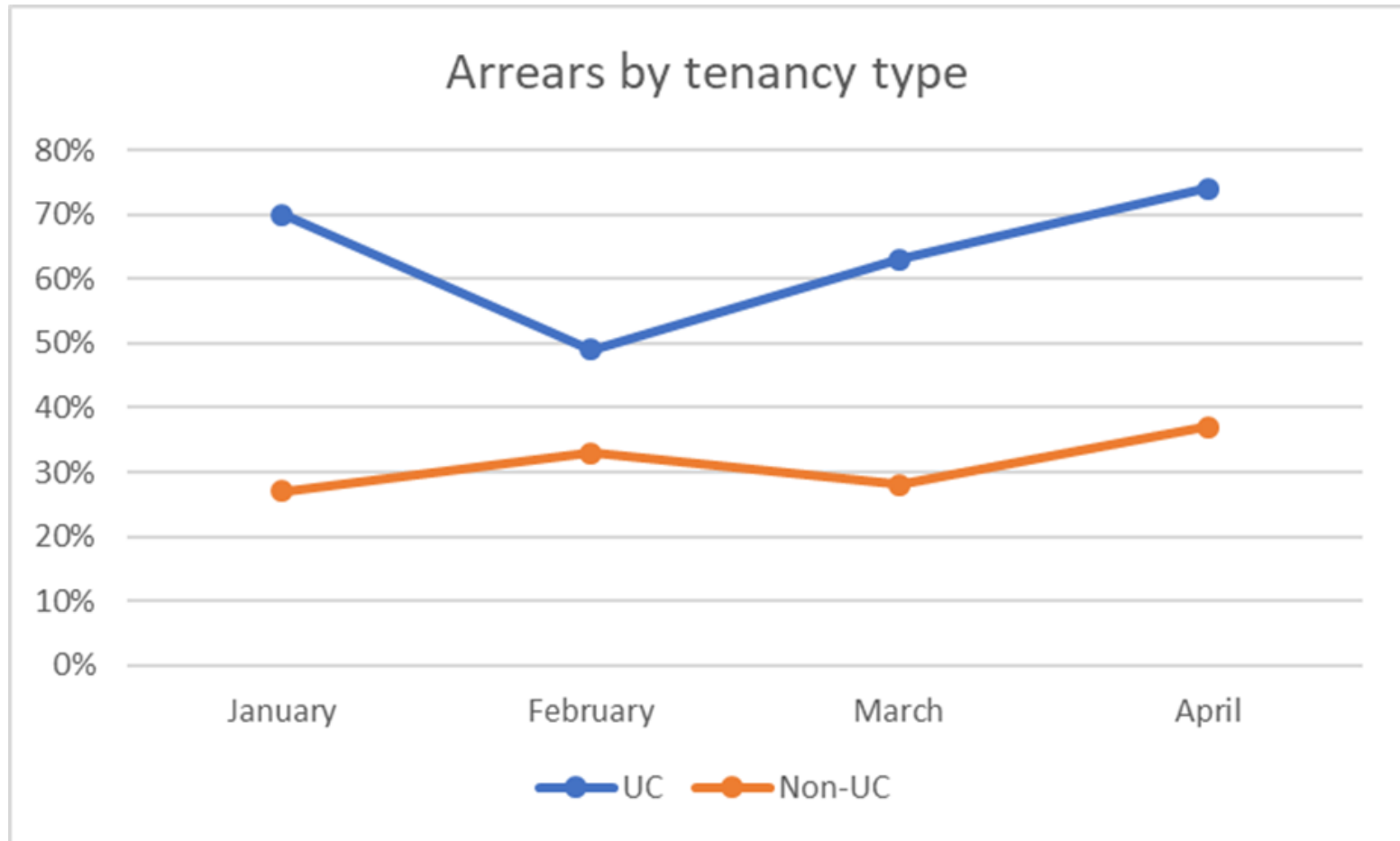




# DWP Communication Campaign

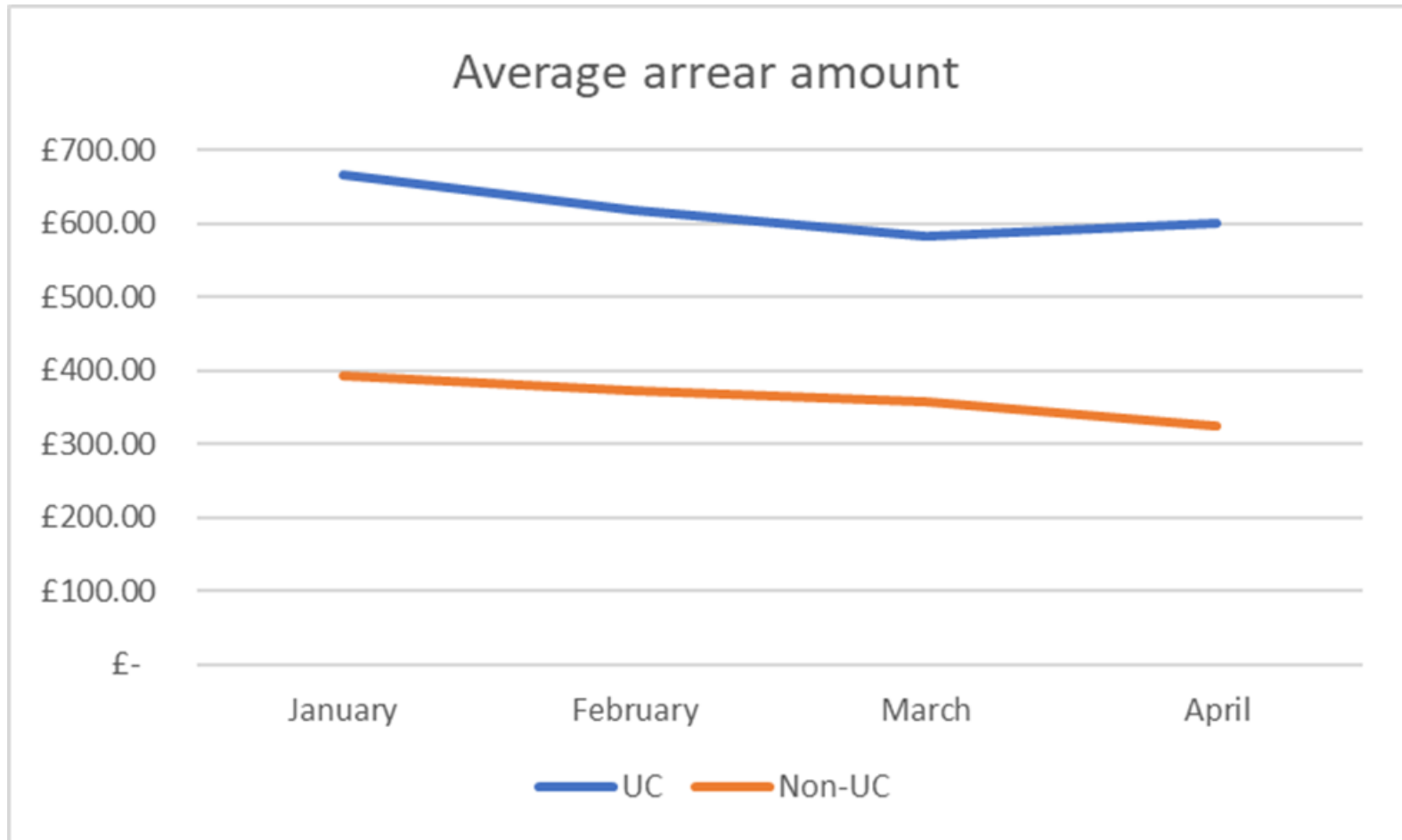
- £200,000+ campaign
- DWP advertorial in the *Metro* newspaper
- Three-part BBC documentary planned
- Aim to counter perceived myths around Universal Credit
- MPs and civic organisations have raised concerns about campaign.

