



Exploring the social impact of Universal Credit, by Broadacres

A review of the social impact of Universal Credit since its implementation

By Amy Evans, Rent Account Manager

Universal Credit is a single means tested welfare payment replacing 6 other benefits with a single monthly payment, to be paid directly to claimants. It is a new benefit designed to support people of eligible working age on a low income, or out of work.

The payment will include housing costs to cover eligible rent and service charges (less any deductions) for claimants living in social housing. It is then the responsibility of claimants to pay these housing costs to their landlord, by way of contrast to the system it will be replacing.

This report has been compiled to investigate the social impact that the rollout of Universal Credit has had on Broadacres as an organisation, our customers as claimants, and other social housing providers in the North East. I have asked for staff accounts on their opinions and impressions in relation to changes to their workload and pressures, met with other social housing providers

to discuss their thoughts and feelings on Universal Credit and completed case studies with customers that have had the biggest arrears increase since claiming Universal Credit. This has provided feedback across different areas, from people in different circumstances, in the attempt of gaining opinions of a well-represented demographic.

All of this feedback has been brought together to create this report into the overall social impact Universal Credit has had so far. There will be a reflection on the results in order to identify possible changes that may need to be made in terms of our rent collection process going forward to prepare ourselves for future claims, and ensure we as a social landlord are providing the guidance and support our tenants may need.



DWP Department for Work and Pensions



Universal Credit & Broadacres

How has Universal Credit impacted Broadacres as an Organisation?

Broadacres Business Impact at a glance:

52% of all arrears are UC customers

111% increase in arrears for those on UC

£424k estimated arrears increase by 2020

1200 HB claims still to move onto UC

Broadacres' journey into Universal Credit began in August 2015 with the introduction of 16 claims that month. Since then, the number of claims have dramatically increased, and this figure currently stands at 689. The biggest increase in claims was seen between October to December 2016, when claims rose from 91, to 148 then 214 in the space of the 3-month period. This was the result of Hambleton District going "live".

Below shows the increase in debt that Universal Credit has caused from the start of us receiving claims, to the present month.



51%

Debt increase caused by Universal Credit when Broadacres received our first claims in August 2015. In monetary terms, this was an increase of £5,396.58.



103%

Debt increase as a result of Universal Credit, March 2018. Monetary increase of £160,000.

Debt Increases

When measuring the debt increase impact, Broadacres records the level of arrears at the point a customer makes a claim for Universal Credit, vs. the current level of debt each month.



Managing Universal Credit:

Since its introduction, Broadacres have reviewed their rent collection procedure, to ensure it effectively addresses Universal Credit.

Customers are sent emails detailing what they can expect to happen following their initial claim, as well as what we expect of them in relation to their rent account and housing costs.

Information is recorded on each customers account, including claim date, start date of award, whether an Alternative Payment Arrangement (APA) had been applied for along with the reason for this, and if/when an APA is awarded. An APA is usually applied for in the instance a claimant has 8 weeks of rent arrears, or for claimants with vulnerabilities that meet a criteria outlined by the DWP. This information allows for the monitoring of tenancies in receipt of Universal Credit, and contributes to being able to review the financial impact of Universal Credit on the organisation.

It is crucial that information on these accounts is accurate, such as email addresses and national insurance numbers. Staff on the Rent Team take responsibility for checking and updating this information on their own patches. This data is important to make sure tenants receive information being sent to them, and to ensure we have the correct data when completing landlord verifications for claims.

The Universal Credit Journey can be found at the end of this document.



Business Impact

How do staff feel, and how has it impacted the business?



“I think things have improved with the introduction of the landlord portal.”

“The impact of this on my role is that arrears take longer to be repaid as customers can only afford lower repayments. Customers also require more help – for example, informing about Discretionary Housing Payments, North Yorkshire Local Assistance Fund, food bank etc. as well as offering Tenancy Support Officer and Money Advice Team support. This has created a shift in working from rent collection towards more signposting for support as more customers require help.”

“Over the past two years I have noticed an increase in stress and workload in the rents team. The simplest of agreements has now become a juggling act with payments coming in at different points of the month and no real seamless way of monitoring people who receive UC”

“The APA system of 4 weekly payments covering monthly rent is flawed and results in extra work.”

