



How does the Income Recovery Team manage the rent arrears of tenants newly transferring to Universal Credit?

March 2018

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Acknowledgements

Members of SIFT would like to thank the following people for their help and co-operation in compiling this report.

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Molly Dunn
Amina Razak
Income Recovery Team staff
Welfare Reform Partnership Officers
Advice and Support Workers

From Newcastle City Council

Gwen Smith

... and ... all tenants who participated in contributing their views

Jargon Buster

| | |
|------|--|
| APAs | Alternative Payment Arrangements, a system which enables rent to be paid directly to the landlord |
| DHP | Discretionary Housing Payment, a payment from the Council which can 'top up' money for rent |
| DWP | Department for Work and Pensions |
| IRO | Income Recovery Officer |
| NCC | Newcastle City Council |
| NoSP | Notice of Seeking Possession – first step in legal proceedings |
| UC | Universal Credit |
| SIFT | Scrutiny, Involvement For Tenants, the tenants' panel which carries out independent scrutiny of the Council's and YHN's housing services |
| YHN | Your Homes Newcastle, the Council's housing management agent |

Summary

Members of Scrutiny, Involvement For Tenants (SIFT) carried out a scrutiny exercise to assess ***'How does the Income Recovery Team manage the rent arrears of tenants newly transferring to Universal Credit?'***

SIFT used a number of scrutiny tools to gather evidence for the scrutiny exercise, for example Focus Groups and Mystery Shopping, and followed key lines of enquiry.

The main findings include:

Some Universal Credit claimants are not contacted by YHN for an initial interview within the first five weeks of their claim.

Some claimants felt pressurised by YHN to pay rent when they had not yet received their first Universal Credit payment.

YHN Housing Hub staff are helpful and supportive when asked face-to-face for advice about Universal Credit.

YHN Housing Hubs generally do not display Universal Credit advice leaflets or advice about how to access, for example food bank vouchers.

There are not enough 'fit for purpose' computers available for use by claimants and staff in the Housing Hubs.

The arrears letters sent out by the Income Recovery Team to Universal Credit claimants are the same as those sent to tenants who are not claiming.

SIFT's main recommendations are:

1. The Income Recovery Officer should contact new claimants with the first seven days of them making a claim.
2. The rent arrears letters to Universal Credit claimants within the first five weeks of a claim should be reworded in recognition of the UC claim.
3. A series of paper advice leaflets for Universal Credit claimants should be developed, including one on how to use their Journal. The advice leaflets should be on display in the Housing Hubs and should also be offered at the claimant's first interview.
4. More up to date computers should be provided in the Housing Hubs for claimants and staff.
5. The computers the Income Recovery Officers use should be fit for purpose and have relevant software.
6. Phone chargers should be available in the Housing Hubs.
7. YHN should not take a rent payment from a claimant's account by Direct Debit before the due date, but if they do and the claimant is charged bank charges YHN should refund the tenant the charge amount.

1. Introduction

This third and final scrutiny report of the Financial Year 2017-18 was produced by the Tenant-led Scrutiny Pool supported by an Independent Tenant Advisor Service, Engage Associates. Engage Associates' role is to help deliver effective, practical support to tenants and leaseholders who are involved in scrutinising the performance of Council housing services in Newcastle.

The Scrutiny Pool's name is SIFT – Scrutiny, Involvement For Tenants – which accurately describes what they do, that is, sifting through information to look for evidence from which to analyse service provision and recommend change.

2. Scope of the Scrutiny Exercise

The scope of the scrutiny exercise is to investigate ***'How does the YHN Income Recovery Team manage the rent arrears of tenants newly transferring to Universal Credit?'*** In order to ensure the scrutiny explores current practice the timeframe for the investigation was set to only consider new Universal Credit claims from May until November 2017.

The purpose of this scrutiny exercise is to:

- Explore what services are provided and how they are provided
- Examine what range of support is provided to tenants to enable them to reduce their rent arrears
- Recommend, where appropriate, changes to service provision.

This report details the findings and recommendations of this scrutiny exercise, which took place from the beginning January until the end of March 2018.

