

North Lanarkshire Council Report

Housing & Regeneration Committee

approval noting

Ref SL/GW

Date 25/11/20

Universal Credit Assistance Fund

From Stephen Llewellyn, Head Of Housing Solutions

Email Llewellyns@northlan.gov.uk **Telephone** 01698 274162

Executive Summary

Following Committee approval in November 2019 to create the Universal Credit Assistance Fund, this report is to update members on the successful implementation of this fund and the positive impact this fund has had on North Lanarkshire Council tenants.

Recommendations

It is recommended that the Committee note the content of the report and the positive impact the fund has had in mitigating against the 5 week Universal Credit payment delay.

The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (11) Increase economic opportunities for adults by understanding, identifying, and addressing the causes of poverty and deprivation and barriers to financial inclusion

1. Background

- 1.1 The Communities and Housing Committee of 20 November 2019 approved the establishment of a £1million Universal Credit Assistance Fund (UCAF), which was funded through unallocated HRA reserves.
 - 1.2 The fund supports tenants who develop a technical arrear as a result of the in-built waiting period between an application for Universal Credit (UC) and the 5 week period before receiving a payment. All eligible tenants have 5 weeks credited to their rent account to cover the shortfall. The UCAF support will then be paid back by the tenant, via a standing order, with the repayment amount being calculated depending on their individual circumstances and following a full income maximisation.
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2. Report

- 2.1 The UCAF began in January 2020 with social media and press releases advertising and promoting the scheme to tenants. In addition, Housing Advisors and Income Maximisers/Sustainability Officers also ensured all tenants who qualified were encouraged to apply.
- 2.2 From January 2020 to March 2020, a total of 487 claims were processed, totalling £160,720 being paid into tenant's rents accounts, an average award of £330.02 per tenant.
- 2.3 From April onwards there was a sharp increase in demand and by August 2020, 2128 tenants had been assisted, to a value of £799,059, an average of £375.50 per tenant. From September to October a further sharp increase was evident, this followed an increase in UC claims, but also pro-active work by the service by writing to and arranging home visits to all tenants in rent arrears. This approach had a positive result in engaging with tenants when able to explain the benefits of the fund face to face.
- 2.4 In June, the Council announced the intention to expand the fund to include tenants who had fallen into arrears because their income had been directly affected by the global pandemic and they were suffering financial hardship. From this, £300,000 (of the £1million) was set aside for the Covid Hardship Fund to help tenants who had been made redundant, been furloughed, had hours reduced or were self-employed. This resulted in 655 tenants qualifying for help with awards totalling £234,351, an average of £357.79 per tenant.
- 2.5 Following this increased demand approval was given at our previous Committee in for a further £0.5million to be added to the fund, again being funded from the HRA surplus. Since then this fund has helped a further 802 tenants to the value of £302,971, an average of £377.77 per tenant.
- 2.6 Overall, since January 2020, between both the UCAF and the Covid Hardship Fund, 3751 tenants have been assisted to the value of £1,378,454, an average award of £371.08 per tenant.
- 2.7 This fund has not only assisted a significant number of tenants who would otherwise have fallen into arrears, but this initial engagement with tenants allows officers to provide additional support and advice, signposting to other agencies where required

or continuing to engage with them to resolve other housing issues. This ultimately contributes to the long terms sustainability of tenancies and communities.

- 2.8 In addition to this, there has been a positive impact on the rent arrears levels. At a time of increasing unemployment and it was anticipated that rent arrears levels would increase dramatically, however from April to October, the average arrears of tenants who are claiming UC has fallen from £623 to £560, and the percentage of UC tenants in arrears has dropped from 69% to 55%.
- 2.9 While the success of this scheme is evident, we are still living with the uncertainty of the pandemic and negative financial impact this is anticipated to have on our tenants. A further report is likely to be brought to committee on the future funding of this scheme.
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3. Equality and Diversity

3.1 Fairer Scotland Duty

North Lanarkshire Council is committed to working in partnership to tackle and alleviate poverty and the inequalities ensuing from poor health, unemployment and digital exclusion.

3.2 Equality Impact Assessment

Full consideration has been given to reducing inequalities across protected characteristic groups and strengthening the impact of future opportunities.

4. Implications

4.1 Financial Impact

The cost of establishing this fund was contained within the HRA.

4.2 HR/Policy/Legislative Impact

There are no personnel, legal or policy implications

4.3 Environmental Impact

None

4.4 Risk Impact

The impact of Universal Credit has been assessed as a key risk at corporate and service level.

5. Measures of success

- 5.1 Success will be measured by a reduction of rent arrears experienced by tenants claiming Universal Credit, and the increase in tenancy sustainment.
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6. Supporting documents

- 6.1 No appendices

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Stephen Llewellyn
Head of Housing Solutions