

# Impact of Universal Credit

## Report 2

---

November 2016



## Headlines

---



Over four-fifths of respondents said that people on zero-hour contracts have difficulty meeting their housing costs

Almost all respondents were aware of tenants turning to food banks



More than one-third of respondents said that tenants had terminated their own tenancy as a direct result of UC

Almost all of those organisations who debit tenants' rent account in advance find UC payment in arrears causes them difficulties





**Over four-fifths of respondents pointed to issues of consistency of information from DWP**

---

**24.5% of organisations have introduced credit reference checks to prospective tenants as a result of UC implementation**



**84.9% of respondents have experienced delays in processing UC claims**

---

# Contents

1. Introduction
2. Impact on tenants
  - a. Delays
  - b. Meeting housing costs
  - c. Using loan sharks/food banks
  - d. Health and wellbeing
3. DWP Experience
  - a. Communication issues
4. Impact on the organisation
  - a. Rent cycle and arrears
  - b. Evictions/Terminations
  - c. Staff time pressures/costs
  - d. Systems (change/costs)
5. Conclusions
6. What next?

## **1. Introduction**

This is the second in a series of four reports examining the impact that the rollout of UC has had on Northern Housing Consortium (NHC) members. It is now one and a half years since tranche one of Universal Credit (UC) was rolled out following the expansion to the North West began in 2013. Since the publication of our first report ministers have announced a further delay to the scheme. Full rollout of this element of the Government's welfare reform programme is now scheduled for March 2022. The revised schedule is being attributed to changes announced in the 2015 summer Budget, including limiting the child element of tax credits to two children with Secretary of State for Work and Pensions, Damien Green stating the rescheduling was a prudent planning move which enabled the Department for Work and Pensions (DWP) to add "contingency" into the delivery programme.

Evidence presented in this report is based on data collected primarily via a self-completion questionnaire. The northern based NHC membership was invited to take part in the survey distributed in July 2016, which asked respondents to provide information on the three months from April to June. Information was also received from members outside of the North.

Since publishing the first report, we have held focus groups with members and interested stakeholders to gather more detailed information to provide insights into organisations' experiences of managing UC cases and implementing the changes necessary for staff to manage case-loads efficiently. We have also been speaking at events, meeting with external agencies and ensuring the initial findings have been shared with as many people and organisations as possible.

In Round 2 we asked the same questions about the impact of UC on the tenant and on the organisation as we did in Round 1 to help us track trends in issues such as processing delays, arrears levels and organisations' experiences of dealing with DWP. In order to better understand the experience and journey in some areas, we asked more detailed questions. For example, we now ask questions around respondent organisations' rent cycles and whether UC being paid in arrears causes problems. We also introduced a question on introducing credit reference checks before allocating properties.

As they have been dealing with the UC system longer, returns from North West members as well as being included in the total results, act as a control group to compare data with the other two northern regions to ascertain whether over time members can expect the issues they face to improve or become more acute.

A total of 54 member organisations responded to the latest survey – an increase on the 38 that responded in Round 1. As Table 1 shows, over two-fifths are based in the North West, while around one-quarter are based in both the North East and Yorkshire and the Humber. This is largely in line with the full NHC membership breakdown. Four affiliate members from outside of the North also supplied information to the survey.

**Table 1:** Region of respondents

| Region                   | No.       | %             |
|--------------------------|-----------|---------------|
| North East               | 13        | 24.1%         |
| North West               | 25        | 46.3%         |
| Yorkshire and the Humber | 12        | 22.2%         |
| Out of Area              | 4         | 7.4%          |
| <b>Total</b>             | <b>54</b> | <b>100.0%</b> |

Table 2 shows a breakdown of the type of respondent organisations. Registered providers dominate the responses; almost three-quarters of responses being from this type of organisation. All local authority responses are from landlord authorities, there was one strategic authority respondent. One charity organisation, involved in helping people with money issues also responded to the survey.

**Table 2:** Breakdown of responding member types

| Member Type         | No.       | %             |
|---------------------|-----------|---------------|
| Registered Provider | 40        | 74.1%         |
| ALMO                | 7         | 12.9%         |
| Local Authority     | 6         | 11.1%         |
| Other               | 1         | 1.9%          |
| <b>Total</b>        | <b>54</b> | <b>100.0%</b> |

Although on the whole there was a relatively even split in terms of size of housing provider, over one-third of organisations responding to the survey owned between 5,000 and 10,000 homes. The next most numerous organisation size were those at

both extremes of the ranges – those with less than 5,000 stock (18.9%) and with more than 20,000 (16.9%).

**Table 3:** Stock breakdown of responding members

| <b>Stock Range</b>      | <b>No.</b> | <b>%</b> |
|-------------------------|------------|----------|
| <b>Less than 5,000</b>  | 10         | 18.9%    |
| <b>5,000 - 10,000</b>   | 20         | 37.8%    |
| <b>10,000 - 15,000</b>  | 7          | 13.2%    |
| <b>15,000 - 20,000</b>  | 7          | 13.2%    |
| <b>More than 20,000</b> | 9          | 16.9%    |
| <b>Total</b>            | 54         | 100.0%   |



## 2. Impact on Tenants

An examination of DWP data illustrates the effects of the continuing rollout of UC. At the time of the first publication, there were 105,510 UC claimants in the three northern regions. Since then there has been an extra 28,404 people claiming the Benefit (a 26.9% increase). Table 4 below shows the contrasting increases in claimant counts by region and how in the North East and Yorkshire and the Humber, increases are much steeper than in the North West as UC. This can be attributed to greater claimant migration from legacy Benefits onto the new regime in both the North East and Yorkshire and the Humber as roll out continues.

**Table 4:** UC Claimant change by region

|                                 | March 2016 | August 2016 | % change |
|---------------------------------|------------|-------------|----------|
| <b>North East</b>               | 9,347      | 17,163      | 83.6%    |
| <b>North West</b>               | 82,385     | 91,181      | 10.7%    |
| <b>Yorkshire and the Humber</b> | 13,780     | 25,570      | 85.6%    |
| <b>Total</b>                    | 105,510    | 133,914     | 26.9%    |

Source: DWP, Stat-Xplore

### *Delays*

With these increases in claims, it was appropriate to continue to test the anecdotal evidence from the NHC membership that there are problems with the claims process which lead to delays in payments to their customers. As was the case in Round 1, a high proportion of respondents said that there had been delays in processing UC claims over the previous three months. Indeed, a slightly higher proportion of respondents (84.9%) perceive this as a problem in Round 2 than in Round 1 (0.7% increase). Far from proving the hypothesis that any teething problems in terms of processing delays in the North West would be ironed out by now, the study shows that the largest proportion of respondents reporting delays in processing claims was in the North West (88%); this compares to 84.6% in the North East and 72.7% in Yorkshire and the Humber.

