

Universal Credit

Overpayment 'Test & Learn' Project

Debby Smith



Gail Ward



Alison Stewart



Universal Credit Update from the Highlands

The last six years....

- Inverness - First Scottish site for 'Live Service' Universal Credit - Nov 2013
- Extended to the rest of Highland and some couples and families- June 2014
- 'Full Service' introduced in Inverness - June 2016
- Roll-out to the rest of Highland - July 2017
- Scottish Choices for New Claims - October 2017
- Scottish Choices for all claims - January 2017

- Dec 2019 - 3418 HC Tenants on UC (2118 in arrears - 62%)



Background

- ▶ As Universal credit has continued to roll out, the number of overpayments has started to rise
- ▶ A large number of overpayments related to historical cases, created as a consequence of issues within the system build, but newer cases were arising too
- ▶ The overpayment & Recovery Process was not working effectively
- ▶ Inconsistent overpayment notifications from DWP
- ▶ With an unknown debt growing to be repaid to DWP we were keen to work with the them to create a process which was fit for purpose for the Tenant, Landlord & DWP

Overpayment Test & Learn Project

IDEAS

+ ACTION

= CHANGE

- ▶ Following discussion at the Scottish Landlord Liaison Group, a meeting was set up with a number of social landlords to discuss the issues in more detail.
- ▶ The result of which, was that East Lothian, Highland and South Lanarkshire offered to take part in a short term project to investigate how the overpayments occurred.
- ▶ Landlords expectations -
 - ▶ To understand the DWP's processes for dealing with overpayments
 - ▶ To create a more efficient and effective process for repaying overpayments
 - ▶ Provide better and advice and assistance to our tenants

Overpayment - Definition

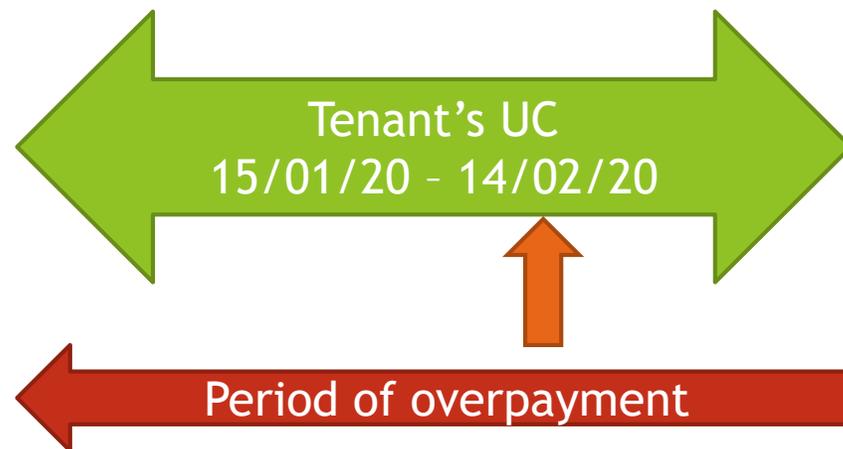
'Payment in excess of what is due'

Main causes of UC overpayments

- Mistake by the claimant (non disclosure)
- End of tenancy
- Change in circumstances – resulting in nil entitlement or reduced entitlement
- Deliberate fraud by the claimant

Overpayments in UC – More complex because of the monthly assessment period

Example: Tenant moves out 02/02/20



The overpayment in this case applies for the whole period

Project Scope

- ▶ Short term project testing the end to end processes for overpayments
- ▶ Dedicated DWP & Social Landlord Resource for investigation into cases
- ▶ Review of Notifications Process
 - ▶ UCD13 UC Overpayment Decision Notice
 - ▶ LC2 Debt Management Recovery Notice
- ▶ Four types of cases
 - ▶ Where overpayment letters had been received from DWP
 - ▶ Landlord 'known' overpayments - No DWP overpayment letters
 - ▶ Unidentifiable cases - DWP letters with insufficient information
 - ▶ Unidentifiable payments - 'Not our tenants'
- ▶ Review internal processes and procedures, and claimant experience

Our Experience

- ▶ Resource intensive for both parties - realistic timescales needed to be agreed
- ▶ Dedicated staff meant that communication between teams was second to none
- ▶ Ongoing communication is crucial to the success of o/p recovery
- ▶ Older overpayments were difficult to reconcile and in some cases we just had to 'agree' the overpayment amount to be recovered
- ▶ DWP were not aware of all cases that we had identified as overpayments
- ▶ Inconsistent administration processes in relation to the notification of overpayments (UCD13 & LC2 letters)
- ▶ DWP's acceptance of changes in circumstances from landlords could have significantly reduced some of the overpayments
- ▶ Agreed recovery of overpayments from payment schedules
- ▶ DWP issues in reconciling returned payments via the LC2 process (importance of reference numbers)
- ▶ Queries and clarification of policy issues for both parties (e.g temporary absence rules)
- ▶ Improvements to the schedules in relation to overpayment recovery

What next?

Landlord's Perspective / Wish List

- ▶ DWP Dedicated Resource to follow up on outstanding cases not resolved during the pilot
- ▶ Clarification as to how the process will be managed by DWP in the future
- ▶ Assurances around consistency in the process and proper training for DWP and Landlord's staff
- ▶ Follow Up meeting with DWP to discuss the findings from the project

DWP's Perspective

- ▶ 'Internal Report' to the National Housing Team?
- ▶ Informal arrangements to follow up some outstanding cases

