

Plymouth Community Homes Universal Credit

Select Committee presentation

March 2018

Plymouth
Community Homes



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.

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Thank you and any questions