# SFHA Survey – January to April

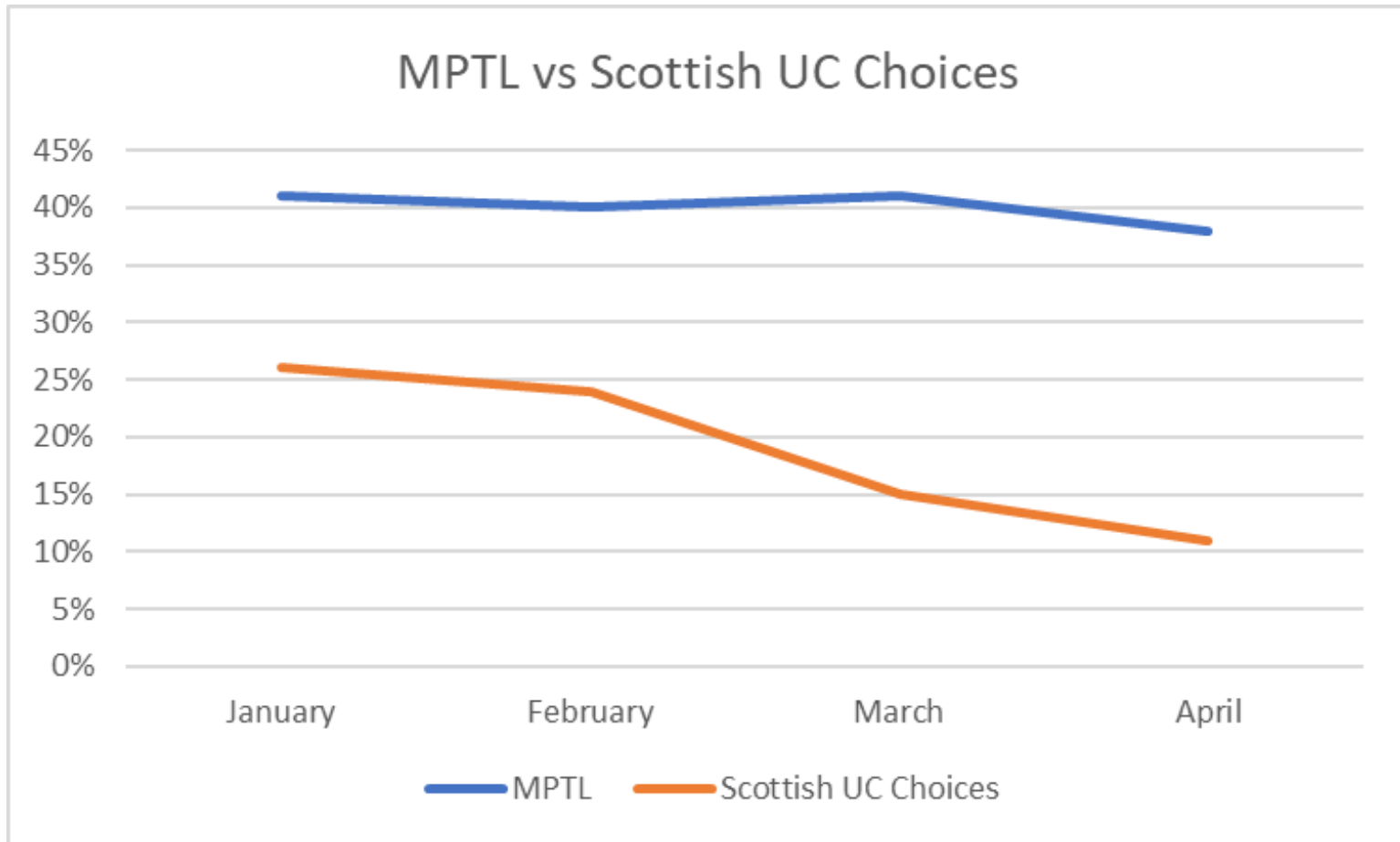




# SFHA Survey – January to April



# SFHA Survey – January to April



# Work & Pensions Select Committee

- Ongoing inquiry into Universal Credit
  - Most recent evidence taken on survival sex – mainly women forced to provide sexual favours in order to secure food and/or accommodation.
- Government rejected Committee's recommendations on the Benefit Cap policy to
  - Only apply cap to those expected to be actively looking for work
  - To prevent deeper cuts into UC by ringfencing elements

## Universal Credit scam warning

- Fraudsters targeting claimants, posing as DWP staff or advisers
  - Offer them to apply for loans pending the 5 week wait – sometimes on hefty commission basis
  - Persuade claimants to hand over personal details
  - Apply online for benefit, pocket the payment advance and disappear
  - Claimants approached via phone, social media or even face to face.

# A managed migration opportunity?

- Can managed migration be integrated into Scottish Choices?
  - Legacy benefit last payment
  - Two weeks later Housing Benefit and JSA/ESA/IS run on
  - (Just over) two weeks after that, first UC benefit assessment period
    - Why not have UC Scottish Choices more frequent payments and direct payments to landlords from that point onward?

## A rent-flex opportunity?

- Supported Rent Flexibility pilot - project by Centre for Responsible Credit and Optivo Housing Association. Personalised schedule of rent overpayments and underpayments for tenants who
  1. Were not on full housing benefit
  2. Had dependent children
  3. Had arrears of up to £500 or had been in arrears in previous 12 months
- Condition was that participants had to engage with Optivo's Money Matters service.

## A rent-flex opportunity?

- Tenant engagement to address any immediate financial problems and maximise income
- Annual budget with tailored schedule of rent payments, identifying when financial pressures may occur over the year.
- Agreement will help tenant make ends meet without having to resort to (high cost) credit and thereby relieve stress and anxiety, better able to plan ahead and save and builds relationship of trust with landlord
- Reduces time spent on debt recovery.