3. Universal Credit, its Purpose and Operation

Universal Credit (UC) is a social security benefit introduced in 2013 across the UK to replace six means-tested benefits and tax credits. The six benefits are

- Income based Jobseeker's Allowance
- Housing Benefit
- Working Tax Credit
- Child Tax Credit
- Income based Employment and Support Allowance
- Income Support

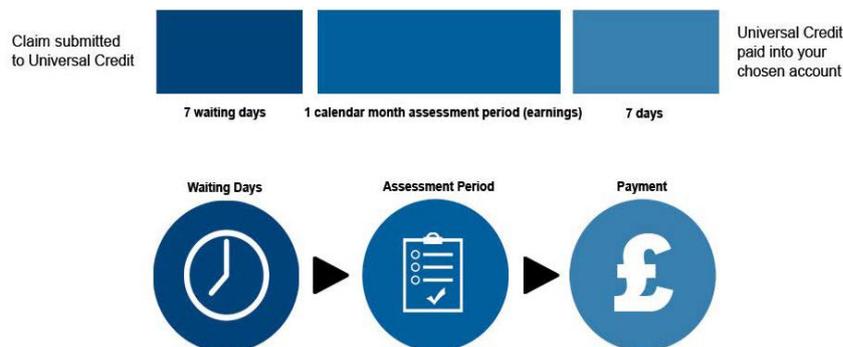
UC was one of several wide-ranging welfare reforms introduced by the 2010–2015 Coalition Government in the Welfare Reform Act 2012. UC in its operation is intended to demonstrate that people are always 'better off in work.' Its design was also intended to simplify the benefits system and make it easier for people to increase their working hours without losing benefits.

The new UC benefit is 'digital by default', meaning that claimants have to use the internet to make a claim. If claimants are one of a couple then the couple have to nominate which of them will receive the payments.

People move on to UC either when they make a new claim for benefit or their circumstances change, for example when they move home.

After claimants receive their first UC payment it is then paid monthly in arrears. This is intended to mirror the world of work, as the government thinks a majority of people are paid that way; however for many low paid workers they still receive wages weekly or fortnightly.

Up until recently for their first payment a standard UC claimant had to wait at least six weeks. This period comprised of: seven 'waiting days', when the claimant was not eligible for UC; one calendar month's 'assessment period', during which the claimant's income is assessed to determine their first payment; and seven days for processing the claim.



From February 2018, the government has removed the seven-day waiting period for UC, so that the claim starts from the date of application. This means that if UC is paid on time, claimants will wait five weeks for their first payment instead of six weeks.

The new benefit was introduced gradually to all Job Centres, initially focusing on claimants whose circumstances are the least complex (single adults without housing costs).

The rollout of full service UC, which began in May 2016 and was accelerated from October 2017, has been associated with increases in rent arrears, debt problems and food bank use. Many claimants have found themselves unable to cope with the long wait for their initial UC payment. A long wait for support may even make it more difficult for claimants to search for work.

In October 2017 a House of Commons report into UC and the six week wait detailed that more than half of low and middle income families have no savings and two thirds have less than a month's worth. Only half of people earning £10,000 or less per year are paid monthly. Many households simply do not have the resources to manage for six weeks or in a minority of cases far longer, without resorting to desperate measures.

4. Methodology

There are a variety of tools which can be used to scrutinise services, performance and governance. The tools selected on this third scrutiny exercise included:

- A briefing by the service manager from YHN
- Desktop review of relevant policies, procedures, complaints and performance information
- Mystery Shopping
- YHN Staff Focus Group
- Tenant claimant Focus Groups
- YHN Staff Shadowing.

Initially it was planned to review the job descriptions of members of staff to gain a greater understanding of their roles and how they interacted with each other to reduce rent arrears for claimants. SIFT were advised however, that as job descriptions within YHN were currently being reviewed, and may become obsolete, this element of the scrutiny may therefore be a sensitive issue for staff and SIFT members were asked not to request them. As a consequence of this, the roles of the different members of staff were not clear within the context of the scrutiny. Nevertheless the scrutiny exercise has still produced some useful findings and recommendations.

