

**THE HIGHLAND COUNCIL
RESOURCES COMMITTEE
WELFARE REFORM WORKING GROUP**

Minutes of Meeting of the Welfare Reform Working Group held in Committee Room 1, Council Headquarters, Glenurquhart Road, Inverness on Friday 14 March, 2014 at Noon.

PRESENT

Mr A Christie
Mrs M Davidson

Mr D Hendry

Officials in attendance:-

Mr D Lamont, Head of Exchequer and Revenues, Finance Service
Mr D Goldie, Head of Housing, Housing and Property Service
Mrs S McKandie, Exchequer Manager (Policy and Development), Finance Service
Mr B Mackinnon, Employability Team Leader, Planning and Development Service
Ms A Macrae, Committee Administrator, Chief Executive's Service

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mr D Fallows, Mrs D Mackay, Mr T Prag, and Mrs C Wilson, on other Council business.

2. Declarations of Interest

Mr A Christie declared a non-financial interest in items 3 and 4 below as General Manager and Company Secretary of Inverness CAB but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

3. Universal Credit

The Chair confirmed that the Group was scheduled to meet with the Highland MPs on 21 March 2014, and that discussion would therefore focus on the key points that the Group wished to raise with the MPs at that meeting.

i. Impacts on Housing

There had been circulated Report No. WR/01/14 by the Housing Policy Officer which outlined the main impacts the introduction of Universal Credit was having on landlords and tenants in the social rented sector.

The Report advised that Universal Credit had been rolled out in the Inverness Job Centre Plus area from 25 November 2013. The early indications from the DWP was that around 300 applications had been made locally, with 8% of applications having housing costs. It was explained that the Council only became aware that tenants were claiming or entitled to Universal Credit when contact was established with them in relation to rent arrears. This was in contrast to the under occupancy rules where the Council was able to identify in advance the affected households and be proactive in providing advice and support on an individual basis.

The Report also confirmed that the number and complexity of Universal Credit claims would increase exponentially as the roll-out was extended to other claimants from the Summer 2014. The Council remained concerned about the long term implications for the Housing Service and tenants as Universal Credit was phased in.

In regard to the main impacts outlined in the Report, the Group **AGREED** that the following key points be raised with the MPs:-

- the lack of data sharing protocols between the Department of Work and Pensions (DWP) and landlords meant that the Council had limited evidence available which would allow it to assess the real impact of Universal Credit locally in terms of knowing which tenants were in receipt of Universal Credit and on its ability to provide advice and support to those tenants;
- that the Council had submitted a proposal to the Universal Project Team based on a similar data sharing protocol as had been in place with the Housing Benefit system. This set out a more systematic process for identifying claimants in rent arrears to help reduce the impacts. It was suggested that a summary of that proposal be provided to the MPs;
- that the DWP Universal Credit Implementation Team had advised that any consent mandate agreed by the tenant would only grant authorisation for the DWP to divulge information to the landlord for one particular contact in relation to a Universal Credit claim and would not act as an ongoing authorisation. There was also only provision for one intermediary to act at a time on behalf of a tenant;
- that the onus would be on the tenant to ensure they provided sufficient evidence to support their claim for Universal Credit, including evidence of their rent. However it was also noted that good progress was being made within the DWP to identify an effective way of capturing bulk rent increases from social landlords rather than relying on individual tenants to pass on the information;
- that the arrangements for establishing an 'Alternative Payment Arrangement' (APA) due to rent arrears, also known as 'safeguarding', was inadequate and bureaucratic;
- the early indications were that decisions on APA requests were taking four to five weeks to process. At present there was no timescale defined in the guidance for processing these applications by DWP. During this period the housing costs continued to be paid directly to the tenant, and therefore the tenant could be up to three months in arrears before payments were changed to the landlord; and
- in respect of cases where an APA was refused there was no recourse to appeal by the landlord.

