



# Challenge for Change

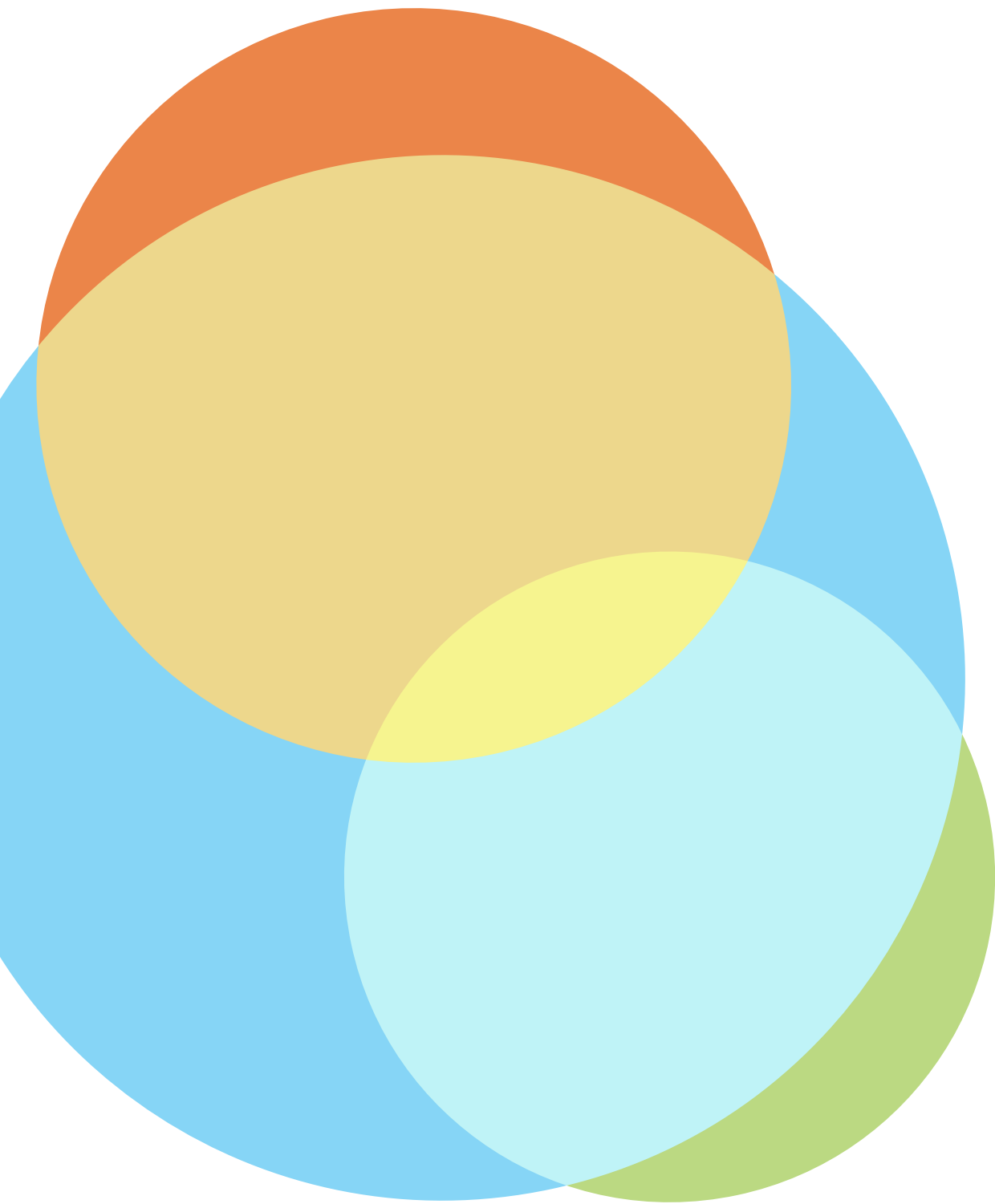
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## *Scrutiny Report*

The Council Housing Service's preparation for the implementation of Universal Credit

*June 2016*





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## 1. Introduction and Background