The Key Lines of Enquiry SIFT members pursued included:

- The Rent Standard of the Homes and Communities Agency Regulatory Standards
- House of Commons Report on the six week wait for Universal Credit
- Online research on how other landlords support tenants claiming Universal Credit
- The numbers of tenanted households newly claiming Universal Credit from May 2017 until the end of November 2017
- The level of rent arrears for tenants newly claiming Universal Credit from May 2017 until November 2017
- The numbers of Notices of Seeking Possession issued to tenants newly claiming Universal Credit from May 2017 until the end of November 2017
- The numbers of evictions to tenants newly claiming Universal Credit from May 2017 until the end of November 2017
- YHN's Service Standards in relation to rent collection
- YHN's rent collection procedures
- The Income Recovery Team's remit
- The software used to advise and support tenants newly claiming Universal Credit
- The numbers of formal complaints from tenants newly claiming Universal Credit from May 2017 until the end of November 2017.

5. Using the Scrutiny Tools

5.1 The Service Briefing

The briefing was given by Maureen Grainger, YHN Income Manager on Tuesday, 9th January 2018. Maureen explained in detail how the income recovery system was intended to work and how support is provided for new claimants.

Before the introduction of UC tenants could claim Housing Benefit, which was paid directly to the landlord. If the tenant was claiming 100 percent of the rent in Housing Benefit they did not have to be concerned with paying rent. When claiming UC, however, the tenant receives the rent element directly into their bank or post office account and then has to either pay their rent by Direct Debit or swipe card. For many tenants this works well, for a few there are problems.

In February 2016 YHN successfully applied to become a 'Trusted Partner' of the DWP. This arrangement has meant that from that date YHN have been able to apply for Alternative Payment Arrangements (APAs) without the need for the application to go to a decision maker from the DWP. APAs enable the Housing Benefit element of UC to be paid directly to the landlord, reducing the risk of further arrears accumulating and lowering the stress levels for the claimant.

Universal Credit Full Service was first rolled out by Newcastle City Jobcentre in May 2016. This was followed by Newcastle East Jobcentre in February 2017, and Newcastle West Jobcentre in March 2017. In August 2017 YHN became one of the first landlords to test the DWP Landlord Portal. This means that YHN get a notice from the DWP, via a portal, the same day someone makes a claim. YHN staff can then verify the housing details for the claimant, speeding up the process of claiming and inviting the tenant in for their initial interview. However, if a claimant has all the necessary paperwork, for example their tenancy agreement they may complete a claim themselves and YHN may not get to know from the DWP that the tenant is claiming UC, and therefore not call them in for an interview. In order to avoid this gap in knowledge YHN could perhaps ask the DWP for a monthly list of new claimants from Newcastle and could then arrange interviews with all claimants.

Maureen explained that there are currently 3,300 City Council tenants claiming UC. Between May and November 2017, tenants made 1,856 new claims. Of these 1,619 are in arrears, owing a total amount of £1,094,664. Of this sum £582,271 has been accrued in rent arrears since claiming, almost doubling the amount claimants owe.

There have been 743 Notices of Seeking Possession (NoSP) sent to new claimants between May and November 2017. These give the tenant 28 days in which to engage with YHN before any further action is taken. It is not clear how many of these notices are sent to UC claimants before they receive their first payment, as this information is not monitored.

There have been no evictions of new claimants during the same period. There have been some evictions of tenants who had older claims, but all were over £3,000 in arrears and had some arrears before claiming UC. It has to be recognised that some people will not, or cannot prioritise rent payment.

Maureen stated that the experience of claimants before YHN had access to the DWP Portal and those who claimed after access had been granted would be markedly different: SIFT expected to see this borne out by the views expressed by the two Claimant Focus Groups during the sessions; however this was not the case (please see sections 5.6 and 5.7). One reason for this may be that prior to the Landlord Portal access customers could have verified their own housing costs by using their tenancy agreement so YHN may not have needed to interact with them. Since the Portal has been in place the majority of claimants rent levels are verified by using the Portal and therefore YHN are aware of claim.

It became clear at this second meeting that YHN do not have a complete and comprehensive list of all tenants who are claiming UC. YHN state that they try and manage this as best they can. All UC cases are assigned to a separate patch on Northgate rent management system. At any time YHN can review the numbers who sit on this patch at Area and officer level. YHN stated that they receive notification from the Landlord Portal for all new claimants which means they are notified by DWP of new claimants.

Adopting a Quality Assurance target for the number of new claimants interviewed may be a useful tool to help the Income Recovery Team monitor how effectively they are able to contact and engage UC claimants.