**6161
Properties
(1200 more
in the next
5 years)**

The Team:
1 Manager
7 Rent Account Managers
1 Specialist Rent Account Manager
2 Tenancy Support Officers

**689 UC
Claimants
(estimated
1400 by 2020)**



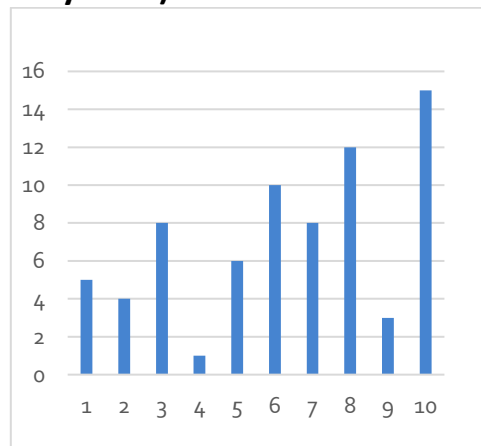
Social Impact

How do our customers feel about Universal Credit?

Broadacres were keen to explore the social impact Universal Credit has had on our customers. We were mindful that customers felt they were receiving the support they needed during this transition. Our two specialist support officers changed the focus of their work to reflect this, and there was an introduction of a rent collection procedure for Universal Credit itself.

In order to get some feedback on how customers felt they were coping we contacted everyone on Universal Credit (689) and asked them to complete a questionnaire. We received 73 responses. These are the findings...

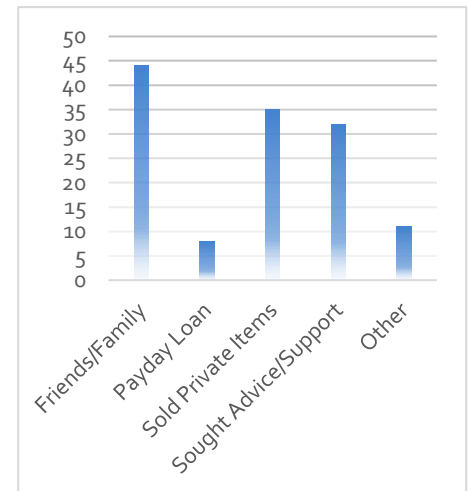
On a scale of 1-10 how easy was making the claim? (1 being very easy, 10 being very hard)



When claiming, how did it make you feel?

- Confused, Exhausted, Frustrated
- Nervous of change
- Transferred directly from tax credits without any difficulties, so no problems.
- Embarrassed
- Frightened
- Uneasy, and unworthy
- Worthless and suicidal, disability not an easy bedfellow
- Anxious
- The lady at the DWP made the application easy
- No feeling or understanding of my situation

Have you had any financial help from anyone else since making a claim?



Did you seek any further support?

- No, a friend helped me
- I had to go to citizens advice
- Broadacres were fantastic every time we needed help
- Yes, had a good work coach
- Had to have help from DISC and Local Authority
- No one (DWP) seems to know exactly what their job is
- I had help from Tenancy Support Officer



What could Broadacres do to help you more?

- I don't think your company could do any more
- I wasn't aware Broadacres could assist
- Nothing really, not your problem
- TSO helped me a lot
- Rent Account Manager has helped me a lot
- Free rent for a month
- I feel they are still supporting me now
- To stop sending letters threatening to kick me out would be nice



We've had a lot of people struggling to pay their rent when they first made a claim for UC, how did it affect you?

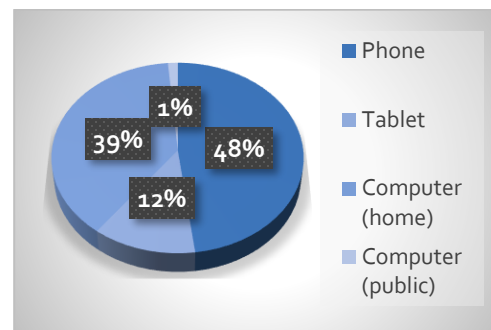
"If I hadn't have gone on to UC I don't think I'd have gone into arrears."

"I didn't receive my first UC payment for 2 months. I had to sell a £4000 bike for £250 just for a bit of money."

"I admit it was my fault I got into arrears. I was receiving my housing costs for the first few months and spent it rather than using it to pay my rent."

How do you access your journal?

*A journal is the DWP's online account for claimants to check and update details of their UC claim



Broadacres' Summary

The findings above show our customers have experienced a wide range of issues since beginning their Universal Credit journey.

Broadacres will continue to support customers, whether through the Rents, Tenancy Support or Money Advice Teams.

The report has provided further depth of the type of social issues that we must consider when moving forward in our approach as a landlord. Such as:

- Mental health
- Food Poverty
- Increased debts
- Social Exclusion
- Health issues

In acknowledgement of these findings, this report will be circulated to the DWP, support agencies, local authorities and our colleagues in other housing associations and internally.

Impact to other Housing Associations

How have other housing associations in the North East dealt with the change to Universal Credit?