Despite a similar proportion of members reporting delays overall in both rounds of the study thus far, the proportion believing that the delays resulted in tenants being short of money has fallen in Round 2. The 45 members believing that tenants were left short of money between April and June represents 88.2% of respondents – 8.6% down on those that felt that was the case in Round 1. However, when isolating those

that said there had been delays in processing claims, those that said claimants were short of money whilst waiting for payments increased to 97.8% (Table 5). It is interesting to note that whereas around nine-tenths in Yorkshire and Humber (90%) and the North West (91.7%) have seen tenants short of money during delays, only around three-quarters in the North East (76.9%) have.

**Table 5:** Delays in processing claims and claimants being short of money

|                      |       | Claimants short on money |       |        |
|----------------------|-------|--------------------------|-------|--------|
|                      |       | Yes                      | No    | Total  |
| Delays in processing | Yes   | 44                       | 1     | 45     |
|                      |       | 97.8%                    | 2.2%  | 100.0% |
|                      | No    | 1                        | 5     | 6      |
|                      |       | 16.7%                    | 83.3% | 100.0% |
|                      | Total | 45                       | 6     | 51     |
|                      |       | 88.2%                    | 11.8% | 100.0% |

In an advice note to landlords, DWP announced that it has identified that significant numbers of claimants in the social rented sector are providing rent verification that is missing important or has out of date information which can cause delays in assessing an award and inaccurate housing costs being awarded. This, it says, is a transitional issue in the UC Live Service only and has provided guidance on the use of a new form in these cases. This is covered in more detail below.

“They (DWP) are misinterpreting rent change information and are overpaying rents. Despite writing to tell them and ringing about it, they have failed to correct the information.” UC Research Participant

### *Meeting housing costs*

Labour Force Survey data for April to June 2016 shows that there were 171,000 people in the north on zero hour contracts, an average of 2.5% of the total workforce. Our survey shows that over three-quarters of respondents (77.8%) believe that tenants on variable rates of pay such as zero hours contracts and overtime are having difficulty keeping track of how much UC they are being paid. However, comparing the latest data with that of the previous survey, there is a sign that this cohort is adjusting to the new system with this figure representing a reduction from 81.1% in Round 1.

Those that indicated that there are people struggling to keep track of how much they are paid in Benefits were also asked if those tenants are finding it difficult to meet their housing costs. As Table 6 shows, all respondents answering 'yes' to the Difficulty tracking pay question also felt that those tenants were having difficulty meeting their housing costs. Clearly tenants having difficulty meeting housing costs has far reaching implications for landlord organisations and these will be examined in Section 4 below.

**Table 6:** Difficulty tracking pay by difficulty meeting housing costs

|                         |            | Difficulty meeting housing costs |       |            |        |
|-------------------------|------------|----------------------------------|-------|------------|--------|
|                         |            | Yes                              | No    | Don't know | Total  |
| Difficulty tracking pay | Yes        | 41                               | 0     | 0          | 41     |
|                         |            | 100.0%                           | 0.0%  | 0.0%       | 100.0% |
|                         | No         | 1                                | 0     | 0          | 1      |
|                         |            | 100.0%                           | 0.0%  | 0.0%       | 100.0% |
|                         | Don't know | 1                                | 0     | 5          | 6      |
|                         |            | 16.7%                            | 0.0%  | 83.3%      | 100.0% |
| Total                   | 43         | 0                                | 5     | 48         |        |
|                         | 89.6%      | 0.0%                             | 10.4% | 100.0%     |        |

“There is an action plan in place to focus on delays in an attempt to build in capacity and resource in some of the service centres”, NHC/DWP Roundtable

### *Using loan sharks/food banks*

In focus group discussions as part of the research, anecdotal evidence has been collected of tenants turning to loan sharks to provide for their families. Despite some pointing out that information on using money lenders is seldom shared by tenants, 15.1% pointed to an increase in this phenomenon. While this is a relatively small proportion, it is nevertheless an increase on Round 1 (10.8%).

There was a much greater consensus in focus groups of tenants turning to food banks to put meals on tables. This also continues to be a strong theme in quantitative data collected in the survey. Some 96.2% of respondents were aware of tenants using food banks – an increase on 91.9% on data collected three months earlier.

## Health and wellbeing

Some [sources](#)<sup>1</sup> have suggested that the introduction of UC could exacerbate health issues and rather than help people into employment, could in fact hinder attempts for those with mental health issues to go back into work. Our research tested this assertion by asking whether housing professionals had witnessed an increase in health issues amongst tenants. Most respondents (58.8%) had not noticed such an increase, although a significant minority (41.2%) said they had.

“Some customers advise that the delay in waiting for their Universal Credit is worsening their health. It is those who suffer with mental health issues, such as depression, that advise of this.” UC Research Participant

As Table 7 below shows, comparing perceptions of increased health issues with delays in processing claims does not significantly alter the ‘increase in health issues’ result. This is unsurprising, however given the relatively high proportion of respondents pointing to delays in claims (43 saying ‘yes’ compared with 7 saying ‘no’).

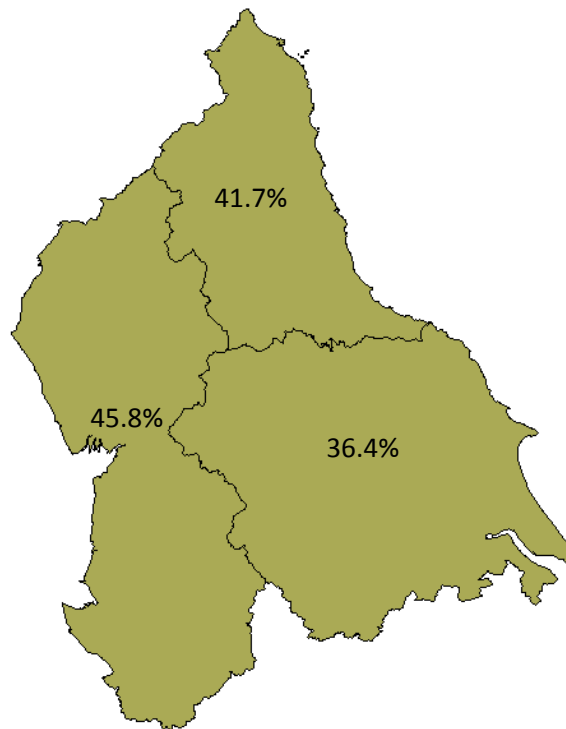
**Table 7:** Health issues by delays in processing

|                      |       | Increase in health issues |       |        |
|----------------------|-------|---------------------------|-------|--------|
|                      |       | Yes                       | No    | Total  |
| Delays in processing | Yes   | 18                        | 25    | 43     |
|                      |       | 41.9%                     | 58.1% | 100.0% |
|                      | No    | 3                         | 4     | 7      |
|                      |       | 42.9%                     | 57.1% | 100.0% |
|                      | Total | 21                        | 29    | 50     |
|                      |       | 42.0%                     | 58.0% | 100.0% |

North West based respondents were more likely to see increased health issues but the more noticeable figure is the increase in Yorkshire and the Humber respondents noticing increasing health issues. In Round 1, 22.2% in Yorkshire and the Humber reported an increase in health issues, while as Map 1 shows, in Round 2 this had increased to 36.4%.

