

Impact of Universal Credit

Report 4

July 2017

Headlines



More than half of respondents said that work found by tenants since Universal Credit rollout is of an insecure nature

Over four-fifths said that delays in processing claims led to tenants being short of money



More than three-quarters have seen enquiries to money advice teams increase due to Universal Credit

Almost three-quarters said that getting information from service centres is either fairly or very difficult





Almost nine-tenths are not confident of the ability of service centre staff to give an accurate answer

More than half said that the DWP adhered to the 42-day waiting time



**Department
for Work &
Pensions**



All respondents were aware of tenants using food banks

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1. Introduction

The Government returned in 2010 was elected on a manifesto that pledged to cut £12 billion from the welfare bill. This continues the priorities of the previous coalition Government, which sought to reduce the welfare bill as part of efforts to reduce the deficit. Freezing working-age benefits until 2020 will save an estimated £4.2 billion, but the Government is also making cuts elsewhere to achieve its target reduction. Perhaps the most significant structural reform planned is one originally announced under the coalition. After repeated delays in the rollout, current plans imply that Universal Credit (UC) will be mostly, if not entirely, in place by 2022.

Since March 2016, the Northern Housing Consortium (NHC) has been tracking how the roll out of UC has impacted upon housing providers and their tenants in the North. This is the fourth report in the series and outlines the results of the final survey in the study. Respondents were drawn from a cross-section of NHC members owning or managing a total of around 630,000 dwellings.

This fourth and final survey collected responses from 38 members, mainly from the three Northern regions but also from affiliate NHC members from other parts of the country. Apart from a slight under-representation from the North East, the table of respondents below largely represents the geographical location of our membership base.

The main source of information in this report is the results of a self-completion survey of members. This data is supplemented by evidence collected from a number of our subject specific Networks and Roundtables. More information on our network meetings and roundtables specific to welfare reform and poverty and how to get involved can be obtained by emailing satty.rai@northern-consortium.org.uk. As well as continuing to track the impact of UC on members' income and arrears levels, delays in processing claims and on how the system impacts on tenants' health and well-being, this latest survey also introduced questions to explore confidence in service centres and respondents' relationships with DWP Partnership Managers.

Table 1: Region of respondents

Region	No.	%
North East	6	15.8%
North West	19	50.0%
Yorkshire and the Humber	10	26.3%
Other Region	3	7.9%
Total	38	100.0%

The majority of respondents were from registered providers (52.6%), followed by ALMOs (23.7%) and local authorities (21.1%). Table 2 below shows the distribution of respondent organisations by number of dwellings bandings and that there were greater responses from those with stock of 5,000 to 10,000 and from those with over 20,000 stock.

Table 2: Stock size of respondents

Stock size	No.	%
Less than 5,000	6	16.7%
5,000 - 10,000	12	33.3%
10,000 - 15,000	5	13.9%
15,000 - 20,000	2	5.6%
More than 20,000	11	30.6%
Total	38	100.0%

2. Impact on customers

Provisional figures for April show that there were a total of 518,266 UC claimants in Britain and 185,098 in the north of England. This latter figure is an increase of 3.1% on the previous month. However, this figure conceals some considerable increases in cases as roll out continues with areas such as Hartlepool (25.9%) and Warrington (19.8%) seeing large increases in UC claimants in the space of one month.

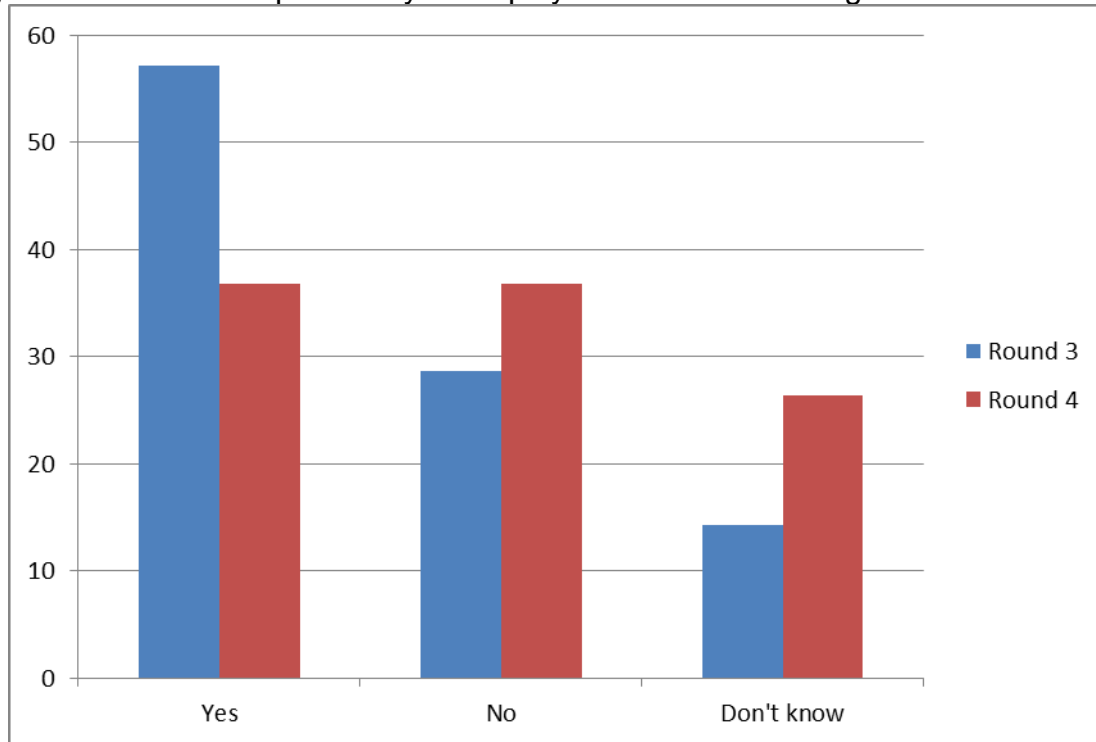
Furthermore, claimant numbers of those in employment (3.3%) are increasing at a greater rate than those not in employment (2.9%). This pattern will only increase as after a pause in the roll out programme in August and September, the number of JobCentres that will introduce UC monthly will increase significantly¹.

Customers finding work and type of work

The third survey began to collect information on whether a core rationale for the introduction of UC – to make employment more attractive – was being realised. In Round 3, 57.1% of respondents indicated that they were aware of customers who were previously unemployed finding work since the roll out of UC. The results of this latest survey show that this proportion has fallen to 36.8%, the same proportion of those that said that they had no evidence of customers finding work since the previous survey.

¹ UC roll out timetable [https://www.turn2us.org.uk/Benefit-guides/Universal-Credit-timetable/Universal-Credit-\(UC\)-roll-out-2017](https://www.turn2us.org.uk/Benefit-guides/Universal-Credit-timetable/Universal-Credit-(UC)-roll-out-2017)

Figure 1: Evidence of previously unemployed customers finding work



Given that the North West was the pilot area for UC, it is a little surprising to see that respondents from this region are least likely to say tenants had found work since roll out (31.6%).

Under DWP proposals, people in low-paid employment would be expected to attend JobCentre meetings to prove they are seeking more hours, better-paid work or additional jobs, as a condition of receiving tax credit-style top ups. It will make claimants earning less than the equivalent of 35 hours a week at the national living wage subject to sanctions currently imposed only on the unemployed, putting them at risk of fines. In our most recent survey, respondents that said customers had found work were asked what type of work/work pattern this was. Survey results show that most common new employment was either insecure or with short hours. Over two-fifths (41.7%) of respondents said that customers had found temporary/contract work and a further third (33.3%) said that work found was part-time. A further 12.5% indicated zero hours work was found and only 8.3% said that more secure permanent and 4.2%, full-time employment was secured.

