

 <p>Northwards Housing North Manchester's Council Homes</p>		Report to: Northwards Housing Board 2 nd July 2019		Item No: <h1>11f</h1>	
Title:		Welfare reform update.			
Date:		25 June 2019			
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Confidential:		No			
For: (Please tick action required)		NOTING ✓		DISCUSSION	
		APPROVAL			
PURPOSE OF REPORT					
To report on the latest developments regarding Welfare Reform, in particular Universal Credit.					
RECOMMENDATION					
To note the contents of the report.					
IMPLICATIONS					
Risk Management		Yes the risk of increasing rent arrears.			
Regulatory & legal compliance		No			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	N/A		
Task Groups:	N/A		
Ward Councillors:	N/A		

Universal Credit

At rent week 12 in June 2019 there were 1980 tenants in receipt of Universal Credit (UC). They have combined total rent arrears of £1,050,081. At the end of rent week four there were 1837 tenants in receipt of UC with combined total rent arrears of £1,077,317. However, the third party schedule was only recently loaded with £217k of payments so this has temporarily boosted collection for Universal Credit cases.

As previously documented the DWP method of paying housing providers is a continual source of issues. Payments are made in bulk on a four weekly basis but deducted from the tenants' monthly assessment of UC. The whole process is extremely bureaucratic and accounts fall into arrears as we wait for the schedule to arrive and be loaded. There is no immediate solution on the horizon offered by the DWP.

We continue to use the DWP landlord portal to quickly apply for alternative payment arrangements (APAs) where necessary. However, where tenants are able to maintain payments then we would encourage them to do so independently of this process.

Housing Providers are continuing to report an increase in rent arrears amongst Universal Credit cases. To understand this further we have been involved in a project with the DWP and there is a meeting at the end of July 2019 at the DWP HQ in London. This is to review the analysis of data so far. The increase in arrears for most cases can clearly be attributed to the waiting time for the first UC payment and difficulties in making the transition. Advances whilst welcome are more of a short term loan and have to be paid back. Often given the financial constraints faced by tenants it is not in their best interests to secure these as it will impact their income over the repayment period.

Managed Migration delay

In Harrogate there will be a pilot of claimants planned from July 2019. This will be to test full migration and the DWP will apparently test and learn from the process before rolling out Universal Credit more fully.

Advances scam

There has been some recent publicity in DWP bulletins and also released by the CAB Manchester about the advance payments scam whereby vulnerable claimants are being encouraged by scammers to make UC claims. The scammer then requests the full advance of their Universal Credit payment. In so far as is possible we have alerted tenants to this scam via Facebook and also released some information locally.