**Work and Pensions Committee inquiry into the timeliness and accuracy of benefit delivery by the DWP  
Community Housing Cymru Group response**

**About Us**

**The Community Housing Cymru Group (CHC Group)** is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2013/14, our members directly employed 8,400 people and spent almost £2bn (directly and indirectly) in the economy, with 81% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

**Our objectives are to**:

* Be the leading voice of the social housing sector.
* Promote the social housing sector in Wales.
* Promote the relief of financial hardship through the sector's provision of low cost social housing.
* Provide services, education, training, information, advice and support to members.
* Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

**Our vision is to be**:

* A dynamic, action-based advocate for the not-for-profit housing sector.
* A ‘member centred’ support provider, adding value to our members’ activities by delivering the services and advice that they need in order to provide social housing, regeneration and care services.
* A knowledge-based social enterprise.

In 2010, CHC formed a group structure with Care & Repair Cymru and CREW Regeneration Wales in order to jointly champion not-for-profit housing, care and regeneration.

CHC welcomes the opportunity to respond to the proposed inquiry into benefit sanctions policy. Our members provide homes and services to some of the most vulnerable members of our communities, many of whom claim welfare benefits, including Universal Credit, Jobseekers’ Allowance and Employment Support Allowance. The implications for these tenants of inefficient delivery of benefits, and the knock-on effects for social landlords, are significant and, as such, we welcome the opportunity to add the voice of the Welsh social housing sector to the inquiry about the DWP’s efficacy in the process.

Evidence has been provided under the headings requested by the Committee.

* **The extent to which the DWP delivers benefit and Universal Credit payments correctly and promptly**

Whilst we appreciate that the roll out of Universal Credit (UC) is ongoing and that difficulties are inevitable, so far the picture in Wales with regard to Universal Credit (UC) payments is one of late payments and miscommunication from JCP/DWP. One of our members contacted us to state that of the 4 of their tenants who are claiming UC, not one has been paid on time and it has required intervention from the landlord with the DWP to ensure that the claimant is paid. This, obviously, means that budgeting, meeting payments for rent and bills and maintaining a trusting relationship with the DWP are all things which are made more difficult for claimants.

An example of the sort of issue that our members are being presented with is outlined below:

“A resident was expecting his first UC payment of approximately £658 on a Friday. Resident telephoned us on the Monday to say that he had not received the income. He then spoke to the DWP who advised that they would pay £150 that day and the remaining amount would be paid by the end of that week. There was no explanation why this had happened”

A second example is below:

“The tenant, a single adult male, does not require Personal Budgeting Support (PBS), although he was never asked whether this was the case by the Jobcentre Plus. No notification was received by (the landlord) from the DWP to advise that a UC claim had been made, instead we only found out when the tenant called us direct to notify us. We had to make 5 phone calls to the DWP on the date his payment was due to ensure payment was made to the tenant. The claim was then paid with no housing costs, as the tenant had not been asked to submit evidence of rent payments. We had to submit this for the tenant or we would not have been paid rent and the tenant would have entered arrears.”

These are obviously individual cases, but they represent similar experiences reported to us by a number of our members.

Miscommunication of information that is absolutely crucial to claimants is an enduring theme (and the following example would suggest that the application forms being provided by DWP need to be re-examined):

“One of our residents works a split shift rota over a fortnightly period e.g. 30 hours one week, 20 hours the next. Because the UC online application asks if the claimant intends to work over 30 hours a week, it directed him to claim Tax Credits and not UC – this information differed from advice he had already been given, prompting him to make the UC claim in the first place. This raises concerns about the potential ambiguity of some questions on the initial application.”

These communication issues extend beyond the communication between tenant and JCP to include difficulties in communication with the JCP/DWP experienced by our members, as below:

“If we identify an error or intervene to seek resolution of an associated matter we are unable to communicate with a decision maker. The frontline telephony service can frequently act as a barrier to swift resolution. There appears to be a paucity of information available to them and the level of knowledge routinely appears to be below acceptable standards. When meeting with vulnerable tenants we may have a single opportunity to resolve a pressing situation. A call back later in the day (in the absence of the tenant) that may or may not manifest will often mean that opportunity for resolution is lost and an exacerbation of an already problematic situation.”