While more people finding work is encouraging and it can be argued that whilst a primary rationale for the implementation of UC is being met, the insecure nature of the work acquired by customers is causing uncertainty for tenants and housing

providers alike. The vast majority of respondents (92.1%) said that customers on variable rates of pay are having difficulty keeping track of how much UC they are being paid.

Delays

Research by Citizens Advice² found that UC claimants are unable to get the help they need and that 30% of people they interviewed said that had to make more than 10 calls to the UC helpline during application and often have to wait 30 minutes to speak to an advisor. Other sources point to benefit claimants going without basic living essentials, facing debt, rent arrears and eviction as a result of having to wait at least six weeks for a first benefit payment and are demanding an overhaul of the system. Largely, respondents to our survey have noticed an impact of the 42 day wait for payment on their customers. Over two-thirds (68.4%) have noticed an impact on tenants and subsequently on their business. The kind of changes noted centre around tenants being unable to cope financially and the knock-on effect for arrears levels with some comments including:

- Difficulty managing between previous payment (wage/JSA etc.) and first payment of UC;
- More people coming in for food parcels and asking for help with gas and electric meters;
- Claimant can't afford to live and not told about advance options from work coach;
- Inability to pay rent and other bills, referrals to food banks;
- Increase in rent arrears;
- Taking longer to receive payments and then have lots of debt which we as an authority have to help with budgeting and agreement to make payments.

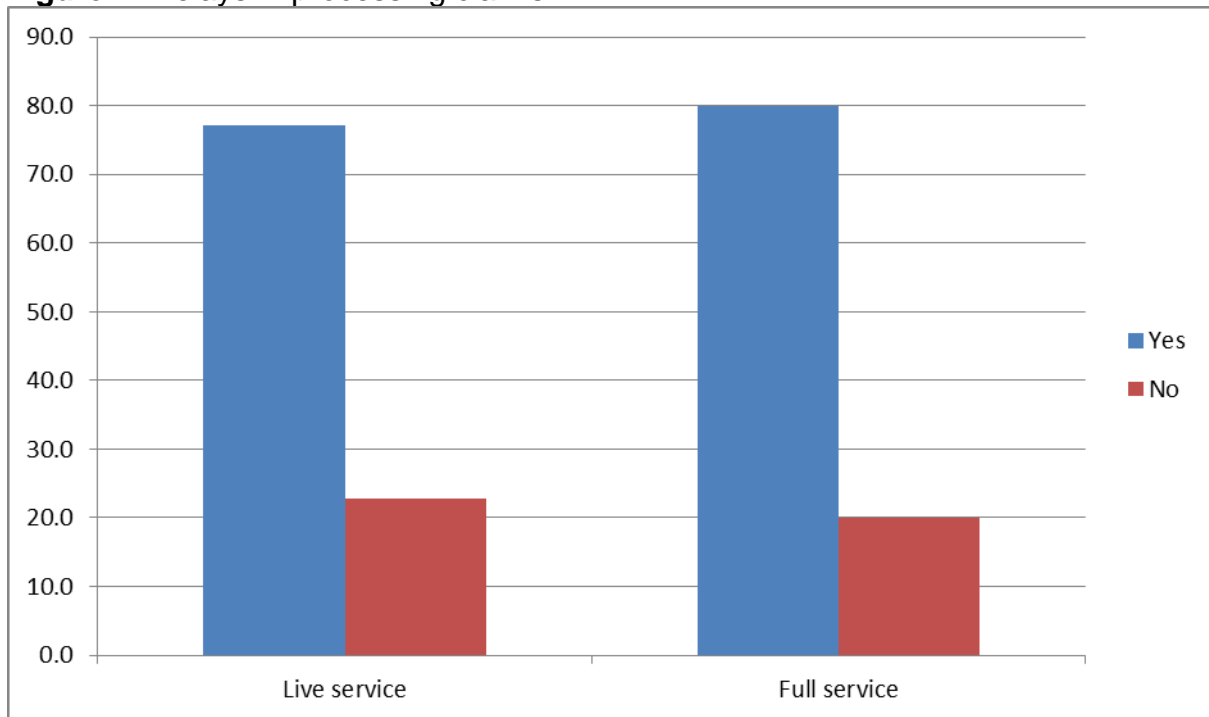
Generally speaking however, the 42-day wait for the first UC payment is adhered to; that is the verdict of over half of respondents (52.6%) and a further 5.3% said that payment is made sooner than 42 days. However, a large minority (42.1%) pointed out that DWP take longer than this threshold to make the payment.

Respondents were asked whether there had been any delays on behalf of DWP in processing UC claims since November. By excluding those responses which are not

² Citizens Advice <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-calls-for-universal-credit-rollout-to-be-paused-as-research-reveals-people-left-facing-financial-difficulty1/>

applicable (i.e. from respondents that do not run the full service), we can calculate that 77.1% running the live service and 80% running the full service have experienced delays in the claim processing (full service figure is based on 10 respondents). These figures have fallen slightly on the previous survey from 79.6% and 81.3% respectively, which whilst still high shows an improvement on Round 3.

Figure 2: Delays in processing claims



“The issue is how long does it take to work out what the right rent is to make these payments; there’s an element about getting the right data and the speed of processing and they need to and are working on speeding up, and with accuracy of data.” Lord Freud.

Meeting housing costs

In our latest survey 86.5% felt that delays in claims being processed had resulted in their customers being short of money whilst awaiting their first payment. The remaining 13.5% said that this question wasn’t applicable to them; no respondents said that customers weren’t short of money during this period. The knock-on effect of this is that customers are having difficulty meeting their housing costs – a phenomenon that all but two respondents pointed to (94.7%).

As outlined above, UC has previously been criticised for pushing vulnerable tenants into rent arrears due to the 42-day delay in processing payments. There have been suggestions that the standard six-week-plus waiting time for a first benefit payment faced by new UC claimants was behind the rise in demand for charity food. As well as reliance on food banks, benefit delays had also led to common adverse effects such as debt, mental illness, rent arrears and eviction. We asked respondents whether there were certain groups of people that were struggling more than others with their housing costs as a result of UC. Opinion was split on the issue with over two-fifths (44.7%) saying that there were groups suggesting more than others and 23.7% disagreeing. A further 31.6% did not know. Those that felt that certain groups were struggling more than others were asked to identify which group they were:

- *Age*

UC regulation states that jobless 18-21 year-olds no longer qualify for help with their rental costs; this affected new claims made after 1st April 2017. There will be a number of exemptions with Government claiming vulnerable people will continue to be protected, as will carers, those with families and those who have been in work for at least six months prior to claiming and those working at least 16 hours at the National Minimum Wage. According to a survey of more than 1,000 landlords by the Residential Landlords Association, 76 per cent fear this measure will leave under 21s unable to pay their rent, making landlords less willing to let property to those in this age group. Further research by Inside Housing showed that the cut to the housing element of UC will have its largest impact in deprived areas of the north. In particular, Leeds (935 claimants) and Manchester (910 claimants) were ranked in the top three to be hardest hit.

Since Round 3 we have been asking which age groups are struggling most by five age groupings. In our latest survey as in Round 3, younger people were again cited as the group most likely to struggle. Those aged under 25 (41.7%) and between 25 and 35 (37.5%) were said to be the age groups that are struggling most; all three age groupings covering 35 and over accounted for 20.8% between them. One respondent commented “Younger single people less likely to have alternative incomes or savings to call upon. Our four largest arrears cases on UC are all aged 25 exactly”.

- *Ethnicity*

Ethnicity wasn't seen as strong a determinant factor as others for struggling with UC despite child poverty rates for black and minority ethnic families in the UK being higher than the national average and increased conditionality for working-age claimants is more likely to impact on black and minority ethnic claimants as they are disproportionately represented among workless households³.