5.2 Desk Top Review of YHN's relevant policies, procedures and performance

SIFT were provided with the two main guidance documents YHN's Income Recovery Team use, namely 'Income Ways of Working, Sustaining Tenancies and Maximise Income', which is the procedure and good practice guide for Officers and the 'Universal Credit Workbook.'

The Income Ways of Working document is very detailed and repetitive, but very clear about the procedures for recovering rent arrears.

SIFT only had access to a paper copy of the UC Workbook, which was not page numbered which made it difficult to navigate, however the version staff use has hyperlinks in it which make it easy to use and it is updated frequently. The Workbook, again was very detailed and explained the way that UC is intended to work across a range of circumstances, for example the ability to put in place managed payments, more frequent payments than once a month, and split payments.

Performance Information from February 2018

| Hub | Number of Tenants | Arrears balance | Number of Tenants | Arrears balance | Number of Tenants | Arrears balance |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | All tenants | | Non UC claimants | | UC claimants |
| East End | 1559 | £655,787 | 1091 | 318,753 | 468 | 337,034 |
| Kenton | 2435 | £823,301 | 1469 | 287,669 | 966 | 535,632 |
| Outer West | 2482 | £1,007,295 | 1681 | 427,987 | 801 | 579,309 |
| Walker | 1772 | £852,676 | 1245 | 388,783 | 527 | 463,893 |
| West End | 2519 | £1,110,013 | 1732 | 515,826 | 787 | 594,186 |
| City Total | 10,767 | £4,449,072 | 7,218 | £1,939,018 | 3,549 | £2,510,055 |

The above table shows the numbers of tenants from each of the Hub areas that are in arrears with their rent and the proportion of these who are UC claimants and non-UC claimants. What is striking about these figures is the high level of arrears from those who are UC claimants. Over half the total arrears (56%) are owed by a third (33%) of tenants, who are all UC claimants. The average amount owed by non-UC claimants is £268, the average arrears for those who are claiming UC is £707, over two and a half times more. This would suggest that UC is having a significant impact on the levels of rent arrears in these areas.

5.3 Mystery Shopping Exercises

Six mystery shopping exercises were carried out by SIFT. All but one was a positive experience.

Shop 1 A SIFT member fed back a very positive experience of being given information at a Housing Hub. They were given a print out from the government's website detailing how UC worked, which was useful but very long. The judgement was that a short, concise leaflet should be given to people who are asking for information, rather than the quite in depth and wordy government print out.

Shop 2 Another member visited two Housing Hubs to see if any advice leaflets about UC were on display, neither did, but did have general advice leaflets on display.

Shop 3 A mystery shop by telephone to a Housing Hub was conducted to ask for general advice about UC. The member of staff refused to give their name as the shopper would not give the details of the tenant wanting advice.

Shop 4 A face-to-face enquiry about Direct Housing Payments was made at the Housing Hub. A member of staff informed the SIFT member that DWP or YHN could apply for an APA (Alternative payment arrangement) which will have housing costs sent straight to YHN, rather than the customer's bank account. Their living allowance would still go into their bank account. The member of staff dealt with the request for service very efficiently, they provided the SIFT member with all of the information asked for. The request for service was dealt with swiftly and with confidence.

Shop 5 A phone call to a Housing Hub was made to ask how to log on to the tenant's rent account. The staff member talked the SIFT member through the process and they felt that the staff member had been very helpful.

Shop 6 A SIFT member telephoned YHN's Enquiry Centre to ask if there would be a charge if the rent element of their UC claim is paid directly to YHN. The staff member explained clearly that if an Alternative Payment Arrangement is put in place there would not be any charge.

Summary

The face-to-face encounters were very positive, with staff being helpful and providing relevant information. The majority of telephone enquiries were also positive, but one could have been handled more effectively by the staff member offering general advice.

5.4 Staff Focus Group

A staff Focus Group took place on 6th February so that SIFT members could develop their understanding of how the Income Recovery Team and the Advice Workers located in the Housing Hubs, worked together to help claimants reduce their rent arrears.

The Group of 11 staff were asked 17 questions, ranging from Action Planning with claimants to providing extra help for claimants who may have chaotic lifestyles. The staff members were very open about their service provision and appeared, in the main, to be very committed to providing good levels of support and advice for claimants. They stressed that every individual is different and therefore their needs are different, so staff had to be flexible in their approach.

