

COUNCIL SEMINAR
7th May, 2014

Present:- Councillor Stone (in the Chair); Councillors Akhtar, Atkin, Beaumont, Currie, Dodson, Doyle, Ellis, McNeely, G. A. Russell, Sharman, Sims, Stone, Wallis and Wootton.

Apologies for absence were received from Councillors Clark, Dalton, Hoddinott, Jepson, P. A. Russell, R. S. Russell, Smith and Wyatt.

WELFARE REFORM: THE EXPERIENCE OF A HOUSING ASSOCIATION IN A UNIVERSAL CREDIT PATHFINDER AREA.

Members received a presentation from Peter Fitzhenry (Director of Housing Management, Golden Gates Housing Trust) about the Universal Credit and the experiences of the Housing Trust in a Universal Credit pathfinder area.

The presentation included the following salient issues:-

: the Golden Gates Housing Trust (based in Warrington) manages the public sector housing stock on behalf of Warrington Borough Council;

: Welfare Reform is a corporate priority for the Housing Trust, which is reviewing all of its policies and practices; examples were provided of the way in which the Housing Trust staff undertake estate management and support tenants (eg: helping tenants with their Internet-based business and communications);

: the Change 4 Life project;

: the difficulties of families and young people to find the cost of rent payments and of the various utilities' bills;

: people in receipt of Universal Credit often have difficulties with budgeting; the use of direct debts helped reduce some of these difficulties;

: Bedroom Tax – impact upon tenants; an issue has been the impact upon the ability of young people to afford to live in one-bedroomed apartments;

: there are 5,000 people within the North West Universal Credit pathfinder area; single people are the most common group who are in receipt of the Universal Credit;

: the Universal Credit 'lobster pot' syndrome – ie: 'once you are in (receipt of credit), there is no way out';

: many of the Housing Trust's tenants, who receive the Universal Credit, have accrued rent arrears with their tenancies; the change to Housing Benefits has caused complications for Housing Trust staff who try and help tenants manage their payments;

: Claimant Commitment and Sanctions – the imposition of sanctions for Universal Credit recipients who do not look for employment; sanctions imposed for delays in notifying the authorities' of individuals' changed circumstances;

: delays and confusion; the high cost of telephone calls to the Department of Work and Pensions;

: Government commitment to 'Digital by Default' – using Internet on-line communications (eg: for making the initial application for Universal Credit); however, weaknesses in the administration means that a paper-based system is still maintained for record-keeping;

: the importance of support from other organisations, such as credit unions and the Citizens' Advice Bureau;

: Universal Credit – case studies of young people whose have experienced very difficult circumstances in dealing with the Universal Credit;

: the North West Universal Credit pathfinder area will soon include several more of the local authorities within that geographical area;

: Universal benefits being introduced for pensioners, with effect from April 2017.

During discussion, Members raised the following issues:-

(i) The impact of 'zero-hours' employment contracts and tenants' ability to pay their accommodation costs, when continued employment is not guaranteed; the Universal Credit system continues to be complex in dealing with such circumstances;

(ii) Universal Credit and changing circumstances – the production of information leaflets to help tenants understand the system and the changes; the Housing Trust is in the process of altering its working practices so that staff are better able to assist tenants;

(iii) Department of Work and Pensions – there has been no sub-contracting of the administration of the Universal Credit system to the private sector; the Housing Trust has to raise its own funds, often by borrowing and does not receive any subsidy from public funds;

(iv) The 'lone working' policy of the Golden Gates Housing Trust – the Trust has a history of lone working, making best use of mobile communications to track the whereabouts of its employees;

(v) Department of Work and Pensions – the difficulty of sharing information with other public sector organisations;

(vi) Welfare Reform being a 'high risk' for the social housing sector – Housing Trusts often have to borrow money from banking sector lenders, to fund their operating costs;

(vii) the 'lobster pot' syndrome – Universal Credit has no back-dating of claims which produce an increase in the amount of benefit being claimed;

(viii) The capacity of Housing Trust staff to assist tenants, which may be limited by the complexities of the Universal Credit system and also by the limitations of Internet communications and ICT systems; reference to the lessons to be learned from the operation of the universal Credit pathfinder area;

(ix) The Housing Trust's collection of rents – rent arrears have increased for tenants who are in receipt of the Universal Credit;

(x) The Housing Trust is installing solar panels to some 1,500 residential homes (and may also expand this project to schools in the area) – the project has resulted in the creation of 20 jobs (electricians, roofers, scaffolders, labourers) for construction work and future maintenance.

A briefing note about the potential implications of the Universal Credit for Rotherham, produced by the Council's Welfare Steering Group, was provided for Members of the Council.

Members thanked Peter Fitzhenry for his informative presentation.