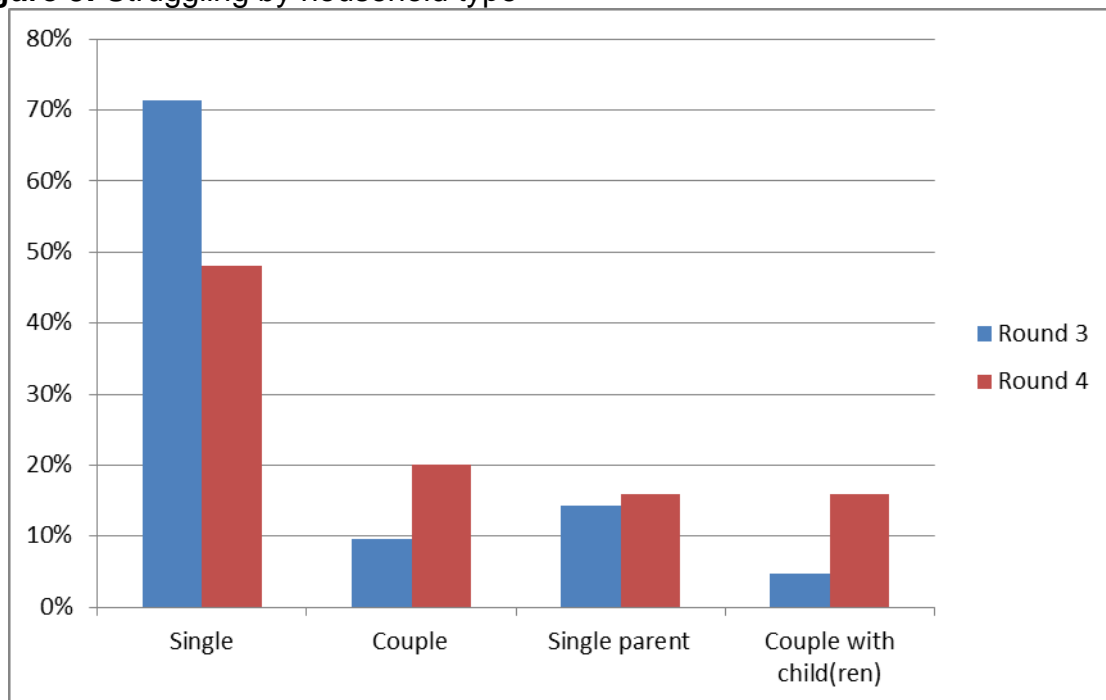
Half (only 3 respondents) felt that White people struggle most. The remaining three responses were spread between Black, Asian and Mixed people. However, asked which other groups struggle, some made reference to people with limited English speaking ability.

- *Household type*

As was the case in Round 3, single person households were again cited as the most likely household type to struggle with the implementation of UC. What has changed since the previous survey is that there is a wider spread of responses with 48% pointing to single person households in Round 4 compared to 71.4% in Round 3. Figure 3 below shows how there has been an increase other household types, in particular couples (20%) and couples with children (16%) which now are seen to be affected to a similar degree as single parents (16%).

³ <http://www.better-housing.org.uk/briefings/housing-benefit-and-welfare-reform-impact-proposed-changes-black-and-minority-ethnic-commu>

Figure 3: Struggling by household type



- *Employment status*

Respondents were split over whether employed or unemployed claimants were struggling more or indeed if employment status has an impact on this at all. Only six respondents felt that employed people are particularly struggling and eight that unemployed people were struggling. However, another group raised was those who are self-employed. Much like those on zero hours contracts, if a self-employed claimant has good earnings in one month, their universal credit is reviewed and the award reduced for the following month. If, however in that month the self-employed claimant receives a low income, then any rebalancing won't take place for another month. This fluctuation in income may result in the household struggling to make ends meet.

Asked why customers were struggling, respondents gave a range of possible causes. Many of these centred on the inability to budget, often due to fluctuating working hours or because younger people do not have savings to tide them over until their first payment. Some comments include:

- Difficulty in keeping track of UC entitlement, particularly those that work fluctuating hours;
- Needing to continuously update UC on changes in work patterns;
- The change in payment frequency makes it difficult for families to budget;
- [Claimants] do not understand the claim system and need regular attention to help them make and maintain a claim;
- People on zero hours contracts etc. don't know what their pay is each week so the UC changes vastly from payment to payment;
- Use the housing cost element in order to live and don't pay their rental amounts;
- Impact of losing Disability Living Allowance, benefit cap loss of income

Customers seeking support

The longitudinal Real Life Reform⁴ project, tracking the effects of welfare reform on NHC members' tenants, showed that tenants were turning to a range of sources for support to help them until their next benefit payment. There has been further evidence in the last two rounds of this project of customers having to seek informal routes of support when claiming UC. Table 3 below shows that almost all respondents said that customers are forced to seek help from family members and more than three-quarters are aware of friends being asked to provide such support.

Table 3: Informal routes of support

	Frequency	% (respondents)	% (responses)
Family Support	36	94.7%	48.6%
Friends Support	29	76.3%	39.2%
Neighbours Support	9	23.7%	12.2%
None of these	0	0.0%	0.0%

Comparing the number of responses in the table above with those in Round 3, it can be seen that customers are turning to a wider range of support routes. For instance only 18.2% of responses in Round 3 pointed to people turning to friends for support compared to 39.2% in this latest round. Similarly, 4.5% said that customers turned to neighbours in Round 3 compared to 12.2% in the latest survey. Respondents were invited to cite other sources of support that customers seek. Among those were loan sharks/doorstep lenders, landlords and food banks.

⁴ <http://www.northern-consortium.org.uk/services/policy/real-life-reform/>

Delays in UC payments have left claimants unable to afford to buy meals. The Guardian reports that the Trussell Trust, the UK's largest food bank network, announced that it provided 1,182,954 three-day emergency food parcels to people in crisis in 2016-17, up 6.4% on the previous year's total of 1,109,000. "In areas where the full universal credit rollout has taken place, food bank referral rates were running at more than double the national average⁵." It is therefore little surprise that NHC members are aware of the use of charity hand outs and that all respondents to the survey (100%) said that they were aware of customers turning to food banks to feed their families (an increase of 6.1% in Round 3).

Health and wellbeing

Although a slight reduction has taken place in figures since Round 3, again over half of respondents (51.4%) are aware of an increase in health issues of their customers. This has been an on-going theme throughout this study. Again, mental health issues in general and in particular stress and depression are the most often mentioned issues.

"We have evidence of people becoming distressed as a result of the administration of UC and the service centres using incorrect guidance causing underpayments which results in financial hardship and stress and anxiety", Survey Participant

There are also concerns about customers' physical well-being. Hunger and lack of proper nutrition due to poor diet because of unaffordability of healthy options was also highlighted as an issue.

⁵ <https://www.theguardian.com/society/2017/apr/25/food-banks-report-record-demand-amid-universal-credit-chaos>

Case Study: Mr X

3. Impact on the organisation

As customers struggle, extra pressure is put on the services of housing providers and local authorities to deal with the new system and to support customers through the claim process. UC is now available in all JobCentre Plus offices to single claimants, and has been expanded across the country over the last two years to include all new claimants via the 'full service' at around five JCPs a month. This process is due to complete by September 2018. Around one-quarter of participants in the latest survey have both the live and full service in operation in their areas. Of these, two-thirds are having issues running both versions simultaneously. This is causing confusion for both staff and customers with a disparity of information and advice given by service centres, it was said. Others, especially those working over larger geographical areas are experiencing issues around JobCentre postcodes not aligning with local authority areas, meaning housing providers having to take extra care about which UC service is in place and therefore what advice is given customers.