The Group identified a number of issues, which if resolved would improve the claimant's experience and also help the staff carry out their role more effectively. They were:

- There are not enough computers in the Housing Hubs for claimants to use, more are needed
- The YHN IT systems are not fully functional and need to be updated so that they can be queried effectively, perhaps using tabs for different aspects of the tenant's circumstances and history (they are due to be updated next year)
- There is a lack of support from DWP for staff, some DWP Centre staff are more helpful than others
- In January 2017 there were 4,073 tenants on UC. It is predicted to be 12,000 tenants in 2020. This will be a significant additional call on staffing resources. The support staff provide for claimants is very time consuming and intense
- Phone chargers, if made available in Housing Hubs would help claimants to use their smart phones to log into their journals.

Other issues the Group identified, which complicate how they carry out their work include:

- If one debt is paid off by the tenant, other debtors then take a deduction so staff can never be exactly sure how much the tenant will receive in a month
- Some debtors use very aggressive recovery methods which makes the tenant not prioritise their debts well
- Some tenants believe that if one claimant is eligible for a grant or additional financial support they will be too, which is not always the case and can cause some confusion and resentment
- Advance payments in the first five weeks of a claim can cause problems for the claimant at a later stage. For example, one woman asked for £1,000 advance, but that meant that she was paying the loan back at £82 a month for a year, leaving her very short of money. There is no room for negotiating with the DWP for paying the loan back at a slower rate per month.

In conclusion the Focus Group session demonstrated that staff believe that they are applying the procedures outlined in the UC Work Book, offering advice and support to claimants.

5.5 Organising the Claimant Focus Groups

At the beginning of the scrutiny exercise SIFT became aware that there had been quite a major change in the way YHN worked with the DWP, that is they had become a 'Trusted Partner' in February 2016. As a consequence of this YHN staff were then able to request that a claimant's rent be paid directly to YHN, without having the DWP questioning the need to do this. Further, in August 2017 YHN became one of the first organisations to have access to the DWP Portal, which 'triggered' a notice to YHN that a tenant had made a new claim, asking YHN for the amount of rent the tenant paid. This alert meant that the IRO could call in the claimant quickly for their initial interview.

So, in looking to run a Focus Group which would draw down recent experiences, rather than historical views, SIFT requested that YHN provide details of only those claimants who had submitted a claim after August 2017. This would ensure that the evidence gathered during the Focus Group would be based on the activities of YHN staff as Trusted Partners with access to the Portal. The data base was sent from YHN to a member of NCC's staff to email out to claimants, however it quickly became apparent that the data base included everyone who had made a claim in the full roll out, that is since April 2015.

The volunteers who attended the first Focus Group all made their claim before access to the Portal had been granted. SIFT members felt that the experiences of the pre Portal claimants may not reflect current practice and therefore requested a cleaned up data base containing only the contact details of tenants claiming after August 2017. This was sent to the NCC member of staff and a new, second Focus Group was quickly organised and carried out.

SIFT have included the pre-Portal Focus Group details to enable a comparator to be made.

All claimants who volunteered to participate in the Group were offered a £10 supermarket voucher in recognition of their contribution to the scrutiny exercise and their travel expenses. The voucher was offered in part in as an enticement to attend and also an attempt to balance the group, that is, to try and limit the bias which may have crept into the exercise if volunteers felt that the session was an opportunity to air grudges or dissatisfaction with the service.

5.6 Claimant Focus Group – Pre Landlord Portal Status

SIFT had developed 12 lines of questioning for use in the session, largely focused on the help and support they had been given to make and maintain their claim. Three people attended the Focus Group, which was disappointing, as initially eight people had agreed to attend. A further claimant, who could not attend on the day, sent in her views, which were not based on the questions, by email and a claimant with disabilities completed the questions from home.

Four out of the five respondents felt that they had been pressurised to pay rent before they received their first UC payment. They stated that they had been in constant contact with YHN staff who they thought understood their financial situation, which is that they had very little money.

One claimant received a letter three weeks after making his UC claim advising that he was in rent arrears. He contacted YHN and explained that he was waiting for his first UC payment, after which he would pay his rent. He was told by the member of staff that they understood that there were delays in payment and not to worry. Two weeks later he received a letter advising him that YHN were starting recovery procedures. Again he contacted YHN and informed them of the situation. The staff member stated that he needed to consider his rent arrears, at which point he replied that the DWP were in rent arrears, not him.