<sup>1</sup> <http://www.independent.co.uk/news/uk/politics/iain-duncan-smiths-new-universal-credit-welfare-reform-will-make-the-benefits-system-worse-for-a6721221.html>

**Map 1: Increase in health issues by region**



“Tenants have reported deteriorating mental health due to financial stress”, UC Research Participant

Additional information submitted by one member highlights an issue of customers’ claims ‘disappearing into cyberspace’. Customers had reported having to make multiple UC claims because online claims had not ‘registered’ on the UC system. Enquiries to the UC helpline revealed that this can happen if a previous claim for UC or for a legacy Benefit is not closed down properly but this would only be identified if the issue was investigated. The customer in this situation would not be aware that their application had not ‘registered’ as the system is not designed to deliver any Claim Reference number or confirmation email. In one case, a UC adviser confirmed that the claim was not registering and took a telephone claim. A backdating decision was awaited at the time of reporting for the claimant who had mental health issues and for whom the risk of court action was causing severe distress.

### **3. DWP Experience**

As we reported in the Round 1 results, there have been landlord and tenant concerns regarding delayed or missing correspondence. DWP has responded to these concerns and from 20<sup>th</sup> June, have issued UC179 notifications (7 day letter) by email to all landlord who have provided a nominated UC email address. This was designed to speed up the process of notification of a claim to UC and to ensure that UC179s are issued to the correct social landlord.

#### *Communication issues*

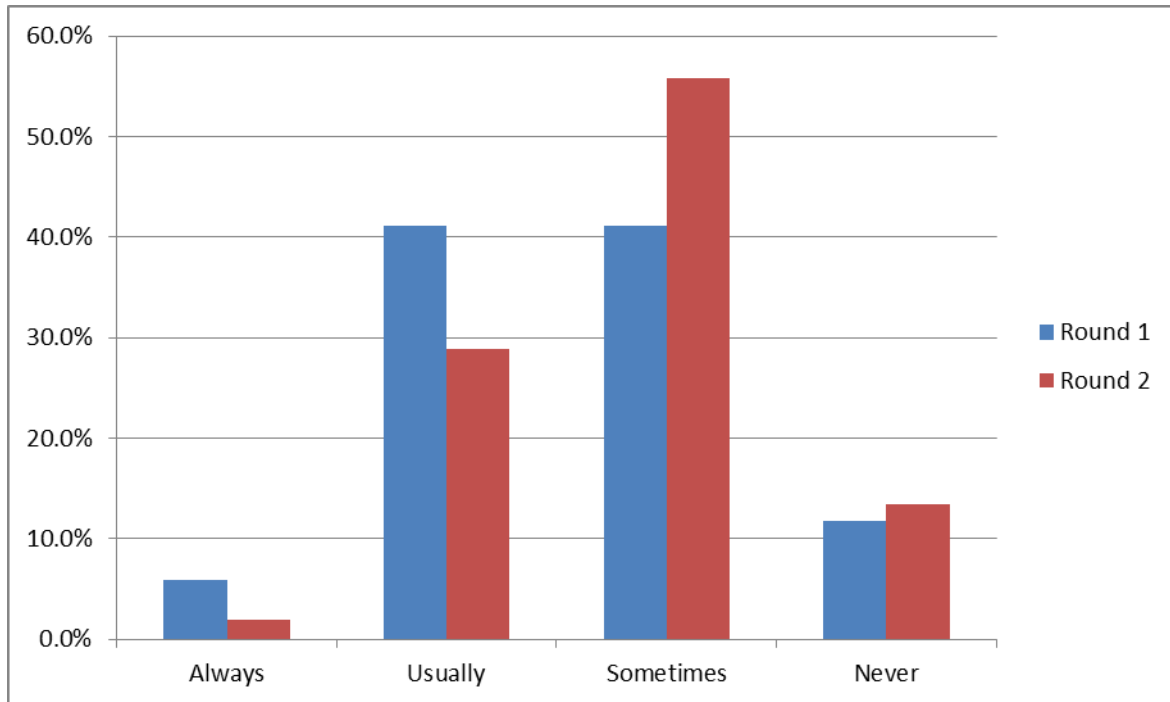
Despite these attempts to improve communication, there remain issues around communication between DWP and housing providers as well as other organisations with 92.2% of respondents indicating that such issues have been experienced by either the organisation or tenant. Respondents reporting issues around communication were asked to elaborate on their answer. Some examples given include:

- Not receiving notification letters/emails
- Inconsistent information given by different DWP staff
- A number of departments dealing with different aspects of a claim, taking longer to receive a response
- Reluctance of some staff to divulge information
- Partnership Managers not being aware of UC procedures and so unhelpful
- ALMO status creates communication/information sharing barrier with DWP

That these comments were made regarding more than one department dealing with a claim appear to be borne out by other parts of the questionnaire. Reaching the correct person when contacting DWP continues to be a problem for members with over two-thirds (69.2%) saying they have experienced such issues, while just under one-third had no such problems.

After failing to contact the correct person, receiving a call back within the assigned three hours is the exception rather than the rule. A similar proportion of respondents that struggled to contact the correct person also said that receive a call back within the specified timescale only sometimes or never (69.2%). The remaining 30.8% that said that they received a call back within three hours either always or usually is a reduction from 47.1% in Round 1 (Figure 1).

**Figure 1: Receiving a call back within the assigned three hours**



Looking at these figures in more detail shows a higher correlation of those citing problems contacting the right person and not receiving a call back within three hours. Table 8 shows those struggling to reach the relevant DWP officer were more likely to either never or only sometimes receive a call back within three hours (71.4%) than those that don't have problems contacting the relevant DWP officer (60%).