"It causes staff and customers confusion, we have had to complete significant work internally to map properties to each JobCentre and with the introduction of the three child rule and redirection to legacy this is causing more problems",
Survey Participant

Notwithstanding the issues that providers and their customers continue to experience, contact with service centres for those running the full service appears to be decreasing. As Table 3 shows, the proportion of full service respondents saying that contact with service centres has either slightly or greatly decreased stood at one-third. This compares with only 15.4% in Round 3. A similar proportion said that contact has remained about the same.

Table 3: Contact with service centre since full service roll out

	No.	%
Greatly increased	1	11.1%
Slightly increased	1	11.1%
About the same	3	33.3%
Slightly decreased	2	11.1%
Greatly decreased	3	22.2%
Not applicable	1	11.1%
Total	9	100.0%

Claimants and arrears

Responding to accusations of flaws in the administration and structure of UC, which it has been suggested are causing hardship and rent arrears for tenants, DWP has questioned the figures cited with DWP Minister Damian Hinds referring to arrears as “book” arrears.

“Arrears can arise not only because of failure to pay rent but also through the charging policies of landlords that can create “book” arrears from the outset of a tenancy...we are undertaking work to investigate the issue of rent arrears in Universal Credit, aiming to understand the true level of rent arrears and what is causing them”, Damian Hinds.

The ‘book’ arrears that Mr Hinds mentions appears to refer to the debiting of rent accounts in advance while UC is paid to tenants in arrears. There is no doubt that calculating rent arrears in a consistent manner when different organisations apply their rent debits on varying cycles can be problematic. Those landlords who collect on a monthly basis are best placed when comparing to UC, as this approach correlates with DWP’s Landlord Managed Payments’ 2 month’s rule.

However, in all cases, rent arrears figures should be assessed in line with DWP guidance circular A26/2009 which was issued following a First-tier Housing Benefit appeal tribunal ruling (*Doncaster v Coventry City Council*, First Tier Tribunal 032/09/00932, 5 October 2009). The Chairman in that case expressed the view that: *‘Rent is in arrears once the contractual date for payment has passed irrespective of whether rent is due in advance or in arrear’*. Prior to the ruling, council Housing Benefit sections had been focused on HB payment cycles which, like UC, were paid in arrears⁶.

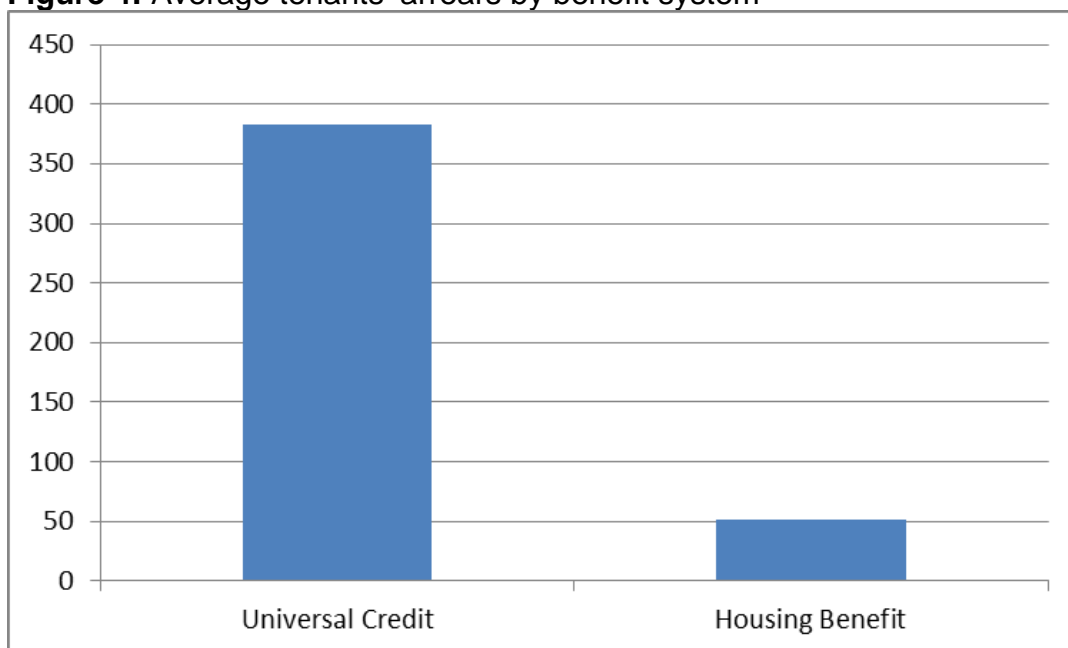
Nevertheless, we found in our third survey that there had been a move by many of our members to debit rent accounts in arrears to correspond more to the new benefit regime (30.4% compared to 18% in Round 2). As the new regime continued to roll out between the Round 3 and Round 4 surveys, a total of 4,375 new claimants moved to UC (an average of 129 per responding organisations) and despite

⁶ Universal Credit Advice (<http://universalcreditadvice.com>)

changing their systems, respondents of this latest survey still report a rise in the arrears levels of UC claimants. The average UC arrears per housing provider when tenants moved onto the new regime either from HB or as new claimants were £49,564. These had risen to £70,468 at the time of the survey; an increase of 42.2%.

Perhaps a more stark illustration of how the change in the benefits system is affecting both claimants and housing providers alike is the arrears level per claimant. At the time of the survey, UC claimants were in arrears by an average of £382.32. This compares with average arrears of £51.24 for HB claimants.

Figure 4: Average tenants' arrears by benefit system



Managed Payments and Third Party Deductions

"The intention behind HB regulation 95(1)(b) is to provide landlords with the security of direct payment as an alternative to seeking possession on a mandatory ground and so avoid a situation arising where a tenant is evicted under Housing legislation." Alternative Payment Arrangements (APAs) are available for claimants who can't manage the standard UC payment. There are three types of APA available:

- direct payment of the housing cost element to landlords (known as managed payments)
- splitting of payment between members of a couple
- more frequent payment of benefit

On 11th April 2017 DWP implemented an improvement to the APA UC47 application forms and related processes. Landlords can request a Managed Payment to Landlord (MPTL) APA and or repayment of rent arrears, by email using the new UC47 Secure or the UC47 Non-secure APA request form. A MPTL and or recovery of rent arrears can also be requested by post using the UC47 Secure form. The application forms now incorporate all relevant information required to inform a MPTL APA decision, removing the need for landlords to provide additional evidence. There is also now a free text box to give reasons for a request other than rent arrears, for example where the tenant has drug or alcohol problems or complex factors impacting their ability to manage their money and pay their rent.

The continuing issue of rent arrears outlined above has led to those respondents that provided data applying for 1,591 APAs since November – an average of 55 per organisation. In Round 3 there was an average of 29.3 APAs per organisation and the increase was raised as an issue in NHC's submission to the DWP's Inquiry into Universal Credit (a copy of this can be obtained by contacting NHC). The average proportion of UC customers in arrears that are on APAs is 37% but this percentage varies by organisation and the returned data ranges from 2% to 60%.

Similarly, the average time taken between request for, approval of and receipt of a managed payment ranges between 8 and 65 working days. The average of all returns was 32.2 days. These delays can affect the work of staff and working procedures in a number of adverse ways, often requiring labour intensive interventions. Delays in receiving managed payments result in payment arrangements defaulting and would require staff action on rent accounts and phone calls to the DWP to check on the status of payments, taking up staff time for example. However, ironically these delays also makes it difficult to escalate cases as staff are unsure if and when an APA will be received; receiving an APA often stops the escalation process.

