Waltham Forest Housing: Preparation for Universal Credit (Full Service)

January 2018
Summary

• LBWF entered a Universal Credit (UC) “live” service from **18th May 2015** for single new job seekers only.

• UC “full” service is due to roll out in Waltham Forest from **May 2018** and will include couples and families presenting further challenges to rent collection.

• Due to the planned closure of the Leytonstone Job Centre Plus (JCP) in March/April 2018, UC roll out for these JCP areas are now scheduled for some time in **July 2018**.

• WFH also has a number of properties outside of Waltham Forest that are subject to full service UC.
Background

• UC replaces the 6 benefits into one simple monthly payment for people (of working age) in and out of work.
• If tenants are in receipt of Housing Benefit (HB), this will be included in their monthly UC payment. Tenants would then be expected to pay LBWF directly.
• Couples who are both entitled to claim UC, shall receive one monthly joint payment paid into a single bank account.
• UC is paid monthly in arrears so it can take up to 5 - 6 weeks after a claim is made to receive the first payment. This means rent arrears from the start.
• All UC claims have to be made online.
Proposal / Context

- As at December 2017, there were 9528 Council tenancies.

- Around 61% of our tenants are in receipt of some element of HB at present.

- Around 50% of our rental income is received via HB. That equates to c.£28m per annum.

- London Borough of Southwark expanded to full service in November 2016 and as at August 2017 had 3,960 UC cases for Council tenants of which 71% are in arrears.
Risk Mitigation

• Front line staff training and update briefings from DWP
• Deliver a pre-tenancy conference in January 2018 through an external specialist from HQN
• Continue to promote a Direct Debit (DD)
• Adapt the CAB-Housing contract to include UC appeals
• **Appoint a project management resource** to support us with this process of migrating onto full UC roll out.
• Consistently deploy Income Maximisation through early intervention.
• Tenancy audits to verify and clean up data on our Housing Management System for improved reporting and targeting support.
Implications

• UC imposes a big budgeting and prioritising responsibility on tenants.
• Rise in rent arrears and rent collection rate
• Rise in evictions
• Adjustment of KPIs as required
• Inconsistent notifications of new UC claims
• Sanctions to claims
• Missing payments
• Joint tenancies / Anti Social Behaviour
November 2017 Budget announcement

• From January 2018 those who need it can access up to a month’s worth of UC.

• Period of recovery increased from six months to twelve months from January 2018. UC claimants can access a month’s worth of support within five days via an interest-free advance.

• From February 2018 the seven-day waiting period shall be removed.

• From April 2018 those already on HB will continue to receive their award for the first two weeks of their UC claim.

• Live service gateway (UC for single new job seekers only) shall be closed from January 2018 and all claims revert back to legacy benefits (JSA, ESA, HB, tax credits, income support) until full service is rolled out in each area. This is to allow some of the UC policy changes to be implemented by the DWP.

• Those already on the Universal Credit live service will remain unaffected.

• Temp Accommodation removed from UC w.e.f. April 2018.