- 1.1 Challenge for Change is a customer scrutiny panel that was set up to review different parts of the Council Housing Service. Open to tenants, leaseholders and customers of the service, the group has carried out several reviews now and produced a series of reports and recommendations for service improvement. Throughout this report the scrutiny group will be called C4C.
- 1.2 This project was initiated at the request of the Council Housing Service during autumn 2015 and completed by four scrutinisers: Linda Moxon, Max Richardson, Ian Alexander and Tony Watson.
- 1.3 The subject is the Council Housing Service's preparation for implementing Universal Credit in Sheffield and how this may impact on council tenants. Although the Council does not administer Universal Credit, it will be affected as Housing Benefit will be replaced by a rent element payable directly to the tenant.
- 1.4 In this report C4C has detailed its findings following investigations that have included:
  - Meeting with staff at all levels
  - Reviewing information being provided to customers and via the website
  - Visits to other local social landlords
  - Visit to the Credit Union
- 1.5 C4C has made a number of judgements and recommendations based on its findings. These are detailed within the report and in a summary appendix which includes evidence and impact.
- 1.6 The overall purpose of the project was to see how well prepared the Council Housing Service is for the gradual implementation of Universal Credit and to check how it compares with similar organisations.

## 2. Objectives

2.1 From C4C's initial research and discussions, it identified the following objectives for this project:

- How do we work with other organisations e.g. Credit Union / DWP / C.A.B.?
- What is available e.g. courses etc
- Which parts of the country have been dealing with this already and what have they done
- How effective have the Council's efforts been so far
- What is being done to help people access bank accounts
- What are the practicalities of the Universal Credit roll out
- What efforts have been made to encourage use of Direct Debit (this should be a major PR objective)
- What is being done to prepare people for doing things online
- How big a problem is it
- Has there been an increase in the number of evictions where Universal Credit has been introduced
- What quality of information has been used for the modelling of projected arrears
- What is being done to prevent the likes of WONGA getting hold of the money
- What impact will this have on Housing + and the Housing Service's resources

## 3. Findings

3.1 C4C carried out a number of activities to understand the preparation the service has been making for the implementation of Universal Credit and how this compares with what other organisations have been doing. Based on this we have made the following judgements:

- J1 Help is definitely available, including money advice, digital advice and training (particularly for older people) and signposting
- J2 The Credit Union is useful, beneficial and has an excellent relationship with SCC
- J3 Good networking exists between Sheffield City Council and other agencies and providers, leading to shared learning and problem solving
- J4 Direct Debit is actively encouraged – where appropriate
- J5 The relationship with the Department for Work and Pensions (DWP) is critical and needs to be positive. A good start has been made in setting up a good relationship
- J6 Slow uptake of Universal Credit is allowing for a measured approach and effective staff resource allocation
- J7 The Council is doing all that other providers are doing and is not missing anything
- J8 There is a suspicion that awareness/knowledge about Universal Credit is not developed until necessary by claimants
- J9 It is too early to assess the impact on eviction rates. This could be an issue and needs to be carefully managed
- J10 The 'WONGA' issue (where money lenders are involved) is a real one and efforts are being made to 'get in first' by the Council Housing Service
- J11 Modelling for future arrears levels is as good as it can be
- J12 Housing + will be able to support those needing help but there is a risk of overloading workloads
- J13 Previous efforts to support tenants with other aspects of welfare reform appear to have been effective but relied heavily on discretionary payments and hardship funds
- J14 Banks do have basic accounts available but they do not publicise them
- J15 The Council's website is basic but does provide useful links to external information about Universal Credit

## 4. Summary of Reality Checks

### 4.1 Meetings with staff

C4C has met several staff during the course of our investigations from senior managers to front line officers. They provided us with detailed descriptions of preparations being made and were confident that everything is under control. They also explained how the service has good networking links with other councils and has been able to benefit and learn from those authorities where Universal Credit had been introduced for some time.

Managers were confident that adequate resources are currently available and that they would be reviewed as the number of tenants receiving Universal Credit starts to rise. Experience from other authorities suggests that the transition to the new benefit will be a slow process.

### 4.2 Meeting with South Yorkshire Housing Association

C4C visited this local housing association and met with staff to learn how they had been approaching the implementation of Universal Credit in Sheffield. They told us they are fully prepared and that many of their tenants are likely to move to Universal Credit due to the age profile – most are of working age. 65% of their tenants currently receive some level of Housing Benefit.

They told us that they have a close working relationship with the local Credit Union and are working to improve communications with DWP. They also work with their tenants on general money advice and have done some work encouraging people to switch to cheaper gas and electricity. They had concerns that switching to an online claiming system might be an issue.