A recent report published by Mobyssoft, identified that Northern landlords had the third highest Housing Benefit dependency average in the UK, behind Wales and Greater London, meaning they faced a large risk in the switch to UC.

Meetings were held with members of other local housing associations to see what the impact of UC was on their revenues, collections and workloads.

Property stocks of the associations met with ranged from 1,500 up to 28,500 and included a mix of live and full service claims of between 200-700.

Revenues & Collection

Of the associations able to provide figures relating to current collection rates, the data highlighted an average of 97% for UC cases.

In order to focus on income maximization, the general consensus was that APA's were applied for on any account meeting the criteria of being over 8 weeks in arrears.

"We have seen a 30% reduction in rent arrears as a result of the APA's in payment."

"We're trying to make a move away from APA's, but are under increasing pressure to apply for them by the Board as a result of increasing arrears."

"We have found higher levels of arrears on APA's. We're moving away from applying for them as it goes against the guiding principle of UC, that the tenant be responsible for their own money. We will only be using them for vulnerable people."

Workload & Staff

Most associations advised they had made no real change to their team structure to accommodate for UC. They felt with the necessary training, staff were equipped to deal with the claims. However, there was acknowledgement of the increase in stress levels for some.

"I don't think it's necessary to have a dedicated UC team. It's more important staff have a good relationship with the tenant."

"The biggest struggle we have had is going from having an 'in house' Housing Benefit department. Having a good relationship with our Partnership Manager has been invaluable through this transition."



Dedicated UC team



Feedback was that UC is mainly being handled by the Rent Team without a need to outsource to a specialist team. One association does have a Money Matters Team who deal with initial claims then pass back to Rent Officer once a claim is in place.

"The main frustration for staff is with the DWP rather than tenants. The DWP don't seem to have enough people to process the claims."



Acknowledgements

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Graham Stygall – Rent Manager, Broadacres

Broadacres Rent Team

Broadacres Tenancy Support Officers

Tenants of Broadacres

**Andrew Gledhill – Communications Coordinator,
Broadacres**

Broadacres Customer Involvement Team

Broadacres Money Advice Team

**Staff of County Durham Housing Group, Gentoo, North
Star, Richmond District Council and Yorkshire Coast**

What's next for Broadacres?

Based on the findings in this report, Broadacres will continue to develop and deliver services to support all our customers who may be affected by Universal Credit and beyond.



Broadacres Housing Association

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Broadacres House, Standard Way,
Northallerton



Who are we?

Broadacres is a not for profit housing association based in Northallerton, North Yorkshire. We currently own over 6,000 properties across 11 local authorities – Hambleton, Darlington, Richmondshire, Harrogate, Redcar & Cleveland, Ryedale, Scarborough, Selby, the East Riding of Yorkshire, York and Leeds. We provide a range of services to our customers, all aimed at meeting our vision of *making a real difference to people's lives*.



Broadacres has continued to invest both in the provision of new homes, and the maintenance and improvement of our existing properties. As well as this, we have continued to expand our partnership work in local communities. This includes working with The Clock to facilitate youth clubs across Stokesley, Thirsk and Northallerton, and in partnership with Greggs we also provide Breakfast Clubs at Stokesley Community Primary School and Alverton Primary School, Northallerton.

However, the organisation has not been without its challenges. Welfare reform has had an impact on us and our customers, the effects of which will be explored throughout this report. We continue to work hard to minimise the impact, as well as supporting our customers through the complexities of Universal Credit.





Your claim journey

1. Claiming Universal Credit

Universal Credit is a new service that helps ensure claimants are better off in work than they are on benefits. It is available to people who are on a low income or are out of work, and provides support to help them prepare for work, move into work, or earn more.

You can claim Universal Credit online at www.gov.uk/universalcredit

There is NOT a paper claim form for Universal Credit, but in exceptional circumstances a claim can be made by telephone or face-to-face.

Universal Credit is being introduced in stages. Whether you can claim it will depend on where you live and your personal circumstances. You can check if you can get Universal Credit by going to www.gov.uk/universalcredit.

From summer 2014 Universal Credit can be claimed by some couples in certain areas of the UK.

If you are eligible you will be given clear instructions on how to proceed with making your claim. If you are not eligible you will be directed to online help about other benefits that you may be eligible for.

Claims for Universal Credit are expected to be made online.

A telephone number is available Monday to Friday, 8am to 6pm, for help and advice on making an online claim.

If there are technical problems with the GOV.UK site a webpage will be displayed that gives alternative contact arrangements. This will also be the case if you are using an internet browser that cannot properly access the site.



Universal Credit claimant journey