**Table 8: Call back by problems contacting the right person**

|                                      |     | Get call back within three hours |         |           |        |         |
|--------------------------------------|-----|----------------------------------|---------|-----------|--------|---------|
|                                      |     | Always                           | Usually | Sometimes | Never  | Total   |
| Problems contacting the right person | Yes | 0                                | 10      | 20        | 5      | 35      |
|                                      |     | 0.00%                            | 28.60%  | 57.10%    | 14.30% | 100.00% |
|                                      | No  | 1                                | 5       | 7         | 2      | 15      |
|                                      |     | 6.70%                            | 33.30%  | 46.70%    | 13.30% | 100.00% |
| Total                                | 1   | 15                               | 27      | 7         | 50     |         |
|                                      |     | 2.00%                            | 30.00%  | 54.00%    | 14.00% | 100.00% |

“Difficulty getting through on numbers given, very long waits. Promised call backs do not happen. Often cannot get query answered satisfactorily when you do get through”, UC Research Participant.

Contacting the right person and/or receiving the information required for some may be attributable to the protocols in place. There remains an issue with the Apollo list. The Apollo Local Authority Customer Information Service Register provides DWP operations with a list of local authority staff who are authorised to obtain DWP data for the purposes of Benefit administration, counter-fraud activity and overpayment recovery. The law permits the sharing of such data without customer consent. Registered providers are not able to speak with DWP in the same way.

“Delays in time taken to answer the phone and with staff not sharing information if not on Apollo register or tenants not present”, UC Research Participant.

The DWP guidance for landlords, [Universal Credit: Housing costs and disclosure](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/549791/universal-credit-housing-costs-and-disclosure.pdf)<sup>2</sup> provides some detail about the disclosure process. It states that information will be disclosed where:

- the claimant is present to confirm their consent (including at the end of a phone)
- there is current written signed authority from the claimant
- where implicit consent is established

The guidance also defines what is seen as a claimant’s representative.

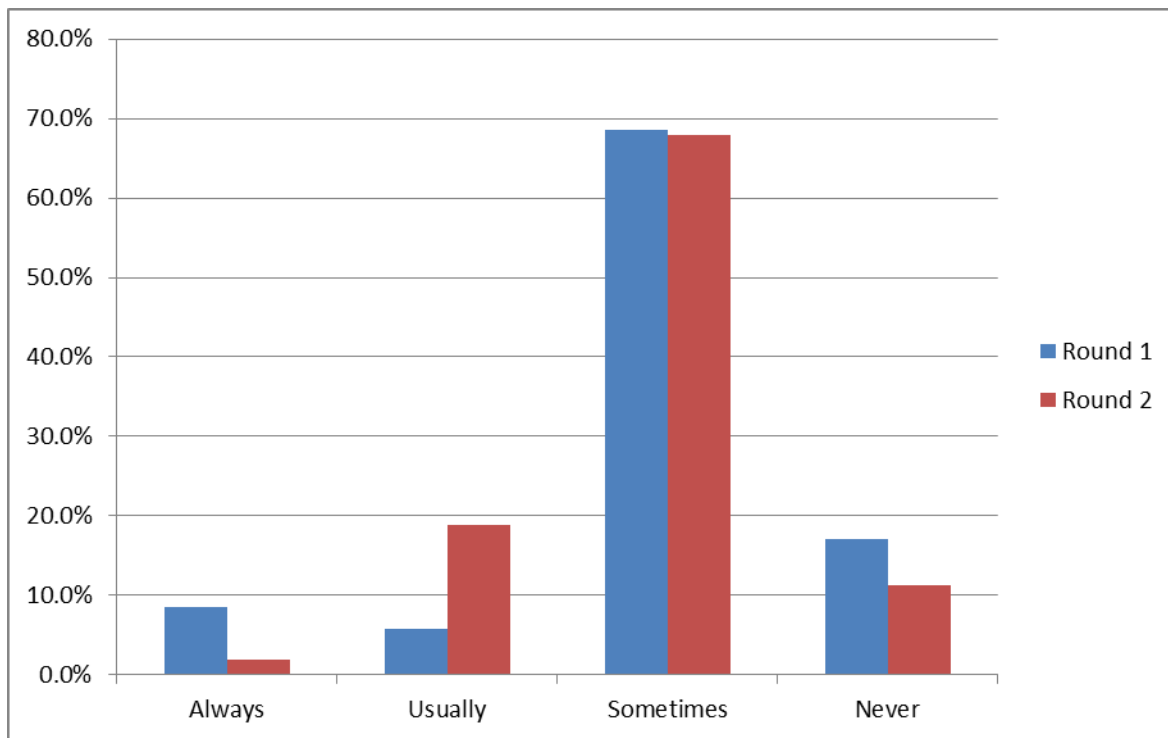
Notwithstanding the issues faced contacting DWP, there appears to be an improved perception from members when it comes to receiving notification from DWP when a claimant moves from HB to UC. As Figure 2 below shows, although there is a decrease in those saying they always receive notification (1.9%), there is also a more dramatic fall in those that report they never receive notification (11.3%) as well as sometimes (67.9%). There is thus an increase in members saying they usually receive notification (18.9%). This may be as a result of the changes to the UC 179

---

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/549791/universal-credit-housing-costs-and-disclosure.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/549791/universal-credit-housing-costs-and-disclosure.pdf)



**Figure 2:** Receiving notification when moving from HB to UC



While the improved figures regarding respondents receiving notification of new UC cases is welcome, there are nevertheless still examples of members pointing to correspondence from DWP either not being sent or being sent to incorrect addresses, potentially a significant data protection issue.

“Prior to the electronic system being introduced notifications were being sent to ad hoc addresses including community centres, tenant groups”, UC Research Participant.

There is furthermore, an increasing proportion of respondents that feel that there are issues around the consistency of information received from DWP. Whereas in Round 1 three-quarters reported that different service centres provide varying information, more than four-fifths felt believe that to be the case in Round 2. Some points made include:

- Inconsistent advice
- Advice and information varies
- DWP do not always make it clear what evidence they need to process the claim

To monitor how members' experiences of UC service centres change over time, a new question was introduced to the latest questionnaire. Responding to whether their experience of service centres has changed since UC was rolled out, most (61.1%) said that their experience had not changed, while 24.1% said that it had deteriorated and 14.8% that it had improved.

"The quality of information given by the UC helpline continues to be poor. Promised call backs often do not happen. It is increasingly difficult to get through to the Housing Team. E-mail responses are non-existent, as are any responses to my letters", UC Research Participant

"UC is a huge culture shift across DWP. DWP appreciate there are issues and we are working hard to address these and putting in various approaches to ensure the process and rollout is more simple and effective", NHC/DWP Roundtable

After working with stakeholders, DWP are looking to make further improvements. From early October, where it is been identified that there has not been sufficient information provided for a new claim, a new Rent Verification Form (UC182) will be sent to the claimant's landlord in all Live areas to verify details of rent liability. Where this is the case, the previously sent UC179 form will no longer be sent.

