

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

Note of briefing meeting held between the Welfare Reform Working Group and Highland MPs held in Committee Room 1 at Council Headquarters, Glenurquhart Road, Inverness on Friday 21 March 2014 at 11.00 am.

PRESENT

Mr A Christie

Mr T Prag

ALSO ATTENDING

Mr C Kennedy, MP

J Thurso, MP

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 Manager, Planning and Development Service

Ms M Kinsella, District Manager, Health and Social Care Service

Ms A Macrae, Committee Administrator, Chief Executive's Service

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mr D Alexander MP, and also Mrs M Davidson, Mr D Fallows, Mr D Hendry, Mrs D Mackay, 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, Badenoch and Strathspey 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. Welfare Reform – Meeting with Highland MPs

The Chair welcomed C Kennedy MP and J Thurso MP to the meeting.

There had been circulated briefing note which outlined some of the main impacts associated with the roll out of Universal Credit in terms of the impacts on housing and in regard to sanctions, employability, and discretionary housing payments. The briefing note set out the desired outcomes under each of the headings as follows:-

Impacts on Housing

Desired Outcomes

- *early introduction of a data sharing protocol with social landlords to enable two-way sharing of rent-related information regarding tenants' Universal Credit and*

any sanctions that may exist;

- *as detailed in paragraph 2.4 of the briefing note, the DWP was designing a data sharing process which was limited to one intermediary to act on the claimant's behalf at any given time. This limit needs to be removed for the process to be successful as a claimant may be interacting with a number of services at the same time e.g. landlord, social work, personal budgeting support, welfare rights. Each of these services may be contacting Universal Credit about different or similar aspects of the claimant's claim at the same time;*
- *that the DWP make available the target timescales within which Alternative Payment Arrangement (APA) decisions would be made and to allow landlords to appeal APA decisions; and*
- *a more systematic process for identifying claimants in rent arrears be sought to help reduce the impact on rent arrears;*

Discussion focused on a number of issues around the lack of data sharing protocols between the DWP and landlords. In particular the following issues were raised:-

- that the Council was not informed when tenants claimed or were in receipt of Universal Credit and only become aware when making contact with tenants in relation to rent arrears;
- 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;
- the arrangements for establishing an Alternative Payment Arrangement (APA) due to rent arrears, also known as 'safeguarding' were inadequate and too bureaucratic;
- the early indications from other pilot areas and Highland was 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 direct to the tenant, and therefore the tenant could be up to three months in arrears before payments were changed to the landlord;
- in respect of cases where an APA was refused there was no recourse to appeal by the landlord;
- the 'Claimant Commitment' which set out the regime that the claimant would be subject to continue to receive benefits continued to present concerns particularly for remote and rural areas. 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; and
- when arrears reached an equivalent of two month's rent an APA would be put in place to allow a managed payment to the landlord. However there was no systematic process yet in place for the DWP to identify those tenants who had reached or passed that trigger point.

The Chair expressed concern that as a result of the above the Council could not be proactive in its interventions in contacting or providing advice to its tenants, and managing their rent arrears. He also advised that some tenants were not capable or did not wish to be responsible for managing their finances and the Council therefore sought a more flexible approach to switch rent payments to the landlord at an earlier stage in the arrears process. He suggested that it was a responsible act on behalf of a tenant to request support to manage their finances.

In discussion the MPs suggested that an overarching principle underlying the UK Government's welfare reforms was to support people to take responsibility for themselves. The challenge was therefore to persuade the Government that the system

could be improved by incremental changes to improve the process, including data sharing arrangements, which did not impact on that overarching principle. It was also important to identify those individuals who genuinely required support in managing their finances as opposed to those who were capable but not willing to make that effort.

The Chair advised that the Council had gathered evidence and identified those individuals who required support in managing their rent payments.

In this regard, it was **AGREED** that further information on this issue, including the numbers of tenants involved, be circulated to the MPs in the form of a briefing note.

Thereafter, it was highlighted to the MPs that the Council was encouraged by 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. In addition reference was made to the good progress 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 this information. It was noted that discussions were ongoing to utilise existing data sharing IT systems between local authorities and the DWP for this purpose.

Sanctions

Desired Outcomes

- *performance information relating to sanctions to be made available more regularly, the suggestion being monthly, and reported per Jobcentre. This would enable local authorities and advice agencies to better target resources to support customers and to have local engagement with Job Centre Plus with a view to reducing overall sanctions. This approach would also drive better consistency into the sanctions system;*
- *in relation to both types of Claimant Commitment, for Jobcentre Plus, to formally assess how achievable the Commitment is for the claimant with unrealistic and unachievable Commitments modified. The process should be documented on the Claimant's Commitment over time and should result in a reduction of sanctions;*
- *DWP to improve communications with customers so that they understand how to properly record the total time involved in undertaking activities set out in their Commitment; and*
- *relaxation of sanctions and improved communications with claimants, local authorities and the third sector to improve the overall understanding of the sanctions regime.*

In connection with this item, J Thurso MP and C Kennedy MP advised that the concerns identified in the briefing note in regard to sanctions were well made, and they were aware of the issues through their respective caseloads. J Thurso MP advised that he had raised the issues around sanctions with Ministers, and suggested that in particular there was a need to support those who were being sanctioned repeatedly.

