

**To: UC Programme Board****From: Cath Hamp & Richard d'Souza****Sponsor: Neil Couling****Date: 20 July 2017**

## **Housing & Local Authority Engagement in Universal Credit**

**Summary** – This paper updates Programme Board on progress with Local Authorities both in agreeing funding arrangements and also in dealing with issues escalated by the community. The paper also provides an update on progress with short-term and more strategic improvements for verifying housing costs in the Social Rented Sector (SRS) - a key requirement for moving to scale in October 2017.

### **Reason for coming to the Board –**

Programme Board are asked to:-

1. Note progress with key issues escalated by Local Authorities on funding, emergency/temporary accommodation and support for Local Council Tax Reduction calculations.
2. Note progress in delivering the short-term improvements to SRS rent verification.
3. Note the strategic solution of the Landlord Portal and the approach to its deployment in tandem with the Trusted Partner concept.

**Timing** – for discussion at the UC Programme Board meeting on 21 September.

### **Local Authority Engagement Update**

1. Over the past 12 months, the Universal Credit programme has held 14 events for Local Authorities and DWP Partnership Managers for those areas which are live or shortly to go live with the Full Service. Over the course of these events 54 Local Authorities have attended which represents 90% of those on the rollout schedule through to the end of July 2017. These events have focussed on identifying how Universal Credit is impacting Local Authority Service delivery as we rollout and ensuring these issues are made visible to the programme and ensuring these are resolved and/or impacted to understand further.
2. Two main themes have emerged from these discussions and are being addressed:

- **Incompatibility of short-term, emergency, temporary accommodation placements.** Evidence has been commissioned from Croydon, Sutton, Southwark and Hounslow Local Authorities to make the case for change which is now being progressed with DWP Housing policy colleagues with a view to allowing short-term temporary accommodation placements to be paid for with Housing Benefit rather than Universal Credit in late 2017;
  - **Impact on Local Authorities of the volume of non-automated notifications from Universal credit to support the calculation of Local Council Tax reduction (LCTR) claims.** Evidence was commissioned from Croydon, Newcastle, Highland, Warrington, East Lothian, Southampton, Copeland, Taunton Deane, Bath and Sutton Local Authorities to support a proposal to fund £500,000 the automation of this process which the Programme Delivery Executive agreed to on 5 July 2017. The current planning assumption is that the solution will be delivered by Spring 2018.
3. This partnership working between the Local Authorities and the Department to resolve issues as been valuable and we are keen to build on the momentum of this so we are currently planning the next series of events at the end of September for those Local Authorities live or going-live up to the end of October 2017.
  4. The other key area of focus has been on Local Authority funding. To support a claimant's transition from legacy benefits to Universal Credit the programme has funded Local Authorities to provide Universal Support offering personal budgeting and assisted digital support. The funding was previously provided through a mechanism of Delivery Partnerships which required local Partnership Managers to negotiate volumes and levels of funding locally, with Local Authorities submitting monthly invoices.
  5. From April 2017, we have moved to a more streamlined Grant Funding Model which requires Local Authorities to provide quarterly management information on Universal Support take-up in return for quarterly funding.
  6. To date a total of 362 (95%) Local Authorities have signed their Grant Funding Agreements, the majority of these are for both Personal Budgeting and Assisted Digital Support, eight are for Personal Budgeting Support only, and one solely for Assisted Digital Support. Only 12 Local Authorities declined the Grant Funding offer, in these areas we are working with Partnership Managers to identify alternative local arrangements for delivering Universal Support. Commercial colleagues have also been commissioned to identify external provision, preferably through existing DWP contracts.
  7. The Quarter 1 2017/18 Grant Funding payments were made on 15 June 2017. The first quarter's management information is currently being gathered in and will help inform how Universal Support will be delivered in the future.

8. Local Authorities are also paid New Burden's funding for additional activities relating to the rollout of Universal Credit. This funding for 2017/18 is contained within the Full Business Case which will be signed off over the summer.

### **Partnership Managers**

9. The programme is continuing to develop and refine products to support Partnership Managers in their engagement with Local Authorities, Landlords and other key stakeholders. This has included incorporating a full day dedicated to Housing and Local Authority engagement in the Partnership Manager learning route way, a complete re-design of the Full Service Local Authority support pack to better reflect the current service and developing a District Manager assurance certificate to sites about to go-live to ensure that there is clear accountability for some key Local Authority and Housing engagement.
10. In addition, through January and February four Housing workshops were run with around 120 Partnership Managers to upskill them on developments in housing, share good practice and to gather feedback for incorporating into a Housing action plan. The recently launched Universal Credit Partnership Manager Community has improved messaging on key housing issues and changes, ensuring operational staff receive timely updates to inform their conversations with Local Authorities and Landlords.