DWP guidance describes the third party deduction scheme as being designed to protect claimants in receipt of income-related benefits. It is used when a claimant has arrears of essential household outgoings and has failed to budget for these bills. Other methods to recover the debt must have been tried, for example negotiating

different ways of paying and managing bills. There must be a real threat of enforcement action before consideration is given to applying for a deduction.

Most respondents had third party deductions in place but anecdotal evidence collected from members suggested that they are experiencing difficulties managing rent accounts with third party deductions in place. This was explored further in this latest survey and we found that more than half of respondents (51.4%) found managing these rent accounts either fairly or very difficult bearing in mind the four week payment cycle. Almost one-third (31.4%) said that this was fairly easy.

Reasons given for the difficulty in managing these accounts were around inconsistent or irregular payments. Having APAs paid monthly and third party deductions four weekly leads to difficulty building a system to manage multiple frequencies of payments, it was argued, while another described themselves as always being on the back foot when payments don't arrive on time, payments end and the provider isn't informed in a timely manner and when payment amounts change and it is difficult to find out why.

"3rd party deductions are almost impossible to effectively monitor.

- a) The monthly schedules come on paper which causes a delay in itself as it takes time to reach the correct person
- b) the funds always end up in a suspense account of the council (we are an ALMO) and have to be transferred to our account and manually keyed in
- c) DWP have two creditor references for us, one of which is for a homeless shelter. This causes even more delays", Survey Participant

Others feel that as long as payments are agreed and they are paid promptly and regularly, managing these accounts is relatively straight forward.

Staff time pressures and costs

A recurring theme of this project has been the time taken to process claims. Indeed, councils have warned of growing rent arrears because of the first UC payment taking six weeks to arrive. It is easy to appreciate concerns when comparing process times between HB and UC claims. Respondents to the latest survey report that the average time, in working days, to process HB claims from application to payment was 20.3 days; the minimum and maximum range for HB claim processing times is

between 2 and 91 days. In the case of UC processing times, the average is 46 days with a minimum of 20 days and a maximum of 120 days. In the more extreme cases, the same organisations reported differences of between 40 and 50 days between the processing of HB and UC cases.

It has been reported that in some areas people in temporary accommodation had already left temporary accommodation before their first UC payment had been received, leaving the local authority to foot the bill for the stay. It was therefore welcome news when the DWP confirmed it is looking at introducing an exemption for people who are made homeless and is working with councils to “fully support” anyone living in temporary accommodation and is on UC.

Money advice teams operating in member organisations continue to see an increase in enquiries to them directly attributable to UC since November. Of the 20 respondents that had such teams, 76.9% said that they had seen such an increase – a slight increase on Round 3 results. Most increases in enquiries to money advice teams have been seen in Yorkshire and the Humber (85.7%) and the North West (84.6%). This compares to 50% in the North East.

It is difficult for many housing organisations to quantify the financial costs of supporting tenants through benefits cases other than in terms of a calculation of increases in staff time. However, some respondents have monitored the increase in such costs, which have been quantified by one member as being £330,000 more after UC roll out than costs to support customers through the HB process. Other members have had to employ a dedicated UC lead, whilst another makes the point that UC takes three to four times longer to manage than HB.

As well as providing support to customers through the UC claim process, some members are planning to carry out a customer profiling exercise of their tenant base to determine those at risk of falling into arrears or who may have difficulty paying rent. Over two-thirds (69.4%) of respondents said that they were planning such an exercise and a further 16.7% don't know.

These increased costs are forcing housing providers to take a more selective approach when letting properties. Over one-third (36.1%) of respondents said that

they had introduced credit reference checks or carry out ability to pay rent checks prior to letting a property as a result of UC implementation.

Case Study: Mental health issues

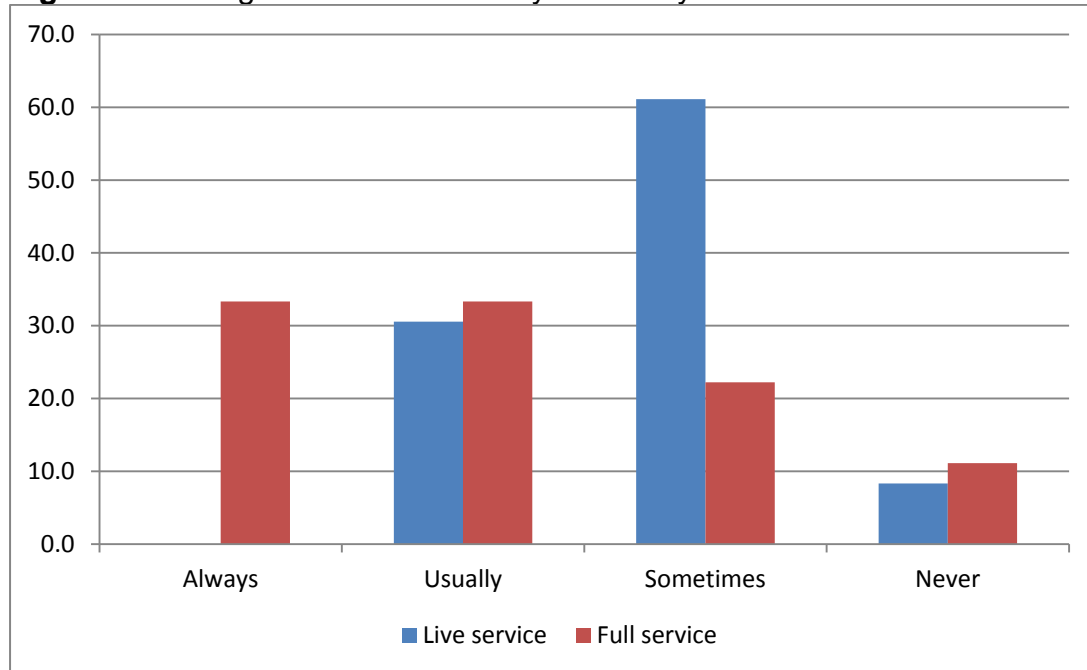
4. DWP Experience

Communication issues

A running theme throughout the four surveys of this project has been the difficulties communicating, or lack of communication between DWP and tenants and housing providers. NHC have collected anecdotal evidence from members that they do not always receive written notification from DWP of customers moving from HB to UC. We have tested this in our research for both the live and full services. Aggregating the responses for both of these questions shows that overall, only 6.7% say that they always receive notification compared to 8.9% who say they never do.

There is an interesting split between those running the live and full services however. Data returned from members running the full service is based on a small number of returns and caution should be used when interpreting that data. Notwithstanding this, Figure 5 shows that two-thirds of those running the full service said that they either always or usually receive notification. In comparison, only 30.6% of those running the live service said that they usually receive notification (no-one in this cohort said that they always receive notification). These results may offer some encouragement to those members currently running the live service; that there appears to be better communication when tenants move from HB to UC on the full system bodes well for full roll out.

Figure 5: Average tenants' arrears by benefit system



However, the issues experienced by respondents are wide ranging, from lengthy delays in receiving a response to information received being inconsistent or a lack of information. Others suggested that service centre advisors are not equipped to deal with complex issues. Delivering welfare or support services and so classed as a representative of the tenant as defined in disclosure guidelines for landlords⁷, landlords can prove they have implicit consent to access information from DWP. Some members are using this implicit consent to ascertain whether a tenant's rent is being paid where rent accounts are at the eviction stage. "This call can stop the eviction process if we get assurances the rent is on its way." However, other respondents said that advisors do not understand implicit consent and refuse to deal with their query or that they refuse to impart information over the telephone.

The general feeling from respondents is that they feel that due to varying levels of training and knowledge of advisors, there is inconsistency of or "incorrect/conflicting information" received in different correspondence.