Other areas of concern raised by our members include:

**Personal Budgeting Support**

One member stated that:

“Uptake of PBS has been very low across all of our live Boroughs. It is of particular concern as we have had to pick up the pieces, when tenants fall into arrears and admitted that they are finding it difficult to budget monthly. One example is a tenant whose UC has now been sanctioned, paid short for two months and has now admitted he cannot budget monthly. This was not picked up by the work coach.”

Another stated: “Our main concern is the low rate of referral to PBS or support from the job centre meaning that claimants may not be getting the required support and advice at the start of their UC journey. The impact of this for the claimant and us as a landlord is that the resident may not have the budgeting skills or knowledge to pay their monthly payments, which could place them at risk of not being able to sustain their tenancy. We are holding local meetings with other housing associations, the local authority and Job Centre to try and improve our local practices, but feel that this maybe a wider issue that requires urgent resolution.”

**Alternative Payment Arrangement (APA) requests**

Members have highlighted problems with APA requests not being received, despite being sent recorded delivery and being signed for at the DWP offices in Wolverhampton. Initially, email requests sent via secure email bounced back as the inbox was full. This has now been resolved but there was an impact at the start in terms of staff resources needed to resolve the problems.

One member stated: “In general where we have applied for APAs, we are receiving notification within two weeks. We have only received one expected payment to date and this was on time. The APA acceptance letter sent to us from the DWP does not indicate any figures for us to know how much housing costs will be paid direct to us. It does not include a review period for the APA.”

Another noted that:

“We are unsure about the process in respect of acceptance of a third party deduction request, which is made on the APA form. To date, we have applied for two APAs with third party deductions. We have received notification that the APA has been granted, but we have yet to determine if the third party deductions are included in this due to the lack of detail in the content of the notification letter.””

**Tier 1 and Tier 2 criteria**

Some members are concerned that these criteria are not consistently considered by the work coaches (potentially leading to the the low take up of PBS). One example given states: “Of the 18 tenants who have claimed UC to date, we have applied for 7 APA’s as the tenants fitted tier 1 criteria. This clearly wasn’t picked up at the work coach meeting”

**Notification letters**

Several members have noted problems with receiving notification that their tenants have applied for UC. One member stated: “We’ve only received an initial information letter, informing us of the UC claim in two cases. Letters that we have received, including APA confirmations, don’t give any detail of amount of payment or amount of entitlement. There are no names and addresses on the letters, only a reference number which is the national insurance number plus the tenancy reference we gave them on then APA request.”

Universal Credit aside, our members report a slightly more positive experience. For example, one member stated:

**“**Our experience with PIP applications and assessments was not great to begin with, many delays in medical appointments and decisions being made putting further stress on those already facing the transition from DLA.  We fed back to DWP via our UC liaison officer about our experiences and gave a few examples of the impact on our tenants and since then, there has been a significant improvement in both of these areas.  The appeals process has always been quite timely and we have had no significant areas of concern for these.”

**Consistent Practice**

Members of CHC have noted that there is varied consistency of practice from one local authority area to the next:

“It is becoming evident that practices differ across local authorities. From a Social Landlord perspective, if the organisation spans several local authorities it may experience a variance in how the UC process is operated. Similarly, if residents move from one local authority to another, they may also experience differences in local approaches. As this is a national government policy initiative it is important that where possible, any practices are carried out consistently.”

* **The impact of errors and delays and how such effects are mitigated**

Errors in the administration of benefits can cause major problems for our members’ tenants; an example of the impact of problems with the communication of appointments is provided below:

“One of our tenants had to pawn his mobile phone to get money whilst waiting for his UC claim. This meant he missed notification of two appointments with his work coach and his UC claims lapsed. He had to make two brand new claims and despite making his initial claim on 22nd June, did not get a payment until 23rd August. This tenant already had a court order, so this had a further impact on his already high arrears. In addition, the tenant has had three Food Bank vouchers from us. He also told us that when he visited the Job Centre to make his claim, there was a problem with the system crashing.”

This last issue is not an isolated example. Other members have mentioned that system crashes are a frequent problem, with the impact being that their staff members’ time is being wasted and claimants are frustrated, as detailed in the next example:

“Information given to UC claimants about the claim process and how this is differs to JSA, has been sketchy and lacking in details. For example, one of our tenants contacted us in a panic as she had no idea how she should make a claim. We assisted her but the system crashed twice during the process. As you can’t save the claim, this means starting the process from scratch each time, wasting our time and hers.”

