



Democratic and Member Support

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SELECT COMMITTEE REVIEW
UNIVERSAL CREDIT
SUPPLEMENT PACK I

Wednesday 14 March 2018
10am
Warspite Room, Council House

Members:

Councillors Mrs Aspinall, Ball, Bowie, Carson, Churchill, Fletcher, Morris, Penberthy and Storer.

Members are invited to attend the above meeting to consider the items of business overleaf.

Please find attached additional information for your consideration under agenda item 5c.

Tracey Lee
Chief Executive

Select Committee Review

Agenda

5c Timetable of Witnesses

(Pages 1 - 10)

Plymouth Community Homes Universal Credit

Select Committee presentation
March 2018



Plymouth Community Homes

- 15,000 rented homes
- 1,600 leasehold homes
- 200 commercial properties
- Providing services from our Head Office at Plumer House. We also have the city centre shop in Frankfort Gate.
- Provide social rented and affordable rent homes, including for the most financially vulnerable in Plymouth – so welfare reforms have a very significant impact on us...

Current PCH position

- Our overall current rent arrears performance is top quartile – 1.23% at the end of December 2017.
- Very low eviction rate – nine for rent arrears so far this year.
- We completed transition to the full digital service for UC across Plymouth in January 2018.
- All single people, couples and families with up to two children, who have a change of circumstance, need to claim UC rather than HB.

Universal Credit – current position for PCH

- We have over 550 tenants claiming UC.
- We have up to 50 new cases of tenants claiming UC every week.
- Over 320 of the 550 are in arrears.
- The arrears % for UC claimants is 6.6% (currently equating to £140k of income due to PCH).
- Average arrears for UC claimants - £460.
Average arrears for non UC claimants - £190.

So what are we doing?

We have been preparing for several years ~

To support individuals

- We set up our welfare reform team in 2013. As well as offering support to tenants affected by other welfare reforms (bedroom tax and benefit cap) we have completed...
- An initial programme of over 3,500 visits to single, working age people in Plymouth to prepare them for UC.
- We recently completed a programme of almost 3,500 visits to couples and families who may be affected by UC.
- A visit is offered to every tenant who now starts to claim UC.

What are we doing? (2)

At a global level ~

- We responded to Parliament's consultation on UC in 2017.
- As one of six organisations, this led to an invitation to attend the Select Committee.
- And to feed in a written 'wish list' afterwards.
- Shortly after the Committee hearing the government announced some changes to UC in the autumn budget.

- Close liaison with our DWP partnership manager.
- Trusted partner with the DWP.

Impact of Universal Credit on our tenants and PCH (1)

- ✓ Case very strongly made to the Parliamentary Enquiry that the seven day 'waiting period' should be abolished – and it was in February.
- ✗ When first claiming UC tenants have no income for a minimum of six weeks – causing severe hardship.
- ✗ The six week wait means PCH will have to support a 'structural' level of arrears of around £180k – monies owed to us that we will not have available to us to provide other services.
- ✗ Advanced payments work for some, but for many cause, rather than solve, financial problems.

Impact of Universal Credit on our tenants and PCH (2)

Alternative payment arrangements – where UC is paid direct to the landlords – work in some cases, but also cause problems.

- ✓ When up and running, rent payment safely received by the landlord, protecting the tenant's home.
- ✗ Monthly payment on a four weekly cycle, meaning there is one period with no payment (and no notification of when that period will be).
- ✗ Up to 10 weeks' wait before any payment received by PCH.

Impact of Universal Credit on our tenants and PCH (3)

- ✗ Reduced income for other priorities.
- ✗ Increased expenditure to support tenants, but...
- ✓ Overall aim is to help tenants sustain their tenancy successfully.
- ✓ And sustaining tenancies saves costs –
 - Eviction costs.
 - Void costs.
 - Costs for partner services – homelessness, etc.
- ✓ DHPs.

Plymouth Community Homes

Thank you and any questions