⁷ Universal Credit housing costs and disclosure: guide for landlords
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/583678/universal-credit-housing-costs-and-disclosure.pdf

“So far we have encountered issues around communicating with the DWP. Live service centre cannot deal with Full claims and full claim lines unwilling to assist us or to take information from ourselves”, Survey Participant

The sharing of information has always been crucial to housing staff in managing rent accounts. However, communication with service centres appears to be a problem for many. Almost three-quarters (71.1%) described getting information from service centre staff either very difficult or fairly difficult. In comparison no respondent said it was very easy to get information and only 13.2% said it was fairly easy to do so.

Reasons given for not getting access to the information members need appear to centre around two distinct areas. The first is DWP staff refusing to disclose information about a case. Many respondents pointed to the refusal of DWP staff to discuss claims without the customer being present – with one claiming staff are being obstructive. The degree of difficulty in obtaining information may vary by which service is in place. With a full service claim the DWP will only speak to representatives where explicit consent is provided, whereas with a live service claim, implicit consent can be accepted. Some landlords not on the Apollo list find using explicit consent difficult. When a tenant has given permission to speak to DWP, the advisor sometimes cannot find the authority and finding the date permission was given (which DWP need) is extremely difficult when dealing with so many cases, it was said. These data protection issues, while necessary, are hindering the progress of benefits cases.

The second issue commonly cited by respondents was the issue of staff knowledge/training with respondents saying that:

- advisors do not know which information they are allowed to share
- often don't know the answer to the question
- call centre seems to be very scripted
- they don't seem to understand housing law
- UC staff appear to possess varying degrees of knowledge and “we can be passed around for others to deal with”

Asked to provide examples of inconsistencies of information from DWP, some cited problems relating to APAs such as being told that an APA is in place when calling the service centre but then the escalation service saying there is no APA in place or

being told that payment was being sent through an APA to be later informed that payments haven't been sent. Tenants also receive inconsistent information. The NHC submission to the DWP Inquiry provided evidence of tenants having submitted an online claim and at the end of the process receiving a message to say the claim hasn't been submitted. The tenant cannot then check if this is correct, as they are told on the automated phone message only to check after 5 weeks as their UC claim *is* being processed. At 4- 5 weeks tenants are presenting to member organisations, having been told their claim was not in fact received. To avoid this time lag, the tenant should receive a text or acknowledgement at time of submitting a claim. Other issues raised were:

- different figures received compared to the Award letter
- receiving different verification forms from different offices
- different information from different service centres
- one tenant had called 5 times and been given different information about her claim each time

Those members that could quantify the proportion of cases where they encounter inconsistencies of information from DWP gave an average of 53% of cases.

Confidence in service centres

The result of this is that only 11.1% of respondents are confident that service centre staff are able to give them an accurate answer to any queries they had and the remaining 88.9% said that they were not confident. Exploring confidence levels respondents had with DWP further, we asked those that had brought issues or problems to the attention of DWP, whether they were confident that those issues were or are being acted upon. The results put into focus the frustration felt by NHC members when dealing with DWP with more than two-thirds (67.6%) of respondents not feeling confident of action being taken on issues raised.

In September 2016, NHC facilitated a roundtable with NHC members and DWP representatives from the Universal Credit Programme Team⁸. Among the outcomes of this was that local Partnership Managers are the first point of contact for all across the housing sector, and can escalate any issues through a single point of contact.

⁸ Northern Housing Consortium <http://www.northern-consortium.org.uk/2016/10/24/dwp-meets-nhc-members-discuss-uc/>

Any feedback raised via the Partnership Managers are reviewed and considered by the service build team in the UC Programme. For the full service in particular the UC team are keen that issues, particularly around build or process design, are captured using this route so that they can build a service that fully meets user needs.

However, the lack of confidence in DWP staff (above) is not restricted to service centre staff. Asked whether they feel their Partnership Manager has influence with superiors to make changes in policy, only three respondents (8.3%) said that they did, while 44.4% said that they had no such confidence. A further 47.2% did not know.

It is no surprise then, that when asked if any issues or concerns raised with Partnership Managers had resulted in improvements made, 44.4% said that no improvements had been made. However, 19.4% said improvements had been made (a higher proportion than said that Managers had influence with superiors). The remaining 36.1% did not know.

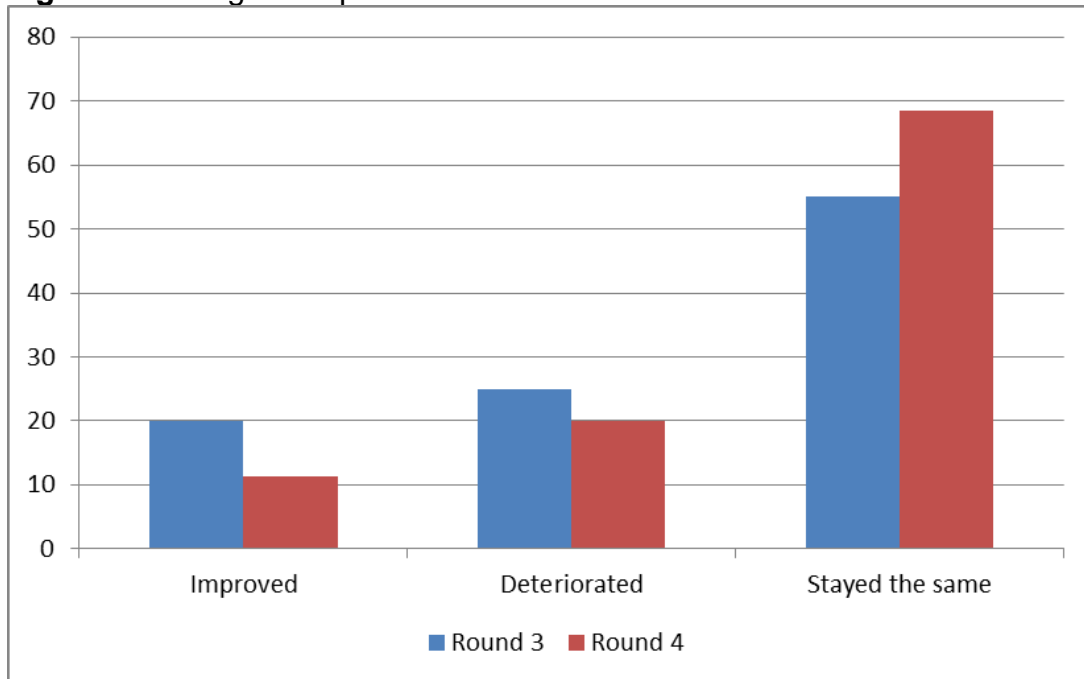
The NHC roundtable event noted that if anyone is experiencing issues with either lack of engagement or support with their Local Partnership Manager to get in touch with Andrew Clarke, Delivery Partners & External Engagement, Universal Credit Programme andrew.clarke1@dwp.gsi.gov.uk and NHC would encourage members experiencing such issues to do so.

Previous surveys had highlighted the inconsistencies in and lack of information from service centres which have continued to this final survey and illustrated in the case study below. This survey explored whether members felt that some service centres are better than others. Results were fairly evenly split with 45.7% believing that some centres were better and 54.3% saying that they were all similar. Asked which service centres they think are better and why, most responses point to Glasgow being better – confirming anecdotal information collected in earlier focus group meetings.

Respondents said how knowledgeable staff are at Glasgow and how helpful they are, providing information wherever possible. The Bolton and North East were both preferred by one respondent each and it was pointed out that some service centres have been running longer than others which may have a bearing on the experience of members.

In this final survey, we continued to explore members' experience of service centres. Figure 6 below shows that only 11.4% said that their experience of service centres had improved. This is a fall of 8.6% on Round 3. In comparison, one-fifth said that their experience had deteriorated since roll out. However, this is also a decrease on Round 3 (-5%). Only the proportion saying their experience had stayed the same (68.6%) had increased on the previous survey.