Later, after UC payments were being made he received a phone call from a staff member asking if he could increase his arrears payments by £10. He stated that he could not, as he had very little spare money with which to pay his bills and feed himself. He received three further calls from the staff member, who he felt was aggressive and not listening to his point of view.

A second claimant also had similar experiences to this, and further felt that YHN staff went back on their word not to deduct additional rent arrears payments but they did.

The disabled claimant made their claim in January 2017 but was not contacted by YHN until November 2017; the contact had been arranged by the claimant's Work Coach.

5.7 Claimant Focus Group – Post Landlord Portal Status

Sixteen people attended this session, 15 of which had made a UC claim after access to the Portal had been granted. The group were asked exactly the same 12 questions as the first claimant Focus Group had been. The responses to the questions however echoed those of the first Focus Group.

One person who first claimed in November 2017 has still not been contacted by YHN. Another had to ask for support, but stated that the staff have been very good since that contact was made. A third stated that they have had no support for three or four months.

In response to the question 'Did the member of staff explain the process, for example what was going to happen [now they had made a claim]?', only one person responded positively. The Group was asked if they felt reassured by the initial advice they were given, again only one person stated they did and added 'it was really good advice.'

The Group were asked if they had received any budgeting advice from YHN. One person responded 'they don't tell you, you have to ask', another said 'you have to approach them [YHN], they don't approach you.'

A third person said I owe £205 because of delays in receiving my first payment and YHN are badgering me to pay extra on top of my rent and I don't have it [the money]. Three people stated that they had received budgeting advice, but it was basic. Another said that the Job Centre Work Coach had provided budgeting advice for them.

It became obvious during the session that several people did not know how the UC Journal worked. The Journal records claimants' work search or other things they have done to improve their circumstances, and they can use the Journal to communicate with, or interact with their Work Coach. Providing new claimants with a simple guide to how the Journal works would improve the situation for many people, however the Journal is constantly updated by the DWP so it may be a costly exercise.

The Group were asked if the Income Recover Officer had gone through their budget with them to see if there was anything they could reduce spending on. One person said that the Officer had indicated that they were spending quite a lot on cat food and asked if they could get rid of the cat.

When asked if the Group were given advice on saving the response was negative from everyone. Nobody had been given advice on opening a bank account, or information about grants. Several participants did not know that they could get a food bank voucher and a general information exchange took place. The Group suggested that a YHN advice leaflet should be developed advising people of what is available in terms of help and given to new claimants at their initial interview.

Several people stated that they had received letters demanding rent before their first UC payment was made. One person said they received several phone calls on the same day about their rent arrears – it later became apparent that these are automated messages.

Several people in the Group appeared quite upset about their circumstances. One person stated that her rent had been taken out of her bank account by Direct Debit several days before her payment date and, as a consequence she had to pay £10 bank charges.

The final question asked the Group if they felt that YHN have been supportive of them over UC, six stated that they did not feel supported, eight stated that they felt supported to some degree and two people were uncertain about the levels of support. Several people added that the support was given but only after they had asked for it.

5.8 Staff Shadowing

A SIFT member spent a morning shadowing an Income Recovery Officer (IRO) during a claimant's initial meeting. The claimant's permission for her to be present at his appointment was sought and agreed to.

The IRO dealt with the customer extremely well, professionally and politely, but on a very down to earth level, for example she did not use jargon and she tried to relax the claimant.

The IRO agreed to help the customer complete a Discretionary Housing Payment (DHP) form to help cover any shortfalls in benefit payment, however the link to the DHP application page via www.newcastle.gov.uk was no longer at its normal location on the website and no alternative source was available. The IRO explained she would complete this over the phone later.

The IRO also completed a Council Tax Reduction form on the customer's behalf. The IRO whilst completing the form made her contact details available to NCC to show that she supported the customer in completing the form and her reasons for her assistance.

The process of completing this form is time consuming as it requires a lot of details especially when asking for the income of partners and the details of any children living in the home, National Insurance numbers, etc, which not everybody will know off the top of their heads, making the form take longer on occasion.

The IRO asked the customer to ensure they complete entries on their Universal Credit Journal to avoid sanctions. The IRO gave the claimant their monthly rent figure, arrears amount, a total monthly payment amount required, and asked them to report a change of any circumstances to the appropriate departments immediately and that they would ring the customer on a future date.