They are having success in encouraging new tenants to pay their rent by Direct Debit

### 4.3 Meeting with the Credit Union

C4C visited the local Credit Union and had a discussion with the manager. They told us they feel prepared to cope with the impact of Universal Credit – especially when the rate of uptake increases. Currently they have 5,500 customers but said they have the capacity to deal with 20,000. They work with people to obtain basic bank accounts, which customers must have for their benefit payments. They also offer SCUBA accounts, which have a monthly management fee of £5, which the Council is currently covering.

They told us that Barnsley has a different system so they were unable to make comparisons. They have good contacts with other local agencies that spread the word about the availability and services provided by the Credit Union.

It was clear that they are a busy organisation as people were coming and going all the time during the visit

#### 4.4 Meeting with Berneslai Homes

C4C was keen to talk to an organisation in an area where Universal Credit has been implemented for some time. Berneslai Homes is the organisation that manages council housing in Barnsley.

They told us that implementation has been slow and they have only seen 63 tenants go on to Universal Credit. They guide all new claimants towards paying their rent by Direct Debit and they have been flexible in allowing payments to be made weekly, two weekly or monthly. Collection rates remain good.

They have tenant support officers for all new tenants and also finance money advice workers at the local CAB.

Due to the slow rate of uptake, the impact of Universal Credit has not been as large as expected.

They are actively encouraging digital inclusion and have a Digital Inclusion Officer.

They told us that the Credit Union is not used very much in Barnsley as people are put off by the word 'credit'.

#### 4.5 Review of online information

Sheffield City Council's website provides a link to the Directgov website.

The information provided is not personalised in any way and seems very bland. It may be better if it was more Sheffield centric and has pictures rather than just relying on a link to the DWP. Would be good to try and make it look more interesting and to provide a brief overview of what Universal Credit is about.

The information on the Council Housing website offers good advice in a more user friendly way.

The information on websites for other cities feels more user friendly, talking about how the changes will affect people in their area and what Universal Credit is about.

South Yorkshire Housing's website includes more explanation of the changes and uses simpler language.

The information on the Directgov website is good and tells people what they need to know. It provides clear advice on how to apply.



## 5. Conclusions

- 5.1 At the time of our review, the Council Housing Service seemed to be well prepared for the implementation of Universal Credit
- 5.2 The Council Housing Service is doing all that other organisations are doing and is not missing out anything. It has a good relationship network with other providers to share experiences and information
- 5.3 We feel that the relationship with the DWP is critical and will continue to be so as the uptake of Universal Credit increases
- 5.4 There are concerns about how customers will cope with moving on to Universal Credit and therefore strong support and advice needs to be provided – particularly in the early days of entitlement
- 5.5 It would be good for the group to review what the impact has been in six months' time to see how the support provided has worked

## 6. Recommendations

- R1 Continue with campaigns to get people on to Direct Debits and integrate advice and guidance into the Housing + role
- R2 Keep up efforts to maintain strong working relationship with DWP
- R3 Keep an eye on staff resources to ensure they are adequate
- R4 Work with colleges to increase awareness and run general awareness campaigns
- R5 Housing officers to offer intensive support with customers before critical stages, particularly in the early days of a tenancy
- R6 Need to know what date money goes in so can get it out before anything else goes out
- R7 The Housing Service should warn customers about the downsides of moneylenders, point out the alternatives and keep this up
- R8 Keep arrears projection models under review
- R9 Ensure adequate training to enable comprehensive support
- R10 Improve Sheffield City Council's website to make it more attractive and user friendly
- R11 Carry out periodic reviews of how Universal Credit is impacting on the Housing Service
- R12 Continue with the current approach



## 7. Budget

7.1 C4C was allocated a budget for the duration of the scrutiny project and spent well within it. Expenses were incurred as follows from April 2015 to March 2016:

- Refreshments £203.12
- C4C members' travel expenses £19.12

## 8. Update June 2016

8.1 During the period that this review has taken place, the number of Universal Credit claimants dealt with by the Council has increased to around 200

8.2 The service has managed this transition well and allocated resources accordingly

8.3 Rent arrears have increased for the group affected by the levels anticipated

## Acknowledgements

The team would like to thank Gary Westwood and Tina Gilbert from Planning and Performance for their assistance with this project. They have helped arrange interviews with staff and visits to external organisations.