Figure 6: Change in experience of service centres



Analysis by region shows that respondents from the North West were most likely to say their experience of service centres had improved (18.8%), although the same proportion in the region said that it had deteriorated. The region from which negative responses were most likely received was Yorkshire and the Humber, where 30% said their experience had deteriorated and no respondent had seen an improvement.

Case Study: Mrs H

Case Study: Mrs H (cntd.)

5. Conclusions

The findings of this study and many others are that people face serious financial insecurity due to the wait for their first UC payment. Few households have backdated pay or a nest egg to fall back on whilst the first payment is processed. This leads to arrears accruing and an increasing number of APAs in place, illustrating that claimants are not yet coping well on the new regime. There are certain groups of people such as households with children, those on zero hour contracts or vulnerable people that would benefit from more flexible payment arrangements such as more frequent payments.

The NHC has also advocated a DWP review of the data sharing process to make it easier for landlords to discuss their tenants' claims. The delays in payments to claimants and further confusion regarding housing payments are restricting the flow of payments to landlords. Alongside this, the 1% rent reduction implemented by Government has resulted in an uncertain period for housing providers. Multiple threats to their income is putting constraints on their ability to operate and forcing them to review their core function at a time when the need for flexibility to support tenants has never been higher. The working relationship between DWP and landlords, and communication channels should therefore be reviewed. The experience for many NHC members is that the DWP stance on data protection is very rigid and information is not released. Landlords require a regular and improved supply of information i.e. informing them as soon as their tenant makes a claim.

One of the rationales behind the introduction of UC – of streamlining the benefits system by combining six legacy benefits into one – has been broadly welcomed by housing professionals. However, the evidence presented in this and the previous three reports – of claimants, housing providers and DWP staff struggling to get to grips with the new system – shows that Government's intention to simplify the benefits system has so far yet to be realised. As the rollout of UC continues and more people are affected it may be prudent, not to press ahead with an accelerated roll out programme from the Autumn but to pause roll out, especially in light of the evidence of inconsistent experiences of different service centres. Despite the issues in this report, DWP and the housing sector are beginning to develop stronger

working relationships and a pause on rollout would give DWP more time to remedy some of the issues currently facing them and users.

6. What next?

There will be a final report that will draw together the findings of all four of the surveys in this project. This will show how members' perceptions have changed on a number of core questions as the UC regime was rolled out over the previous twelve months.

Barry Turnbull

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Appendix A: Data Tables

Region

Value Label	Frequency	per cent
North East	6	15.8
North West	19	50.0
Yorkshire and Humber	10	26.3
Other region	3	7.9
Total	38	100.0

Type of organisation

Value Label	Frequency	per cent
LA	8	21.1
Registered provider	20	52.6
ALMO	9	23.7
Other	1	2.6
Total	38	100.0

Stock size

Value Label	Frequency	per cent
Less than 5,000	6	16.7
5,000 - 10,000	12	33.3
10,000 - 15,000	5	13.9
15,000 - 20,000	2	5.6
More than 20,000	11	30.6
Total	36	100.0

Tenants finding work since UC introduction

Value Label	Frequency	per cent
Yes	14	36.8
No	14	36.8
Don't know	10	26.3
Total	38	100.0

What type of work/work pattern has this been

Value Label	Frequency	per cent
Permanent	2	8.3
Temporary/contract	10	41.7
Full time	1	4.2
Part time	8	33.3
Zero hours	3	12.5
Total	24	100.0

People on variable rates having difficulty keeping track of UC being paid?

Value Label	Frequency	per cent
Yes	35	92.1
No	0	0.0
Don't know	3	7.9
Total	38	100.0

Change in impact of 42 day wait

Value Label	Frequency	per cent
Yes	26	68.4
No	12	31.6
Total	38	100.0

42 day wait adhered to?

Value Label	Frequency	per cent
Takes longer	16	42.1
Adhered to	20	52.6
Not as long as 42 days	2	5.3
Total	38	100.0

Delays in processing (Live service)?

Value Label	Frequency	per cent
Yes	27	73.0
No	8	21.6
N/A	2	5.4
Total	37	100.0

Delays in processing (Full service)?

Value Label	Frequency	per cent
Yes	8	32.0
No	2	8.0
N/A	15	60.0
Total	25	100.0

If delays, resulted in tenants being short of money?

Value Label	Frequency	per cent
Yes	32	86.5
No	0	0.0
N/A	5	13.5
Total	37	100.0

UC tenants having difficulty meeting housing costs?

Value Label	Frequency	per cent
Yes	36	94.7
No	0	0.0
Don't know	2	5.3
Total	38	100.0

Any groups struggling more than others?

Value Label	Frequency	per cent
Yes	17	44.7
No	9	23.7
Don't know	12	31.6
Total	38	100.0

Struggling by age

Value Label	Under 25	25-35	35-45	45-55	Above 55	Total
Yes	10	9	3	1	1	24
per cent	41.7	37.5	12.5	4.2	4.2	100.0

Struggling by Ethnicity

Value Label	White	Black	Asian	Chinese	Mixed	Total
Yes	3	1	1	0	1	6
per cent	50.0	16.7	16.7	0.0	16.7	100.0

Struggling by household type

Value Label	Single	Couple	Single parent	Couple with child(ren)	Total
Yes	12	5	4	4	25
per cent	48.0	20.0	16.0	16.0	100.0

Struggling by Employment status

Value Label	Employed	Unemployed	Total
Yes	6	8	14
per cent	42.9	57.1	100.0

Struggling by Disability

Value Label	Frequency	per cent
Disabled	1	20.0
Not Disabled	4	80.0
Total	5	100.0

Customers need support from...

Value Label	Frequency	per cent (respondents)	per cent (responses)
Family Support	36	94.7	48.6
Friends Support	29	76.3	39.2
Neighbours Support	9	23.7	12.2
None of these	0	0.0	0.0

Aware of customers using food banks

Value Label	Frequency	per cent
Yes	38	100.0
No	0	0.0
Total	38	100.0

Increase in health issues

Value Label	Frequency	per cent
Yes	18	51.4
No	17	48.6
Total	35	100.0

Both versions in operation

Value Label	Frequency	per cent
Yes	9	23.7
No	29	76.3
Total	38	100.0

Problems using both versions

Value Label	Frequency	per cent
Yes	6	66.7
No	3	33.3
Total	9	100.0

Full service service centre contact

Value Label	Frequency	per cent
Greatly increased	1	11.1
Slightly increased	1	11.1
About the same	3	33.3
Slightly decreased	1	11.1
Greatly decreased	2	22.2
Not applicable	1	11.1
Total	9	100.0

How easy to manage third party deductions

Value Label	Frequency	per cent
Very easy	0	0.0
Fairly easy	11	31.4
Neither	6	17.1
Fairly difficult	13	37.1
Very difficult	5	14.3
Total	35	100.0

Have enquiries to money advice teams increased due to UC?