The IRO also informed the customer that YHN has an employability team they can be referred to for assistance with CV writing, interview skills, etc and that Advice and Support Workers are available should they need further support. The customer left seemingly happy with the appointment and advice given. The IRO then completed a proforma after the initial interview for YHN's records.

6. Additional Investigatory Activities

6.1 Website Review

SIFT members looked at YHN's and NCC's web pages on UC. They thought YHN's site was eye catching and user friendly, with lots of video clips and You Tube videos. NCC's site was more 'wordy'; however it did have a useful 'Employers and Landlords Toolkit.'

SIFT then compared YHN's site to four other organisations, namely:

- Gateshead Council
- Gentoo HA
- Manchester City Council
- Southwark Council.

SIFT felt that YHN offer a lot more information relating to UC that is easily accessible compared to other social housing organisations, including those researched online. It is easy to navigate around the website, provides more than enough information including video formats which would help those customers who maybe struggle with reading.

SIFT's only recommendation is that information is updated on a regular basis as some of it is out of date now, for example, it makes reference to the seven day wait period when no UC is granted, however this is no longer the case. DHP is not mentioned on the site which SIFT think would be useful, also there is no direct mention of APA's on the site.

6.2 Complaints about Universal Credit Support to reduce Rent Arrears

Only one complaint had been received during May to November 2017. The complaint was found not to be justified.

7. Findings

YHN get a notice from the DWP, via a portal, the same day someone makes a UC claim and therefore know that the tenant is likely to need support and information. YHN may also find out about a UC claim directly from the tenant or through a referral for support from the Job Centre. Tenants participating in the two claimant Focus Groups stated that in some cases they were not contacted by a member of YHN staff for up to four months, and in other cases even longer. Some respondents in the Claimant Focus Group felt that they had been pressurised to pay rent before they received their first UC payment.

Clearly the first five weeks (in many cases longer) are difficult for claimants if they have no savings or a last salary to draw upon. This is the time period when people may need the most help and support. One way to provide this help and support would be to develop a series of advice leaflets. There were no UC advice leaflets on display in Housing Hubs, nor were there any written details about the help claimants could receive, for example vouchers for food banks. Having a series of advice leaflets, including how to use the claimant Journal may assist people to cope with the early weeks of a UC claim more effectively.

The face-to-face mystery shopping encounters requesting general information about how UC worked were very positive, with staff being helpful and providing relevant information. A member of staff in a Housing Hub provided one mystery shopper with the government guide to UC, which is quite long.

The average amount owed by non-UC claimants is £268, the average arrears for those who are claiming UC is £707, over two and a half times more. The claimant group can sometimes move on to UC with an arrears balance and also an initial five week wait for payment which creates a technical arrears balance. If all UC claimants were invited to an interview with the ICO within the first five weeks of making a claim this figure may lower.

Participants in the Staff Focus Group identified that there are not enough computers in the Housing Hubs for claimants to use, and more are needed. They also added that the IT systems are not fully functional and need to be updated so that they can be queried effectively, perhaps using tabs for different aspects of the tenant's circumstances and history. One participant suggested equipping the Housing Hubs with phone chargers which would help claimants to use their smart phones to log into their journals.

Once SIFT understood that the Trusted Partner status helped YHN to communicate with the DWP, and to find out quickly that a tenant had made a claim, members felt that the experience of claimants before August 2017 and then after that date would be different. The responses to the questions in the second Focus Groups however echoed those of the first Focus Group – it seemed from the tenants' point of view that nothing had changed. People were still being sent rent arrears letters in the first five weeks of their claim, and despite keeping in touch with YHN the letters have paragraphs which say 'I look forward to speaking to you soon', and 'Although we appreciate that some people experience financial difficulties you have not made us aware of your personal circumstances', when the claimant has made staff aware and when hopefully staff can also easily check if someone is a UC claimant.

There have been 743 Notices of Seeking Possession (NoSP) sent to new claimants between May and November 2017. SIFT wanted to know how many of these notices had been sent out in the first five weeks after a UC claim had been made, however this information is not collected. Certainly one of the claimant Focus Group members claimed that he had been sent a warning notice of seeking possession letter five weeks after submitting his UC claim. SIFT understands that there has to be a balance between supporting tenants and maximising the income available to both NCC and YHN through rent payments. There should, however be a review of the content of letters sent to UC claimants.