Sanctions

Reference was also made to the claimant commitment and particularly the sanctions regime that applied if claimants did not comply with the terms of the commitment. It was reported that sanctions applied would result in Universal Credit being reduced and as a result the housing cost element of Universal Credit was likely to be used for other household expenditure which would impact on a tenant's ability to pay their rent.

In discussion it was also suggested that claimants were applying for any jobs for which they did not have the appropriate skills, just to meet the terms of their claimant commitment. Further the interview conducted as part of the claimant commitment did not reflect the vulnerability of a claimant. It was also important that claimants were provided with the appropriate advice and assistance to ensure that commitments were realistic and achievable.

In this regard the Employability Manager reported on the increasing demand and pressures being placed on work clubs, both in terms of staffing and resources, arising from the conditionality requirements which formed part of the claimant commitment, and the introduction of on-line Universal Job Match. It was anticipated that increasing demands on work clubs would be ongoing and therefore there was a need for additional resources to be invested in these facilities.

The Chair requested that the potential relaxation of sanctions, particularly in regard to job seeker's allowance, and also the issues around work clubs be raised with the MPs, and that relevant case studies be provided in support where appropriate.

ii. Update by Finance Service

There had been circulated Report No. WR/02/14 by the Head of Exchequer and Revenues which provided an update on issues concerning the implementation of Universal Credit and the wider welfare reform agenda. The intention was to update the relevant statistics where possible and to have them available for the meeting with the Highland MPs on 21 March 2014.

It was confirmed that in overall terms 724 Council tenants were in arrears at 31 March 2013, and that this figure had reduced to 550 by 25 January 2014. The arrears value on the Housing Revenue Account over the same period had reduced from £173,491 to £156,179. It was reported that this mainly reflected the beneficial effect of Discretionary Housing Payments for individual tenants and the professional advice and support provided by the Council and CAB staff to those adversely impacted by the under occupancy rules.

It was further reported that the UK Government had announced that Inverness Job Centre would start to accept Universal Credit applications by couples from 16 June 2014. It was only as the volume and complexity of the caseload expanded that the true impact of Universal Credit upon the Council and other landlords would be seen, as well as the effectiveness of mitigation measures.

The Chair referred to the need for the DWP to provide early guidance relating to the definition of a couple and the qualifying criteria for Universal Credit as it was rolled out. It should also be emphasised to the MPs that there was flexibility to allow for the local resolution of some issues through the excellent working relationship with the local District Management of the DWP. As an example it was reported that the Council and Inverness Job Centre were to pilot a new authorisations process for local customers requiring Personal Budgeting Support (PBS), which would remove the role of the Universal Credit Service Centre.

In regard to Discretionary Housing Payments (DHPs) the Head of Exchequer and Revenues advised that on a recent visit to Inverness, Lord Freud had confirmed that DHP would continue into the future. In discussion it was suggested that the current annual funding arrangements created problems for tenants and also the Council's forward financial planning. It was reported that a system which notified the level of DHP funding over a 3 year period would provide better stability for tenants and less uncertainty for the Council in terms of its forward financial plan. There was also an administrative burden for Councils having to administer and process a significant increase in applications, which had to be repeated each year with no increase in the overall staffing resource.

During further discussion it was suggested that a further issue of concern was the timescale of decisions being made on Personal Independent Payments, noting that currently the process was taking approximately three months. It was also suggested that it may be helpful to gather the views of Registered Social Landlords on the impacts of the welfare reform ahead of the meeting with the MPs.

On a general point the Group welcomed the DWP's engagement with the Scottish Federation of Housing Associations and the National Federation of Housing to better understand the housing impacts of Universal Credit, so that improved processes could be implemented.

Thereafter, the Group **AGREED** that a briefing note identifying the key areas of concerns as detailed above, be circulated to the MPs in advance of the meeting and that relevant case studies be provided in support where appropriate.

4. Future Issues

On hearing from the Chair, it was **AGREED** that the following items be included on the agenda for the next meeting of the Working Group:-

- Personal Independent Payments
- Housing Debt – Update

The meeting ended at 12.40pm.