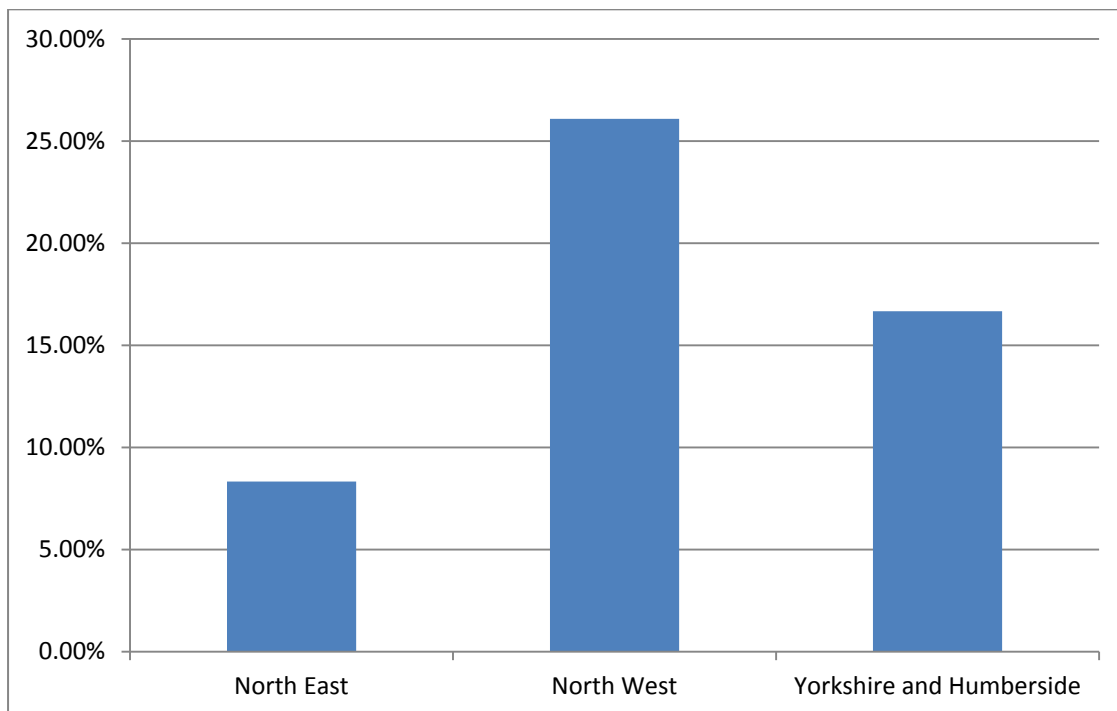
#### 4. Impact on Organisation

##### *Rent cycle and arrears*

Additional questions were included in the latest survey to collect information on how UC being awarded to claimants in arrears of their claim affects payment of bills and in particular, housing costs. We asked respondents to share with us whether their organisation debits tenants' rent accounts in advance or in arrears. The vast majority (82%) debit rent accounts in advance. Of these, almost all (91.3%) pointed to some kind of difficulty associated with UC being paid to claimants in arrears. Whereas registered providers were by far more likely to debit accounts in advance (92.1%), they were the organisation type least likely to experience problems with UC being paid in arrears (89.2%) and there may be a possibility of members sharing good practice examples in future roundtable events.

There is notable variation in rent account debiting by region, however. In the North West, where UC has been running longest, over one-quarter of organisations debit rent accounts in arrears (in common with UC payment cycle). In comparison, only 8.3% in the North East and 16.7% in Yorkshire and the Humber debit rent accounts in arrears.

**Figure 3:** Rent cycle debited in arrears by region



A number of respondents commented that a combination of processing time and time waiting for payment leads to a considerable amount of arrears accruing.

Relating to UC being paid in arrears, one respondent commented:

“[Tenants are] Automatically 6 weeks in arrears even if they had a clear rent account when moving on to UC”, UC Research Participant.

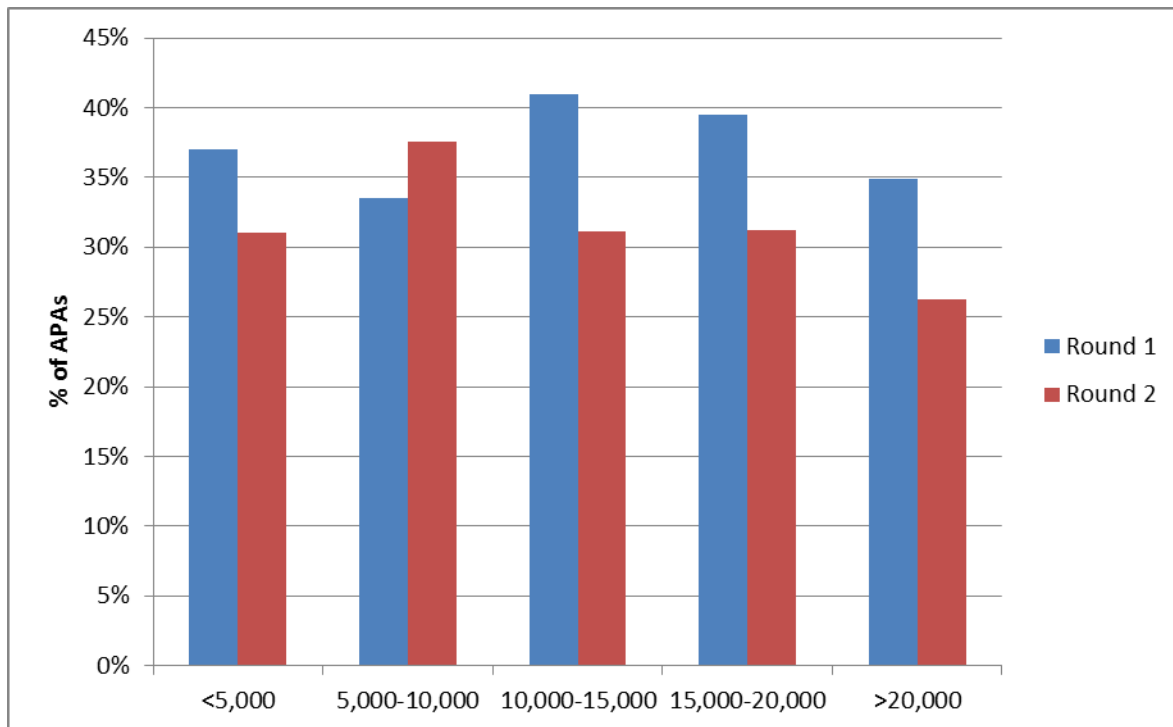
For tenants already in arrears the move onto UC and the delay in payments can cause them to breach agreements and court orders giving staff the dilemma of whether to take further action or wait for UC to be paid. It is worth remembering that landlords also had to wait for HB to be paid but one respondent pointed out that UC usually takes longer to process and tenants and landlords are not as confident that money is coming through.