### **Housing Costs in Universal Credit Full Service**

11. The main challenge in delivering the housing costs element of UC has been verifying housing costs in the Social Rented Sector (SRS). Performance in verifying Private Rented Sector (PRS) housing costs has been consistently strong.
12. After carrying out detailed examinations of the potential log jams in the current SRS verification email and clerical process, a number of short-term improvements have been introduced. Most importantly, a new feature was introduced to the system on 1 March 2017 to enable claimants easily to accept their landlords' information where that differed from the details supplied by the claimant. This mismatch occurs in the majority of SRS claims. We also made an operational change from April 10 2017 onwards to ensure that the email asking landlords to verify their claimants' housing costs goes out as soon as possible after the claim is made rather than waiting for claimant identity to be verified.
13. Performance is improving rapidly reflecting these and other smaller improvements. Only 40% of UC claimants living in the SRS and applying in December 2016 had their housing costs verified in the first Assessment Period. The latest figure for claimants who applied in May 2017 now stands at 75%. This means that the current email and clerical process could be considered to be performing at an acceptable level to support moving to scale in October 2017, assuming it could be scaled up with a larger inbox team and larger email traffic volumes without risk.

14. This clearly a more reassuring position to be in than previously but the current email-based process requires significant clerical resource and this would need to grow significantly to support movement to scale – to around 130 FTEs, working purely on SRS verification and MGP1s.
15. So a better strategic solution is needed and this is the Landlord Portal which will replace the current process by giving SRS landlords appropriate access to the online system.
16. Alongside this, the fear of SRS landlords is that even after the delivery issues are resolved, the move to direct payment to claimants will jeopardise their revenue streams. Managed Payments to Landlords (MPTLs) can be put in place – typically either where a claimant has evidence suggesting this will be needed e.g. learning difficulties, addictive behaviour or where two months of arrears have already built up.
17. The Trusted Partner idea is that if landlords agree to invest in identifying their tenants who may have trouble managing their payments and supporting them appropriately, then DWP will give them Trusted Partner status. In return, Trusted Partner landlords may then put MPTLs in place without DWP decision-makers being involved - and critically without having to wait for arrears to reach the two month mark. This has been successfully piloted with 33 SRS landlords of varied size and location. Consequently, we propose to rollout the Trusted Partner model in tandem with taking SRS landlords onto the Landlord Portal.

### **Housing Delivery Plan**

18. The Landlord Portal cannot be deployed “Big Bang” so the choice arises of where it is deployed first. The relevant evidence is that :-
  - a. SRS tenancies are highly concentrated in a relatively small number of landlords. The biggest 200 account for roughly 70% and the biggest 400 cover roughly 90% of all tenancies. There are also a large number of landlords with relatively small numbers of properties: 44% have fewer than 100 properties and 51% have fewer than 200.
  - b. A small sample analysis of inbox traffic showed that Jobcentres that went live most recently with UCFS generated far more traffic per site than Jobcentres that went live over 6 months previously.
19. Consequently, to reduce reliance on the current process as quickly as possible, we propose to deploy first to the biggest landlords in the areas about to roll-out UCFS from October onwards (to be precise the landlords who own most properties in the areas about to go live; there may be big landlords where the majority of their properties are in non-UCFS go live areas).
20. The Landlord Portal itself is being used currently by two SRS landlords, Southwark Local Authority and Curo Housing Association. As part of agile development, it will be further trialled and improved during July and August with up to 14 Landlords who

were part of the Trusted Partner Pilot exercise. We also aim to trial with two landlords who were not part of the pilot exercise for comparison.

21. Landlords will be recruited onto the portal and Trusted Partner status by four Account Managers. Recruitment for these is well advanced and we have plans in place for their training and deployment.
22. Alongside this, our analysts have already identified the biggest landlords in the areas about to go live from October through to December so that the Account Managers will be able to target their efforts. We estimate that the biggest 80, 50 and 40 landlords in October, November and December respectively account for 80 per cent of the respective SRS stock in each set of Go Live areas. The distribution is very concentrated e.g. the biggest 50 in October would cover 71% of the stock so the next 30 biggest add only 9% of the stock. We are now working through how many of these we could expect to on-board each month and how much of the stock that will cover.
23. We believe therefore that we have a robust product which we will have trialled extensively before October and a targeted delivery plan for its deployment which we will be monitoring carefully along the way.

