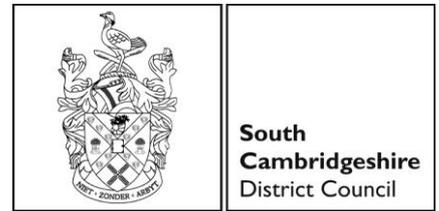


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10 December 2019

To: Chairman – Councillor Grenville Chamberlain  
Vice-Chairman – Councillor Brian Milnes  
Members of the Scrutiny and Overview Committee – Councillors  
Dr. Shrobona Bhattacharya, Anna Bradnam, Dr. Martin Cahn, Nigel Cathcart,  
Sarah Cheung Johnson, Graham Cone, Dr. Claire Daunton,  
Dr. Douglas de Lacey, Geoff Harvey, Steve Hunt, Peter McDonald and  
Judith Rippeth

Quorum: 6

Dear Councillor

This is a supplement to the previously-published agenda for the meeting of **SCRUTINY AND OVERVIEW COMMITTEE** on **TUESDAY, 17 DECEMBER 2019**, containing those reports which had not been received by the original publication deadline.

Yours faithfully

**Liz Watts**

Chief Executive

Requests for a large print agenda must be received at least 48 hours before the meeting.

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## AGENDA

**5. Update on performance measures**

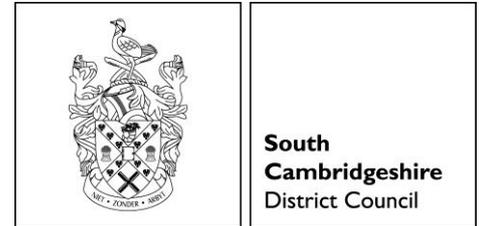
Report attached on the implications of Universal Credit for rent collection.

**PAGES**

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# Agenda Item 5



**REPORT TO:** Scrutiny & Overview Committee

17 December 2019

**LEAD OFFICER:** Katie Kelly, Revenues Manager

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## Update on performance measures - Universal Credit implications for rent collection

### Executive Summary

1. To report on the impact of Universal Credit (UC) on rent collection and the steps being taken to mitigate this.

### Details

2. Universal Credit has been rolled out to new claimants in South Cambridgeshire since October 2018. Claims in the area started off fairly slow but have picked up considerably. In November 2019 alone, we have verified the rent on 49 new UC claims.
3. As UC is paid directly to tenants, the Council are not notified of successful or cancelled claims so it is very difficult for us to accurately know who has a live UC claim at any time. However we believe we have around 375 live claims at the moment, compared to 2399 Housing Benefit (HB) payments made to Council tenants this week.
4. Residents claiming UC are paid a "Housing Element" directly as part of their overall UC payment, which covers the full rent, or part of the rent if they are under occupying, have income as well or have deductions made as a result of non-dependant adults in the household. Regardless of the amount of Housing Element paid, tenants are expected to pay the Council the full rent.
5. Landlords have very limited access to UC claimant information. We have no access to information about the tenants' claim, income or the amount of UC they are being paid towards their rent. However, we do know that it takes approximately five weeks for the first UC payment to be made, meaning tenants can fall quickly into rent arrears. Residents can ask for an advance payment if it is difficult to manage for this interim period, and this is deducted from later payments.
6. Where a tenant falls into rent arrears, the Council can ask to receive the Housing Element directly from the DWP. Such payments are made to the Council on a single schedule every four weeks, and will arrive sometime after they have been deducted, and if the resident does not receive enough Housing Element to cover the rent, this payment will leave the rent account in arrears..
7. Where rent arrears exceed two months' rent, the Council may request that deductions are made directly from the UC payment and directed to the rent account. These can be deducted at up to 20% of the UC award, depending on the circumstances. The

percentage is decided by the DWP, and only the claimant can ask for the percentage to be reconsidered to a lower amount.

## **Action being taken**

8. Since the initial roll out of UC in October 2018, the Council has implemented various new processes to both aid rent collection and support tenants who are claiming UC.
  - Funding is provided for a Vulnerable Work Coach at the DWP to support claimants who experience difficulties claiming and maintaining a UC claim.
  - Increase in staffing to provide more support to tenants and manage the verification process.
  - Training for staff to clarify the rules around UC, how to help and support tenants, and new techniques for rent collection.
  - Increased outbound telephone calls to all new UC claimants, to explain their responsibilities, provide details of where they can get help and confirm details of their entitlement and payment date where possible. We would also look to maximise tenant's income by ensuring that they have applied for Local Council Tax Support (CTS), or consider eligibility for a Discretionary Housing Payment (DHP)
  - Ongoing support and signposting for tenants, either to internal support or organisations such as Citizens' Advice Bureau.
  - Attending DWP Vulnerable Hub meetings in order to discuss problem cases and find out about an additional support available to tenants. We have asked about piloting two drop in surgeries at Children and Family Centres to help support tenants on UC with children under 19, this will start in the new year.
  - Supporting UC claims with rent issues at our fortnightly surgeries in Sawston, and working with a Sawston charity, John Huntingdons.
9. Whilst there are a number of actions being taken by staff to help mitigate the impact UC, it remains a very challenging area. The tenancy agreement requires that rent is paid weekly every Monday, but can be paid fortnightly or monthly providing it is received in advance. Recipients of UC struggle to comply with this condition of the tenancy agreement, as they themselves receive payment in arrears.
10. As a landlord we are used to receiving Housing Benefit payments on a weekly basis on around half of all tenancies. As more of our residents make the transition from Housing Benefit to UC, there is direct impact on rent accounts as payments are then received in arrears, and at varying times of the month for each tenant, dependant on when they made their initial claim.

## **Implications**

11. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

### **Financial**

12. Rent arrears have increased over the last year from week 34 2018 £437,711.00 to £474,234.55 in week 34 2019, although arrears fluctuate in the year for a variety of reasons, it appears this increase is mainly due to the fact that UC changes the way we receive payments for rent.

### **Staffing**

13. Funding was approved for 2.5 FTE posts. We have successfully recruited to these , via a mix of(both permanent and temporary staff at the moment. One of these postholders has taken the lead on our action to mitigate the effects of UC and maintain rent collection levels.

### **Risks**

14. Whilst the current rollout of UC remains steady, there remains a risk that the DWP may look to move existing claimants of other benefits on to UC. Whilst there is no confirmed date for this at present, we continue to monitor the position closely. We have been made aware that if the position changes, 6 months notice would be provided.

## **Report Author:**

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