Some attendees at our focus group discussion said that they are introducing a policy to introductory tenants of rent accounts being debited in arrears partly as a result of the introduction of UC. Most however, are insisting on one week's rent in advance at sign-up when letting a property.

The rent collection rate for UC cases is 93% compared with 98% for HB cases. Average organisational UC arrears equates to £119,303 at the time of the survey. This represents an increase of 18.5% on the £100,711 respondents indicated UC tenants were in arrears by in April 2016. In this time, UC was rolled out to six JobCentre areas. The average arrears per UC tenant is £458.59 but average arrears by organisation ranges from just over £26 to £2,229 per tenant. Focus group attendees also commented that some tenants still believe that their rent is paid by 'Housing Benefit' and that they are not responsible for paying their rent. For that reason, focus group attendees believe that greater education on how UC works is still needed.

The average proportion of tenants who are in arrears and also on alternative payment arrangements (APAs) is 34%. Figure 4 below shows the spread of average use of APAs by organisation size. The proportion of APAs used in all sized organisations has fallen on Round 1 with the exception of those owning between 5,000 and 10,000 dwellings which increased slightly.

**Figure 4: Percentage of APAs by stock size**



Since April, 47 responding organisations applied for a total of 1,483 APAs – an average of over 32 per organisation. Some respondents’ experiences of applying for APAs has not been easy however, as the case study provided by one of our members shows.

## Case Study: Sporadic APA Payments

DWP made a change to APAs which are now being paid by the Third Party Deduction payment system. APAs are now therefore, paid monthly rather than on the anniversary of the claim.

### *Evictions/Terminations*

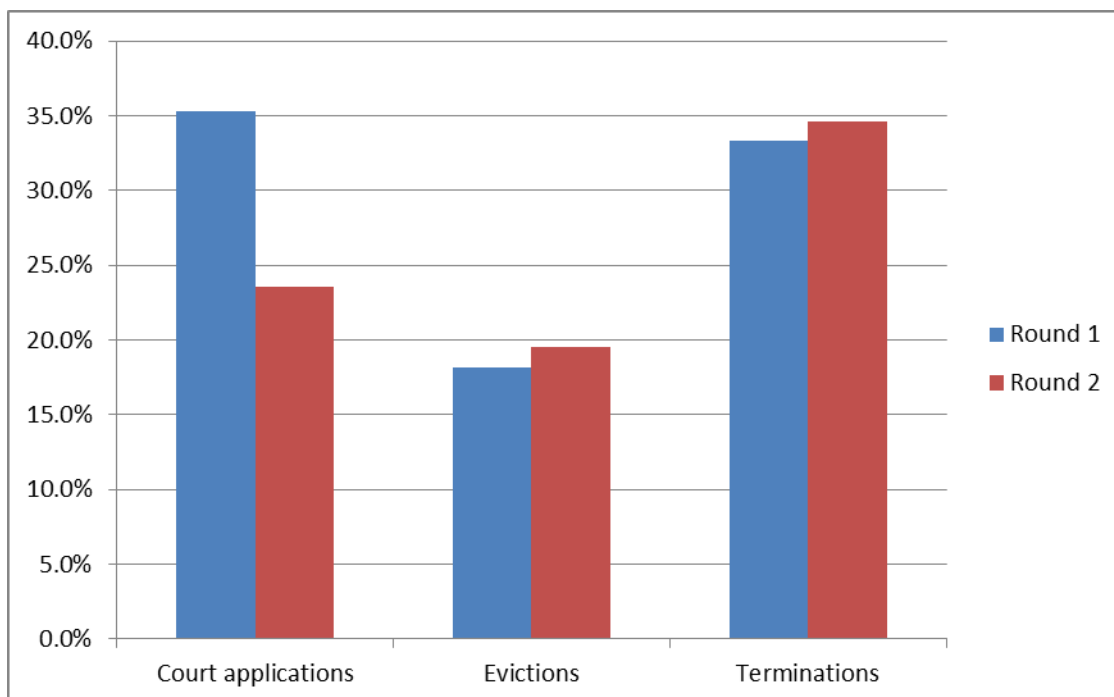
The results of the first survey showed that since rollout of UC, over one-third of respondents had seen an increase in applications to court for evictions due to rent arrears. The latest survey shows that in comparison, less than one-quarter (23.5%) had seen an increase in such action since April (a fall of 11.8%). Comparing the regions on this question shows the North West figures much in line with the study as a whole. It is in Yorkshire and the Humber where there is a deviation. Only 8.3% here reported an increase in applications to court.

Notwithstanding the overall fall in applications to court, the proportion of respondents reporting that actual evictions had increased stood at 19.6%, an increase from

18.2% in the previous survey. It should be pointed out, however that there was a larger increase from 3% to 10.9% in the proportions saying that evictions had fallen, while 69.6% indicated evictions had remained at a similar level.

As well as illustrating court application and eviction data, figure 5 below shows that respondents noting that tenants have terminated their tenancy as a direct result of UC rollout have increased from 33.3% in Round 1 to 34.6% in the latest study (the latter figure in the three months April).

**Figure 5: Evictions and termination of tenancies**



Since April, almost half of North West respondents (45.8%) said that they were aware of tenants terminating their own tenancies as a direct result of UC. This compares to 38.5% in the North East and only 18.2% in Yorkshire and the Humber suggesting that longer tenants claim UC, the more they struggle to maintain a tenancy. Information collected from focus group discussion suggests many tenants terminating their tenancies are 'sofa surfing' and do not have permanent, secure accommodation to go to.

The ending of tenancies, whether voluntarily by the tenant or through evictions, inevitably leads to void properties and loss of rental income as well as pressures brought about by chasing or possibly writing off former tenancy arrears.

### *Staff time pressures/costs*

In Round 1, UC claims took an average of 27.8 days to process (application to payment). In this latest survey, respondents pointed to an average process time of 36.6 days. This compares to 21 days to process Housing Benefit claims – a difference of 15.6 days. This increase in the average process time is mirrored by an increase in the time housing staff are spending supporting tenants through UC cases compared with HB cases. Some 84.9% of respondents said that staff are spending more time supporting tenants through UC compared to HB (an increase on 77.1% in Round 1). Of the remainder, 13.1% do not believe more time is spent on UC cases and 1.9% do not know. Comparing the regions on this question showed that while around 92% in both the North East and North West support tenants more with UC, the figure in Yorkshire and the Humber stood at 63.6%.

