

Select Committee Review

Wednesday 14 March 2018

PRESENT:

Councillor Bowie, in the Chair.

Councillor Ball, Vice Chair.

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

Also in attendance: Emma Rose (Strategic Development Manager), Sue Smith (Early Years and Childcare Manager) and Councillor Fay Cook (Family Nurse Partnership LIVEWELL SOUTHWEST), Downie (Cabinet Member for Safer and Stronger Communities), Matt Garrett (Head of Community Connections),

The meeting started at 10.00 am and finished at 5.00 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

1. **Appointment of the Chair and Vice Chair**

The committee agreed that Councillor Bowie is appointed as Chair and Councillor Ball is appointed as Vice Chair for this particular meeting.

2. **Declarations of Interest**

The following declarations of interest were made by Councillors in accordance with the code of conduct –

Name	Minute Number and Item	Reason	Interest
Councillor Mrs Aspinall	Minute 4 Universal Credit	Daughter employed by Plymouth Community Homes	Personal
Councillor Churchill	Minute 4 Universal Credit	Board Member for Plymouth Community Homes	Personal
Councillor Penberthy	Minute 4 Universal Credit	Leasehold flat within Plymouth Community Homes	Personal

3. **Chair's Urgent Business**

There were no items of Chair's urgent business.

4. **Universal Credit**

Councillor Downie (Cabinet Member for Safer and Stronger Communities), Emma Rose (Strategic Development Manager), Matt Garrett (Head of Community Connections), Sue Smith (Early Years and Childcare Manager) and Fay Cook (Family Nurse Partnership LIVEWELL SOUTHWEST) presented the Universal Credit update report which highlighted the following key areas -

- (a) Universal Credit was administered by the Department for Work and Pensions (DWP); local authorities had no involvement in the assessment process or management of ongoing claims; the DWP shared data with local authorities relating to claimants who may previously had been in receipt of housing benefit for the purposes of ensuring there were no incorrect payments made;
- (b) the Universal Credit 'full service' was rolled out in Plymouth by postcode areas between October 2017 and January 2018; this service was available to all new eligible claimants;
- (c) the Council had signed up to the Universal Support Agreement with the DWP, in order to provide claimants with personal budgeting support (PBS) and assisted digital support (ADS);
- (d) PBS was available for Universal Credit claimants who were identified as in need of help to manage their finances; primarily, referrals were made via DWP work coaches from a Plymouth job centre; the Council had contracted Advice Plymouth to provide this service;
- (e) ADS was available for Universal Credit claimants who were unable to use a computer and had no one who could help them; this service was offered from Plymouth libraries and was provided by Plymouth City Council's Customer Advisors.

The committee heard representations from various witnesses -

- (f) Iain Maitland (Vice Chair) representing South West Landlords Association highlighted the following key issues –
 - the introduction of Universal Credit had led to private landlords not receiving rent for a 10 week period;
 - it was a requirement of most insurance companies to provide information as to the tenants occupying a property; (some insurance companies excluded certain sectors of the community);

- the quality of advice being given to landlords and the information being captured; (a landlord had been advised that third party deductions could be made following a tenant vacating a property which was not the case; this had resulted in the tenant owing £1400 in rent);
 - the lack of information from the DWP relating to the status of claims; (as a result of an individual not being able to complete the claim, this had resulted in 10 weeks' arrears; the landlord was unable to ascertain whether the claim had been paid, whether it had been spent or the individual had yet to receive it);
- (g) Liz Phillips and Nicky Kingston representing Plymouth Community Homes highlighted the following key issues –
- the overall aim of Plymouth Community Homes was to provide support for their tenants, in order to sustain their tenancies (evictions were viewed as a failure and were only undertaken as a last resort);
 - as Universal Credit was paid monthly (based on a four weekly cycle) this had resulted in one period with no payment and no notification as to when this would occur;
 - the six week assessment period had resulted in Plymouth Community Homes supporting structural level of arrears of approximately £180,000, monies which would impact on the association's ability to provide other priorities/services;
 - the introduction of Universal Credit had resulted in increased expenditure to support tenants (which included 3,500 visits to tenants);
 - current arrears for Universal Credit claimants was 6.6% which equated to £140,000 of income due to Plymouth Community Homes;
- (h) Paul Williams representing City of Plymouth Credit Union highlighted the following key areas –
- the City of Plymouth Credit Union was a not for profit, member-owned financial organisation dedicated to the economic development of the Plymouth community; it provided financial services to all members and included those who had been excluded from traditional services;
 - the aims of the Credit Union were to encourage savings, provide low interest rate loans to members and to provide help and advice about money management;