We would also like to thank the following for their co-operation with our investigations and for giving up their time:

- Head of Service - Neighbourhood Intervention and Tenant Support
- Managers and staff – Income Management Unit
- Sheffield Credit Union
- South Yorkshire Housing Association
- Berneslai Homes

## Appendix

	What is the C4C Judgement?	What Evidence do we have to support that judgement?	What Impact is this having on customers?	Recommendation
1	<p>Help is definitely available</p> <ul style="list-style-type: none"> <li>• Money advice</li> <li>• Digital advice and training – particularly for older people</li> <li>• Signposting</li> </ul>	<p>Questioning – review of website</p> <p>Credit Union</p> <p>Staff and managers in Income Management Unit</p>	<p>Good advice is available</p>	
2.	<p>Credit Union is useful and beneficial – excellent relationship with SCC</p>	<p>Credit Union staff and managers in the Income Management Unit</p>	<p>Provides an alternative to banks and has the capacity and flexibility to deal with large numbers. Helps with credit history and encourages a saving habit</p>	
3.	<p>Good networking exists between SCC and other agencies and providers</p> <ul style="list-style-type: none"> <li>• Sharing learning</li> <li>• Problem solving</li> </ul>	<p>Positive relationships between organisations ALMO/RSL/CU – helped by colleagues knowing one another</p> <p>North of England group</p>	<p>The service benefits from knowledge gained through networking with other organisations</p>	
4.	<p>Direct Debit is actively encouraged – where appropriate</p>	<p>Manager and staff meetings</p>	<p>Any customer arrears will be managed better and people will be better able to manage their personal budgets</p>	<p>Continue with campaigns to get people on to DDs and integrate advice and guidance into the Housing + role</p>
5.	<p>Relationship with DWP is critical and needs to be positive. A good start has been made in setting up a good relationship</p>	<p>Meetings with ALMO/RSL and staff and manager of the Income Management Unit</p>	<p>Helps quicker problem solving</p>	<p>Keep up efforts to maintain strong working relationship with DWP</p>