Many members now have money advice teams in-house. Of those organisations with money advice teams, almost three-quarters (72%) have noticed an increase in enquiries coming into these teams directly attributable to UC since April. As well as in-house teams, almost all organisations surveyed have stepped in to help tenants with the cost of living or made referrals to other agencies (92.5%). There has been a fall in this but only by 1% on Round 1. Assistance provided by housing organisations includes:

- Food banks/parcels
- Financial assistance schemes
- Training on running a tenancy
- Referring to Citizens Advice Bureaux
- Provide a hardship fund
- Help with Discretionary Housing Payments
- Gas and electric tokens
- Grants for white goods
- Debt advice

Many of the results from the questions in this section of the questionnaire suggest additional pressures on staff time and therefore organisational costs as a result. Almost two-thirds (64.6%) of members have noticed a difference in the cost of managing UC cases compared to HB cases. This means, however that 35.4% have

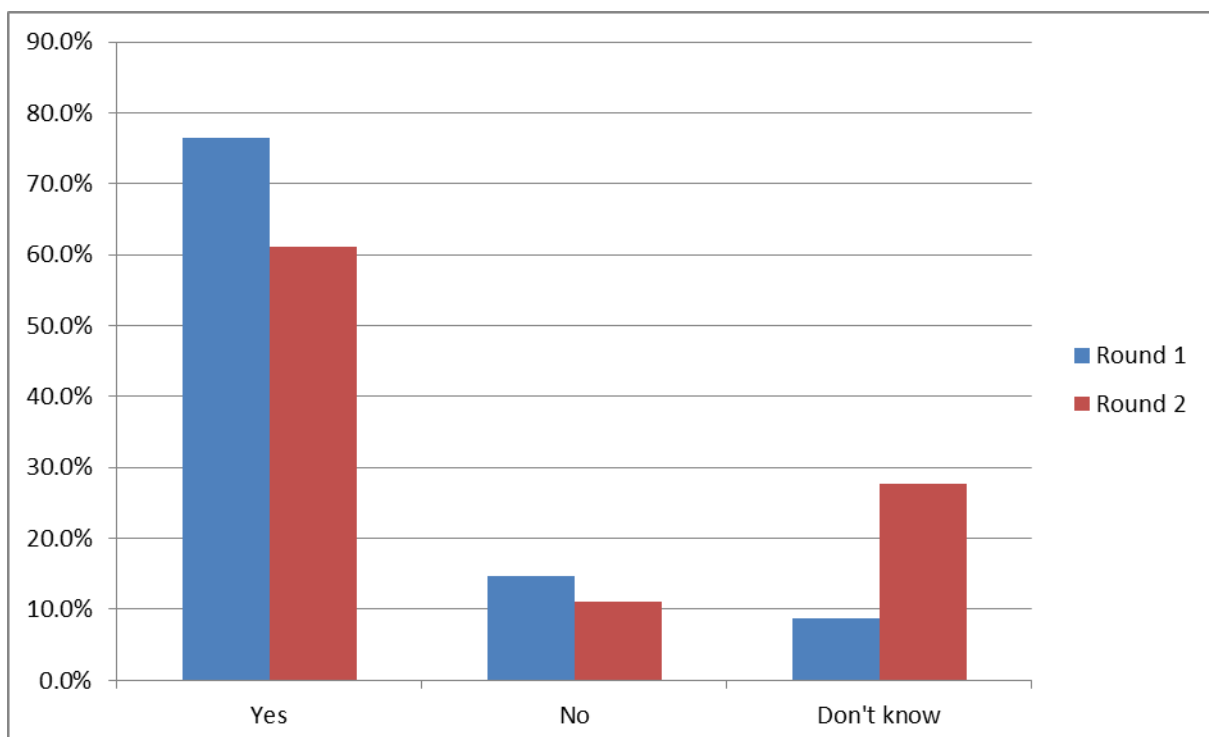


not noticed a difference in cost of managing the two Benefits – up from 21.9% in Round 1. The vast majority of respondents point to additional staffing time and resources as the main reason for the extra expenditure associated with UC cases with additional staff needing to be employed to support tenants and deal with the increased administration. One respondent had carried out a cost analysis which showed UC cases between three and four times more expensive to deal with than HB cases.

“[UC is] Far more labour intensive and complex, also additional time trying to recover housing costs that would previously have been paid direct by HB”, UC Research Participant.

As rollout continues, there has been a significant change in results on the question of whether organisational systems such as IT systems would need to be upgraded to incorporate the changes brought about by UC. Those that feel that systems would have to change fell by 15.4% on Round 1 to 61.1%. Those that do not feel changes will be required also fell (by 3.6%); it is the 19% increase in those that answered ‘don’t know’ that highlights the continuing uncertainty of members who are not yet aware of how UC will impact on them.

**Figure 6:** Changes needed due to UC changes



As well as those having to introduce new systems, just over half (55.6%) have already had to train staff on new systems as a result of the introduction of UC. Some training has been provided by DWP free of charge while many others have had training provided in-house and so the only cost involved was staff time. Others however, have used external trainers and the maximum cost incurred was said to be £5,000.

There are other organisations changes required, however. As a direct result of the implementation of UC, almost one-quarter of respondents (24.5%) said that they have introduced credit reference checks prior to letting a property or have carried out an ability to pay rent check. Two local authorities have done so (40%) and ten registered providers have (25.6%).

## **5. Conclusion**

This second report in the series of four has further demonstrated that housing organisations are still coming to terms with the changes introduced with the switch from the legacy Benefits to UC. This is a new regime for housing organisations, their tenants and DWP staff and there are still issues around the consistency of information and what information can be shared and with whom. Above all, tenants need to be clear that it is now their responsibility to pay their rent and there is evidence that this is not always the case which may be contributing to arrears. Therefore, there appears to be an on-going requirement for effective information sharing or an education programme.

DWP are reacting and making efforts to make the system run smoother. A Strategic Landlord Group has been established for around two years to ensure landlords' issues are taken into consideration. Membership of this group can be gained via local Partnership Managers and we would encourage members to do this. There is also a new Q&A bank for Partnership Managers where all queries that are fed to subject matter experts are also shared more widely so that all Partnership Managers have access to the same information, encouraging more consistency in the system. It is hoped that the delays in processing claims will be reduced by the introduction of the UC182 Form and we will monitor this in future reports.

The delay in finalising the implementation of UC may provide temporary respite for claimants who stood to lose out when they were moved across to the new regime from the tax credits system after July 2018. However, this appears to be causing uncertainty for those organisations that do not yet know how they are to be affected by the new regime.