- the services that the Credit Union provided included –
 - ▶ savings accounts (including the Jam Jar accounts);
 - ▶ savings secure loans;
 - ▶ payroll deduction scheme;
 - ▶ the Local Housing Allowance scheme allowed tenants to make direct payments to their landlords (this ensured that the landlord received their rent);
- (i) Eunice Halliday representing Plymouth Foodbank highlighted the following key areas –
- the Plymouth Foodbank was ‘a community project working to serve the community and fight poverty, whilst helping people who were in financial crisis be providing them with much needed food, a listening ear and useful advice’;
 - the services also offered by the Foodbank included budgeting advice and support, training and education, a community internet café and help and money advice;
 - current issues related to –
 - ▶ the difficulty of individuals having to prove that they had been searching for work for 35 hours per week (this could include 17.5 hours of voluntary work);
 - ▶ claimants were not aware that the housing element of Universal Credit could be paid direct to landlords;
 - ▶ individuals not being aware that historical over-payments were being taken out of their Universal Credit claims;
 - ▶ the exemption part of the NHS prescription form did not include a section for Universal Credit;
 - ▶ the length of time it took an individual to receive Universal Credit;
 - ▶ the offer of help from the Council was limited;
 - ▶ individuals were experiencing delays with their claims, if they had not provided the exact amount of rent (to the penny) they were paying, when applying for Universal Credit;

- (j) Dave Ringwood representing PATH (Plymouth Access to Housing Limited) highlighted the following key areas –
- PATH was an independent local charity based in Plymouth; it was set up in 1995 in order to support people who were vulnerable to homelessness by providing a range of services from work with rough sleepers through to support for people to maintain their tenancies;
 - the services that PATH provided included -
 - ▶ working with rough sleepers and refugees;
 - ▶ Single Homeless Scheme - Plymouth Resettlement;
 - ▶ Plymouth renting support service;
 - ▶ housing information;
 - ▶ Easylet;
- (k) Nick Dilworth representing Citizen's Advice Plymouth highlighted the following key areas (a report had been circulated) –
- the issues currently under review were –
 - ▶ clarity and understanding of the impact of Universal Credit on different groups;
 - ▶ impact of Universal Credit on other council services which were not commissioned by the Department for Work and Pensions;
 - ▶ exchange of information mechanisms which were currently in place between the Department for Work and Pensions and the council and whether these were fit for purpose to help aid ongoing monitoring of Universal Credit;
 - ▶ the ability of social housing landlords to provide ongoing community support and if able to continue this practice the impact on their house building plans;
 - ▶ the willingness of private landlords to take on Universal Credit claimants due to the risk of arrears or to accept rent up to six weeks in arrears;
 - ▶ the implications on the private rented sector homelessness prevention, if tenants were evicted or refused tenancies;

- ▶ the impact of the length of time it took to process Universal Credit claims (six weeks) on rent arrears and potential eviction;
- ▶ the support being offered to tenants to sustain tenancies and minimise arrears;
- ▶ the impact on services provided by charities, foodbanks and community groups.

Key areas of questioning from Members related to –

- (l) the impact of the impending legislation (effective from 1 April 2018) which limited the entitlement to free school meals for families receiving Universal Credit;
- (m) the process (including the length of time) that it would take an individual to apply for Universal Credit;
- (n) measures that the Council could put in place to increase the take-up of the personal budgeting support service;
- (o) the number of claimants that had applied for a budgeting advance;
- (p) whether the statistics provided from the National Landlords Association (which estimated that only 18-20% of private landlords accepted people who used Local Housing Allowance) were reflected in Plymouth;
- (q) the level of liaison between private landlords and the letting agencies in Plymouth;
- (r) the comparison between the length of time it would take an individual to clear Universal Credit arrears and other legacy arrears;
- (s) whether other housing associations were experiencing similar situations regarding the impact of Universal Credit;
- (t) whether problems had been experienced when an Universal Credit claim had been stopped and subsequently re-started;
- (u) the national comparator for the level of arrears being experienced by housing associations;
- (v) the future projection of arrears that the Plymouth Community Homes could experience;
- (w) the age demographic of the individuals that had been evicted by Plymouth Community Homes (nine in total);