One participant of the Claimant Focus Group stated that she had put a Direct Debit in place to pay her rent on a specific date each month. YHN, however had taken the money early and she had incurred a £10 bank charge because there had not been sufficient money in her account at that time.

The 'Findings' section of this report have helped shape SIFT's recommendations for change in the way that the Income Recovery Team manage the rent arrears of tenants newly transferring to Universal Credit.

Recommendations – Action Plan

| Recommendation | Management Response | Proposed Actions | Timescale | Responsibility |
|--|--|--|------------|---|
| 1. The IRO should contact all new claimants within 7 days of them making a claim to arrange an interview | Staff should be proactively contacting all customers who move onto Universal Credit within 7 days | Income Recovery Managers to discuss new UC cases in staff 1:1s and sample check completion of initial interview | April 2018 | Income Recovery Managers (There are 5 IRMs, 1 per hub) |
| 2. The rent arrears letters to UC claimants within the first five weeks of a claim should be reworded in recognition of the fact that they are UC claimants | There is a standard letter to send out to UC claimants once UCII has taken place. We will review the arrears letters to UC claimants however IT work would be required to change escalation path for UC tenancies so it will need to be planned in and will take a little time | Review letters for this time period. Could link up with Customer Insight/Comms work which is currently ongoing | June 2018 | Senior Manager Income Advice and Collection |
| 3. A series of YHN paper advice leaflets for UC claimants should be developed, including one on how to use their Journal. The advice leaflets should be on display in the Housing Hubs and should also be offered at the claimants first interview | We do have a selection of advice letters and recent check to hubs indicated they still had a stock of them | Review advice leaflets available and amend if necessary and issue to hubs with a reminder to staff that they are available | April 2018 | Universal Credit Implementation Manager |

| Recommendation | Management Response | Proposed Actions | Timescale | Responsibility |
|---|--|---|------------|---|
| 4. More up to date computers should be provided in the Housing Hubs for claimants | We work jointly with NCC in Hubs and the current service offering is being reviewed | Review current provision in conjunction with NCC and improve as appropriate | June 2018 | Assistant Director Housing Services |
| 5. The computers the IROs use should be fit for purpose and have relevant software | The robustness and speed of the IT systems. – there have been a number of server failures and systems can run slow | Due to undertake a full procurement exercise next year and UC will be a prime consideration | April 2019 | Universal Credit Implementation Manager |
| 6. Phone chargers should be available in the Housing Hubs for claimants' use | As there is a wide range of chargers this would be difficult as would ensuring the security of the property | Investigate whether it is possible for tenants to use their own chargers in Hubs or if this would create health and safety issues due to PAT testing regulations (Portable Appliance Testing) | April 2018 | Income Manager |
| 7. YHN should not take a rent payment from a claimant's account before the due date. If the claimant is charged bank charges YHN should refund the tenant the charge amount | YHN use Allpay to collect DDs and currently have 9500 tenants who pay their rent by DD. When a DD is set up the payment date for monthly or day of the week for weekly payments is agreed with the tenant. A confirmation letter is then sent to the tenant confirming the date of the first payment and when subsequent payments will be made. If the scheduled payment day falls on a non working day the payment automatically defaults to the next working day and payments would never be scheduled to be taken early. I am confident that this the case as we collect over 225,000 direct debit payments per annum and this issue has never been raised by tenants previously. | | | |

| Recommendation | Management Response | Proposed Actions | Timescale | Responsibility |
|---|---|--------------------------------------|------------------|---|
| 8. The YHN Website pages on UC needs to be updated more regularly | Agreed | A monthly check will be put in place | April 2018 | Universal Credit Implementation Manager |
| 9. DHP and APA need to be mentioned on YHN's Website | Agreed | Website content will be updated | April 2018 | Universal Credit Implementation Manager |
| 10. A performance target for the number of new claimants ICOs interview should be adopted | See response to Rec 1 | | | |
| 11. YHN should ask the DWP for a monthly list of new claimants | Notifications have improved significantly since the introduction of the Landlord Portal. DWP have confirmed that they are unwilling to produce any additional or bespoke data for landlords as this is too onerous for them in view of the number of claimants and landlords that they deal with nationally | None | | |