Value Label	Frequency	per cent
Yes	20	76.9
No	6	23.1
Total	26	100.0

Have you introduced credit prior to letting properties

Value Label	Frequency	per cent
Yes	13	36.1
No	23	63.9
Total	36	100.0

Customer profiling

Value Label	Frequency	per cent
Yes	25	69.4
No	5	13.9
Don't know	6	16.7
Total	36	100.0

Written notification (Live service)

Value Label	Frequency	per cent
Always	0	0.0
Usually	11	30.6
Sometimes	22	61.1
Never	3	8.3
Total	36	100.0

Written notification (Full service)

Value Label	Frequency	per cent
Always	3	33.3
Usually	3	33.3
Sometimes	2	22.2
Never	1	11.1
Total	9	100.0

Ease of getting info from service centre

Value Label	Frequency	per cent
Very easy	0	0.0
Fairly easy	5	13.2
Neither	6	15.8
Fairly difficult	19	50.0
Very difficult	8	21.1
Total	38	100.0

Confident problems acted upon

Value Label	Frequency	per cent
Yes	12	32.4
No	25	67.6
Total	37	100.0

Confident of ability to give accurate answer

Value Label	Frequency	per cent
Yes	4	11.1
No	32	88.9
Total	36	100.0

Partnership Manager has influence with superiors

Value Label	Frequency	per cent
Yes	3	8.3
No	16	44.4
Don't know	17	47.2
Total	36	100.0

Seen improvements

Value Label	Frequency	per cent
Yes	7	19.4
No	16	44.4
Don't know	13	36.1
Total	36	100.0

Better service centres

Value Label	Frequency	per cent
Yes	16	45.7
No	19	54.3
Total	35	100.0

Service centre experience

Value Label	Frequency	per cent
Improved	4	11.4
Deteriorated	7	20.0
Stayed the same	24	68.6
Total	35	100.0

Appendix B: Questionnaire

Universal Credit Member Survey

Thank you for taking part in this survey. Please work your way through the questionnaire and complete as many questions as you can. When finished, click submit to send your responses to NHC.

With the Full Digital Service being implemented, this questionnaire will explore issues for this as well as the Live Service. If you have the Full Digital Service in your area please answer these questions where you can, otherwise please only give answers for the Live Service.

About you

Please provide your details below. NHC will contact the people who complete this survey in a few months to see how the situation has changed. This is the fourth of a maximum of four surveys.

Q1 Your details (for office use only)

Name

Job Title

Organisation

Email address

Impact on customers

Q2 A core aim of UC is to make work more attractive. Do you have any evidence of customers who were previously unemployed finding work since November?

Yes

No.....

Don't know.....

Q3 If residents have found work since UC was rolled out, what type of work/work pattern has this mainly been in?

Permanent.....

Temporary/contract

Full time

Part time.....

Zero hours.....

Q4 Are customers on variable rates of pay (zero hours, on overtime etc.) having difficulty keeping track of how much UC they are being paid?

Yes

No.....

Don't know.....

Q5 Have you noticed a change in the impact the 42 day wait is having on tenants?

Yes

No.....

If yes, what changes have _____
you noticed?

- Q6 Generally speaking, is the 42 day wait adhered to or does it vary?
Takes longer.....
Adhered to.....
Not as long as 42 days

- Q7 Have there been delays in processing claims since November?
Yes No N/A
Live service
Full digital service

- Q8 If yes, has this resulted in customers being short of money while claims are being processed?
Yes
No.....
N/A

- Q9 Are UC customers having difficulty meeting their housing costs?
Yes
No.....
Don't know.....

- Q10 Are there any particular customer groups (e.g. age, ethnicity, household type) that are struggling more than others with housing costs as a result of UC?
Yes
No.....
Don't know.....

- Q11 If yes, please indicate which groups below:
- | | | | | | |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Age | Under 25 | 25-35 | 35-45 | 45-55 | Above 55 |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ethnicity | White | Black | Asian | Chinese | Mixed |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Household Type | Single | Couple | Single Parent | Couple with Child(ren) | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Employment | Employed | | | Unemployed | |
| | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| Disabled | Disabled | | | Not disabled | |
| | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| Other (please state) | _____ | | | | |

- Q12 If certain groups are struggling, why do you think that is?

- Q13 Are you aware of customers needing to turn to any of the following informal routes of support?
 Family
 Friends.....
 Neighbours.....
 None of these
 Other, please specify _____
- Q14 Are you aware of customers using food banks?
 Yes
 No.....
 Don't know.....
- Q15 Are you aware of any increase in health issues of your customers?
 Yes
 No.....
 If yes, please give details _____

Impact on your organisation

- Q16 Do you have both the Live and Full Digital versions of UC in operation in your area(s)?
 Yes
 No.....
- Q17 If yes, are there any issues in running both versions simultaneously?
 Yes
 No.....
 If so, what issues are you facing? _____
- Q18 If you are running the full digital service, has your contact with the service centre:
 Greatly increased.....
 Slightly increase.....
 About the same.....
 Slightly decreased.....
 Greatly decreased.....
 Not applicable.....
- Q19 How many tenanted dwellings do you manage?

- Q20 How many new UC claimants have you had since the beginning of November?

- Q21 What was the total arrears level of these tenants when they moved onto UC?

- Q22 What is the total arrears level of these tenants now?

- Q23 How many total customers do you have claiming:
 Universal Credit _____
 Housing Benefit _____
- Q24 What was the arrears level for Universal Credit cases at:
 November 2016 _____
 Current arrears _____
- Q25 What was the arrears level for Housing Benefit cases at:
 November 2016 _____
 Current arrears _____
- Q26 What proportion of UC customers in arrears are on alternative payment arrangements (APAs)?

- Q27 How many APAs have you applied for since November?

- Q28 How long in working days on average does it take between requesting a Managed Payment and having it approved and receiving it?

- Q29 If there are any delays in receiving Managed Payments, how does this affect staff's work and your procedures?

- Q30 If you receive Fourth Party Deduction Payments, how easy is it to manage rent accounts bearing in mind the four week payment cycle?
 Very easy
 Fairly easy
 Neither
 Fairly difficult
 Very difficult
 N/A
 Why do you say this? _____
- Q31 What (in working days) are the average benefit process times (application to payment) for:
 Housing Benefit _____
 Universal Credit _____
- Q32 If you have a money advice team, has there been an increase in enquiries directly attributable to UC since November?
 Yes
 No
- Q33 Please tell us the costs of supporting tenants through Benefits cases before and after UC roll out.
 Before UC roll out (HB) _____
 After UC roll out _____

- Q34 Have you introduced credit reference checks or do you carry out ability to pay rent checks prior to letting a property as a result of UC implementation?
 Yes
 No.....
- Q35 Have you or are you planning to carry out a customer profiling exercise of your tenant base to determine those at risk of falling into arrears/having difficulty paying rent?
 Yes
 No.....
 Don't know.....

DWP Experience

- Q36 When a customer moves from Housing Benefit to Universal Credit, do you receive written notification from DWP:
- | | Always | Usually | Sometimes | Never |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Live service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Full digital service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q37 Previous surveys have shown that respondents face numerous communication issues with DWP. What communication issues have you experienced?

- Q38 How easy or difficult do you find getting information from service centre staff you require to manage UC cases?
 Very easy
 Fairly easy.....
 Neither
 Fairly difficult
 Very difficult.....

Q39 If it is difficult to get information you need, what issues are you facing?

Q40 Please give us any examples of inconsistencies in the information you have received from service centres.

Q41 In what proportion of cases do you encounter inconsistencies of information from DWP?

- Q42 If you have brought any issues or problems to the attention of DWP, are you confident that they are/were being acted upon?
 Yes
 No.....

- Q43 Are you confident that service centre staff are able to give you an accurate answer to any queries you have?
 Yes
 No.....

- Q44 Do you feel your Partnership Manager has influence with superiors to make changes in policy?
 Yes
 No.....
 Don't know.....
- Q45 If you have raised issues/concerns with Partnership Managers have you seen improvements made?
 Yes
 No.....
 N/A
- Q46 Are there any service centres you feel are better than others?
 Yes
 No.....
- Q47 If some service centres are better than others, which service centres are better and why do you think this is?

- Q48 Since UC was rolled out to your organisation, has your experience of the Service Centre improved, deteriorated or stayed the same?
 Improved
 Deteriorated.....
 Stayed the same

Please click submit to send your responses by the end of business, **Friday 14th April**. If you have any issues with this questionnaire, please contact Barry Turnbull on 0191 5661030.