- (x) whether the number of Plymouth Community Home tenants claiming Universal Credit were new to the City;
- (y) the support provided to vulnerable individuals in applying for Universal Credit and thus sustaining their tenancies;
- (z) whether the DWP were encouraging people to open an account with the Credit Union in Plymouth;
- (aa) whether there had been an increase in the number of people using pay day loans due to Universal Credit being paid monthly rather than the weekly payment of legacy benefits;
- (bb) the number of people with an account at the Credit Union that were in receipt of Universal Credit;
- (cc) the level of involvement of the Credit Union with the Council and the Job Centres regarding the personal budgeting support service;
- (dd) the balance of account holders at the Credit Union (deposits/borrowing);
- (ee) how the Council could support the Credit Union;
- (ff) whether the Foodbank had seen an increase in people using its facilities due to the introduction of Universal Credit;
- (gg) whether legal advice was available as part of the suite of services provided by the Foodbank;
- (hh) what measures could be put in place to better assist individuals to prove that they had been searching for work for 35 hours per week;
- (ii) what improvements could the Council put in place to better help people move onto Universal Credit;
- (jj) the lack of awareness that individuals could request that the housing element of Universal Credit could be paid direct to their landlords;
- (kk) what were the concerns of Citizens Advice regarding the individuals moving from the Employment Support Allowance on to Universal Credit;
- (ll) proper mechanisms in place to access detailed information in order to be able future plan services;

- (mm) what were the specific issues relating to the cohort of people transitioning from the legacy benefit Employment and Support Allowance to Universal Credit.

The Chair thanked all the witnesses for attending and contributing towards a robust scrutiny session.

5. **Recommendations**

The committee agreed the following recommendations -

- (1) following proposed amendments to Universal Credit income thresholds, the committee understand that a significant number of children may be at risk of losing their free school meal entitlement; the committee therefore requests that Council officers review the potential impact of such a change on –
- families;
 - young people and consequential impact on educational attainment;
 - the Council's Joint Venture with CATERed;
 - impact of the Pupil Premium and consequential impacts on the education system in Plymouth;
 - health indicators;
- (2) during the witness statements, the committee raised concerns regarding the quality of communication and data sharing between statutory and non-statutory agencies, landlords and the community and voluntary sector; the committee therefore recommends that statutory agencies work together to develop robust mechanisms, as follows -
- to share predictive data relating to Universal Credit claimants and households to enable better planning of resources;
 - to better communicate information on Discretionary Housing Payments and the support available for Universal Credit claimants to social and private sector landlords and tenants;
 - better improve communication between local authorities, Department for Work and Pensions, social and private landlords;
- (3) that the Group Leaders write to the Permanent Secretary seeking -

- implementation of default automatic direct payment for the housing element of Universal Credit to social and private landlords with an opt out;
 - improve communications between Department for Work and Pensions and private landlords;
 - to provide a mechanism for confirming entitlement to Universal Credit, at an earlier stage, in order to progress Discretionary Housing Payments applications when they are needed;
- (4) request that the portfolio holder accelerates the work being undertaken between Plymouth City Council, Plymouth Community Homes, PATH and other landlords to use the Discretionary Housing Payments underspend this financial year;
 - (5) encourage local businesses to introduce a payroll deduction scheme in order to promote the Credit Union;
 - (6) investigate the feasibility of restricting the location of money lending and 'rent-to-own' companies within the city centre and deprived areas through planning controls;
 - (7) investigate whether there is a secure storage area within the Council's estate that could be used by the Plymouth Foodbank;
 - (8) properly fund Advice Plymouth in order to provide additional resources to cope with the increasing demand for complex case management and to seek financial contributions toward the service from partners;
 - (9) review the existing training provided by the Council and partner agency staff regarding signposting and support for Universal Credit customers and undertake refresher training where necessary;
 - (10) hold a further review to assess the impact of Universal Credit once the service has been live for 12 months (February 2019) and to receive quarterly updates to ensure that this issue is kept under review.

(Please note this meeting was webcast and can be viewed at https://plymouth.public-i.tv/core/portal/webcast_interactive/343519)

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