The Chair advised that additional information and written guidance was required on what could be sanctioned. There was also concern that some claimants were signing up to commitments that were not achievable. It was observed that in some areas it appeared standard commitments were being issued, rather than those tailored to individual claimants.

Following further discussion, it was **AGREED** that J Thurso MP and C Kennedy MP continue to pursue the concerns identified around sanctions.

Employability

Desired Outcomes

- *DWP to embrace learning and voluntary activity as an important part of preparing for work rather than limiting it to a set number of hours within the Commitment. Number of hours may be more appropriately set on a case by case basis and regularly reviewed; and*
- *DWP to better support work clubs and to ensure that limited availability of work clubs or over-subscription at these clubs does not result in a sanction over which the claimant has limited control.*

It was confirmed that Appendix 3 of the Briefing Note outlined the range of activities being undertaken by the Council around employability to support people back into work.

In discussion on this item, reference was made to 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. In some cases the number of attendees at work clubs had doubled and there was increasing demand for more opening hours, additional days, IT resources, and other services such as specialist support in regard to IT, numeracy and literacy.

It was reported that the type of client attending the work clubs had changed from those motivated to attend on a voluntary basis, to clients who were required to attend as part of their Claimant Commitment, and therefore had a different approach and attitude which presented new challenges for staff. The role of advisers at the work clubs had also changed from a mentoring role and involvement in pre-employment and job seeking activity, to becoming more engaged in assisting people to manage the sanctions regime and also providing welfare benefit advice for those who had been sanctioned.

A point was also raised in regard to the conditions contained within the Claimant Commitment and that may inhibit people from undertaking other learning or voluntary activity that would assist their morale, wellbeing and employment prospects.

In response to questions, the Employability Manager reported that increasing demands on work clubs would be ongoing and therefore there was a need for additional resources to be invested in those facilities.

Discussion then followed on the assistance available to small and medium sized businesses employing people through this route and the need to raise awareness of the support available. The Employability Manager confirmed that pre-selection advice and assistance was available to support businesses in the selection of suitable candidates for employment opportunities.

Discretionary Housing Payments

Desired Outcomes

- *to move away from the process of notifying Councils of annual funding to a system which notifies Councils of their DHP funding over a 3 year period. This would provide better stability for tenants and less uncertainty for landlords in terms of financial planning. It would also enable Councils to introduce more efficient arrangements for administering DHPs, including rolling reviews throughout the year.*

It was reported that the current annual funding arrangements caused uncertainty for tenants and for the Council's forward financial planning in the medium term. 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 discussion on this item J Thurso MP acknowledged the point made and **AGREED** to discuss this matter further with D Alexander MP, Chief Secretary to the Treasury.

Universal Credit

Desired Outcomes

- *provide early guidance relating to the definition of a couple and the qualifying criteria for Universal Credit as it is rolled out to couples; and*
- *continue the effective arrangements in place to engage with local authorities and other stakeholders e.g. social landlords, and to enable partners such as the Highland Council to influence and help shape the national Universal Credit model with local flexibility where appropriate.*

It was noted that Universal Credit was to be extended to couples from June 2014 and discussion focused on the potential tensions and issues for households which may arise if payment was made to one person in that household. It was observed that locally Women's Aid had expressed concern in this regard.

Discussion also focused on the need to ensure 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. By way of an example it was reported that a positive step was that the Council and Inverness Job Centre was 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 this regard C Kennedy MP and J Thurso MP advised that they shared the concerns expressed in regard to the roll out of Universal Credit and **AGREED** to take forward the issues raised.

4. Future Issues

The Chair reported that the next main issue of concern was around Personal Independent Payments, and the delays which were being experienced in new claims being assessed and decisions notified. He requested that this be included as an item on the agenda for the next meeting of the Group. J Thurso MP advised that he was aware of this issue through his current caseload, and suggested that there should be a minimum period for the assessment of claims.

It was **AGREED** that Personal Independent Payments be included as an item on the agenda for the next meeting.

Thereafter, and in response to questions from the MPs, the Head of Housing advised that the Council was now building one bedroom houses in response to the under occupancy rules, which was a departure from a previous policy when it had been considered that two bedroom properties provided more flexibility. However while the new builds would assist the situation, and despite incentives being built into the allocations policy, the main problem was the lack of turnover of smaller properties within the existing stock to enable tenants to be transferred.

In response, it was suggested that the above demonstrated the benefits of Discretionary Housing Payment funding being confirmed over a longer period than currently the case.

In regard to the benefit cap it was explained that this had not had a widespread impact in the Highlands and that the Council was working with those households who had been significantly affected on a case by case basis to provide the relevant advice and assistance.

Thereafter, the Chair thanked C Kennedy MP and J Thurso MP for their attendance at the meeting.

The meeting ended at 11.55 am.