NHC will continue to work closely with DWP to raise the concerns of our members through our roundtable programme to make the Department aware of on-going issues faced by housing providers and their customers. Outcomes from these meetings will then be fed back to members, keeping them informed of DWP's position and of any actions planned.

## **6. What next**

Members will be invited to take part in the third and penultimate survey in October 2016, which will be followed by a focus group to collect more in-depth information.

We will also meet again with DWP representatives within the coming months to share the evidence collected from members and the Department's future plans regarding the future roll out of UC.

If you would like to take part in the focus group, the next survey or if you would like your organisation to act as a case study as part of the project, please contact Barry Turnbull at:

**Barry Turnbull**

Policy Services Officer

[barry.turnbull@northern-consortium.org.uk](mailto:barry.turnbull@northern-consortium.org.uk)

(0191) 5661030

## Appendix A: Data Tables

### Stock size

|               | Frequency | Percent |
|---------------|-----------|---------|
| <5,000        | 10        | 18.9    |
| 5,000-10,000  | 20        | 37.7    |
| 10,000-15,000 | 7         | 13.2    |
| 15,000-20,000 | 7         | 13.2    |
| >20,000       | 9         | 17.0    |
| Total         | 53        | 100.0   |

### Type of organisation

|                     | Frequency | Percent |
|---------------------|-----------|---------|
| ALMO                | 7         | 13.0    |
| Registered Provider | 40        | 74.1    |
| Local Authority     | 6         | 11.1    |
| Other               | 1         | 1.9     |
| Total               | 54        | 100.0   |

### Delays in processing?

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 45        | 84.9    |
| No    | 8         | 15.1    |
| Total | 53        | 100.0   |

### Have delays resulted in tenants being short of money?

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 45        | 88.2    |
| No    | 6         | 11.8    |
| Total | 51        | 100.0   |

### Increase in overpayments?

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 11        | 20.8    |
| No         | 13        | 24.5    |
| Don't know | 29        | 54.7    |
| Total      | 53        | 100.0   |

### Increase in underpayments?

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 13        | 26.0    |
| No         | 9         | 18.0    |
| Don't know | 28        | 56.0    |
| Total      | 50        | 100.0   |

**Zero hours tenants having difficulty keeping tabs of payments?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 42        | 77.8    |
| No         | 2         | 3.7     |
| Don't know | 10        | 18.5    |
| Total      | 54        | 100.0   |

**Zero hours tenants having difficulty meeting housing costs?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 43        | 89.6    |
| No         | 0         | 0.0     |
| Don't know | 5         | 10.4    |
| Total      | 48        | 100.0   |

**Increase in tenants turning to loan sharks?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 8         | 15.1    |
| No         | 12        | 22.6    |
| Don't know | 33        | 62.3    |
| Total      | 53        | 100.0   |

**Aware of tenants using food banks?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 50        | 96.2    |
| No         | 0         | 0.0     |
| Don't know | 2         | 3.9     |
| Total      | 52        | 100.0   |

**Increase in health issues?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 21        | 41.2    |
| No    | 30        | 58.8    |
| Total | 51        | 100.0   |

**Rent cycle in...?**

|         | Frequency | Percent |
|---------|-----------|---------|
| Advance | 41        | 82.0    |
| Arrears | 9         | 18.0    |
| Total   | 50        | 100.0   |

**If rent cycle in advance does UC cycle cause difficulties?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 42        | 91.3    |
| No    | 4         | 8.7     |
| Total | 46        | 100.0   |

**Increase in applications to court?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 12        | 23.5    |
| No    | 39        | 76.5    |
| Total | 51        | 100.0   |

**No. of evictions..?**

|                 | Frequency | Percent |
|-----------------|-----------|---------|
| Increased       | 9         | 19.6    |
| Decreased       | 5         | 10.9    |
| Stayed the same | 32        | 69.6    |
| Total           | 46        | 100.0   |

**Tenants terminated own tenancies?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 18        | 34.6    |
| No         | 16        | 30.8    |
| Don't know | 18        | 34.6    |
| Total      | 52        | 100.0   |

**Org spending more time supporting tenants?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 45        | 84.9    |
| No         | 7         | 13.2    |
| Don't know | 1         | 1.9     |
| Total      | 53        | 100.0   |

**Increase in enquiries to money advice team?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 36        | 72.0    |
| No    | 14        | 28.0    |
| Total | 50        | 100.0   |

**Difference in cost of managing UC?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 31        | 64.6    |
| No    | 17        | 35.4    |
| Total | 48        | 100.0   |

**Org stepped in to help tenants?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 49        | 92.5    |
| No    | 4         | 7.6     |
| Total | 53        | 100.0   |

**Systems need to be upgraded?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 33        | 61.1    |
| No         | 6         | 11.1    |
| Don't know | 15        | 27.8    |
| Total      | 54        | 100.0   |

**Train staff in new systems?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 25        | 55.6    |
| No    | 20        | 44.4    |
| Total | 45        | 100.0   |

**Introduced credit reference checks?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 12        | 24.5    |
| No    | 37        | 75.5    |
| Total | 49        | 100.0   |

**Communication issues with DWP?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 47        | 92.2    |
| No    | 4         | 7.8     |
| Total | 51        | 100.0   |

**Problems contacting the right person?**

|       | Frequency | Percent |
|-------|-----------|---------|
| Yes   | 36        | 69.2    |
| No    | 16        | 30.8    |
| Total | 52        | 100.0   |

**Get callback within three hours?**

|           | Frequency | Percent |
|-----------|-----------|---------|
| Always    | 1         | 1.9     |
| Usually   | 15        | 28.9    |
| Sometimes | 29        | 55.8    |
| Never     | 7         | 13.5    |
| Total     | 52        | 100.0   |



**Org notified when tenant moving onto UC?**

|           | Frequency | Percent |
|-----------|-----------|---------|
| Always    | 1         | 1.9     |
| Usually   | 10        | 18.9    |
| Sometimes | 36        | 67.9    |
| Never     | 6         | 11.3    |
| Total     | 53        | 100.0   |

**Issues around consistency of info from DWP?**

|            | Frequency | Percent |
|------------|-----------|---------|
| Yes        | 44        | 81.5    |
| No         | 1         | 1.9     |
| Don't know | 9         | 16.7    |
| Total      | 54        | 100.0   |

**Has experience of Service centre...?**

|                 | Frequency | Percent |
|-----------------|-----------|---------|
| Improved        | 8         | 14.8    |
| Deteriorated    | 13        | 24.1    |
| Stayed the same | 33        | 61.1    |
| Total           | 54        | 100.0   |