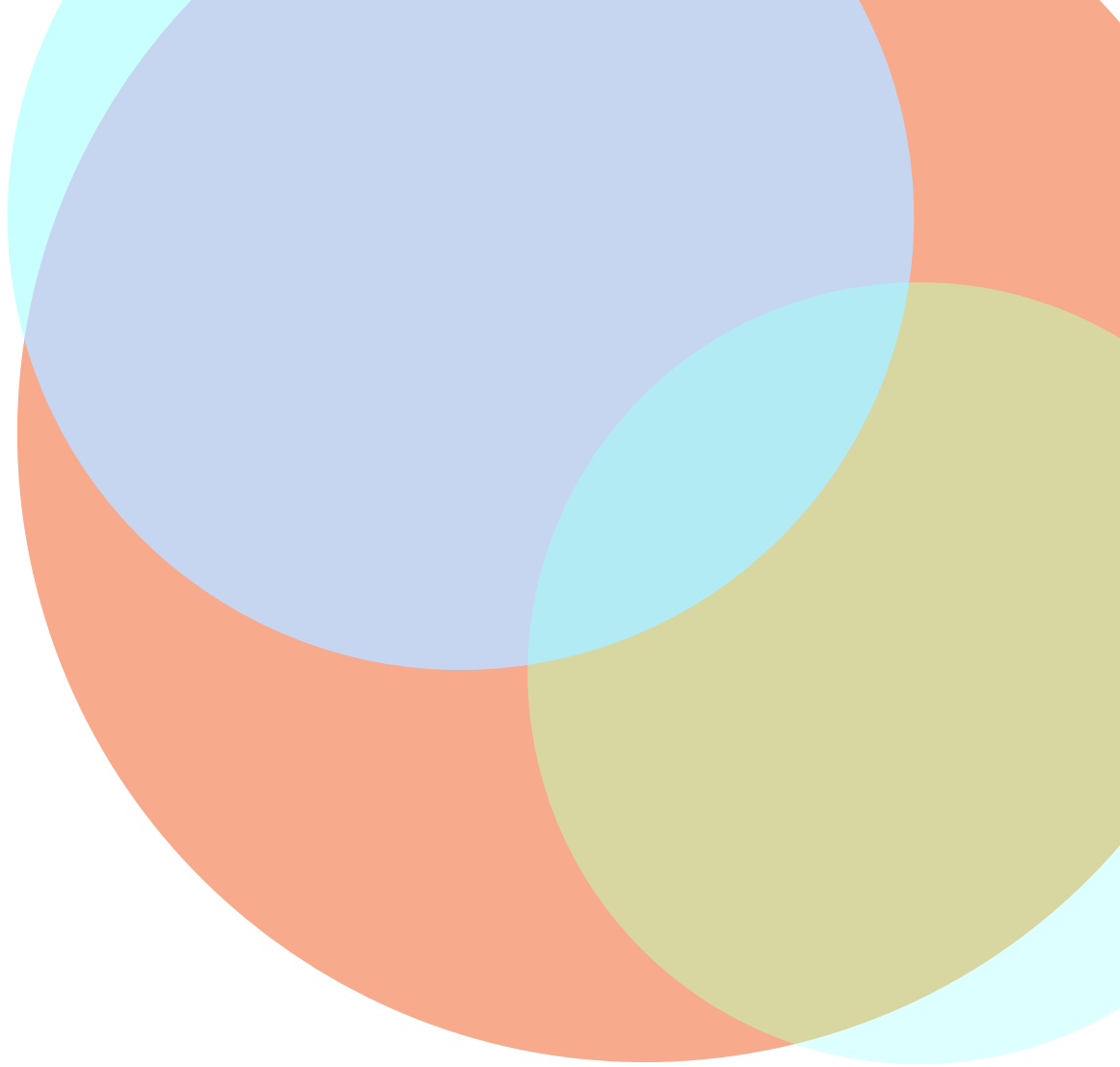
	What is the C4C Judgement?	What Evidence do we have to support that judgement?	What Impact is this having on customers?	Recommendation
6	Slow uptake of UC is allowing for a measured approach and effective staff resource allocation	Personal communication – mystery shop. Appeared to fit UC criteria but placed on JSA Reality visits – e.g. ALMO - where people expected to go on UC have been put on other benefits	Customers likely to get good support and advice from experienced and knowledgeable staff	Keep an eye on staff resources to ensure they are adequate
7	SCC is doing all that other providers are doing and not missing anything	ALMO and RSL visits Reviews of other local providers' websites	Customers are receiving as good a service as is possible	
8.	Suspect that awareness/ knowledge about UC not developed until necessary by claimants	People not interested until it affects them at which time they quickly need to make themselves aware	Customers not as informed as they will need to be	Work with colleges to increase awareness and run general awareness campaigns
9.	It is too early to assess the impact on eviction rates. This could be an issue and needs to be carefully managed	ALMO visit – one person with longstanding arrears Reality checks	None at this stage – but ultimately could result in more evictions	Housing officers offer support with customers before critical stage. Ad campaigns to increase awareness
10	The 'WONGA' issue is a real one and efforts are being made to 'get in first'	Meeting with Income Management Unit manager	Increased arrears for those affected	Need to know what date money goes in so can get it out before anything else goes out The Housing Service should warn customers about the downsides of moneylenders, point out the alternatives and keep this up
11	Modelling for future arrears levels is as good as it could be	Meeting with Income Management Unit manager – based on assumptions from other pilots	None on customers directly – but less revenue could impact on service delivery	Keep models under review

	What is the C4C Judgement?	What Evidence do we have to support that judgement?	What Impact is this having on customers?	Recommendation
12	Housing+ will be able to support those needing help but there is a risk of overloading workloads	Speaking to management and staff. Lots of occasions where people are saying Housing + will sort out issues. Is this realistic.	Local support available with a named local officer	Ensure adequate training to enable comprehensive support
13	Previous efforts to support tenants with other aspects of WR appear to have been effective but relied heavily on discretionary payments and hardship funds	Staff and managers in the Income Management Unit	Will need to take more responsibility but support will be available	
14	Banks do have basic accounts available but they do not publicise them	Mystery shop ALMO visit Meeting with IMU manager	Need to be more proactive and increase awareness	
15	The Council's website is basic but does provide useful links to external information about Universal Credit	Comparison with other landlord and local authority websites	It is less easy to use than some which could lead to people being less well informed	Improve the website to make it more attractive and user friendly

#### General Recommendations:

1. Carry out periodic reviews of how Universal Credit is impacting on the Housing Service
2. Continue with the current approach





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