CHC’s Your Benefits Are Changing service deals with the impact of errors and miscalculations frequently, as set out in the evidence they provided, below:

“Decision makers make errors about entitlement which lead to Mandatory Reconsiderations (MRs) and appeals. Sanctions may be given unfairly which can also lead to MRs and appeals – all clogging up the system and causing delays in people receiving what they are entitled to when the decisions are overturned, but also delays for other claimants waiting for their claims to be decided on.  For example, incapacity Benefit claimants being refused ESA, people classified into incorrect groups or being found fit for work led to huge backlog of medical assessments and appeals causing delays for new claimants too. The DWP say the average waiting time for ESA assessments is down, but there are still people who have been waiting for over a year to be assessed and to receive the additional money (£29.05 or £36.20 per week on top of their £73.10 basic allowance). According to the rules, this should be completed by week 13 of the claim. While the claimant will receive the extra money paid in arrears if they are still on ESA by the time the assessment is made, some will be back in work and those who aren’t are struggling on an amount of money that was never intended to cover the resulting costs of long term illness. ESA basic allowance is the same amount as JSA, the level of which is an incentive to get people off unemployment benefits and into work.  People who have been through detailed assessment and found by health professionals and DWP staff to be too sick to work are to be put into the same category under the new welfare plan.  This will lead to further difficulties for the sick people of the future.”

The YBAC service provided further evidence of the resulting impact on claimants of wrong decisions and delays, as set out below:

* **Increased personal difficulties**, such as: debt; possible eviction/repossession; disconnection from gas/electricity; high interest loans; loan sharks; the need to access food banks (limited to 3 weeks of 3 days emergency food); the need to choose between heating their home or eating; Third Party Deductions causing the individual to live on even less for extended periods of time.  These issues must be seen in the context of the wider impact of welfare reform – compounding effects of underoccupancy charges, an apparent change to the sanctions regime which has seen benefits being stopped more readily than ever before, etc.  With the forthcoming benefit freeze, etc.  even more people who used to scrape by on their benefits will be unable to do so, without taking on debt or failing to meet priority payments, such as rent.
* **Effects on relationships**: Due to the stress of money worries and inability to afford life’s essentials, YBAC customers are reporting an increase in relationship problems. For example, estranged parents are unable to afford to see their children or have them to stay over because the home is too cold, or they are unable to provide food, etc.
* **Health deterioration** – YBAC customers are reporting the effects of both physical and mental health deterioration following sanctions, delays or errors, through lack of adequate diet, housing conditions, stress and anxiety.

The impact of these problems on our members includes mounting rent arrears, which can eventually lead to expensive evictions processes. Errors and delays also, inevitably, lead to our members’ teams having to spend more time with tenants, working with them to apply for food bank vouchers for example. These are staff-hours that could be more profitably used than by mitigating against errors in the delivery of benefits.

It should be noted that it is not just in the case of errors that claimants are feeling the impacts outlined above. The statutory period between claiming and receiving payment is significant as outlined below:

“Our first claimant has received 2 payments to date both correct and on time. However the effect of no income/benefits for 5 weeks and no financial resilience has had a hugely negative financial and psychological effect on the claimant.”

YBAC note the following as mitigation, in the case of delays/ errors:

“UC Short Term Advances – obviously some help but maximum of half a month’s standard allowance and then deducted 3 to 6 months from monthly award, restricting the amount received on an ongoing basis.

TPDs reducing amount received over long period

Discretionary & emergency Assistance Funds from Welsh Government.  Very small grants.  No entitlement, they are discretionary.

Food banks – limit to how much help Food banks can give and may not be sustainable when increasing numbers needing help especially when claimants of legacy benefits are transferred onto UC

Trust Funds – occasionally someone may be able to obtain a small grant; however this is quite rare and as hardship becomes the norm, trust funds will be unable to cope.”

* **How the Department’s performance in this area might be monitored and improved**

With regard to the problems with UC, we wholeheartedly recommend the introduction of Trusted Partner Status to all registered social landlords in Wales. This process, by which Alternative Payment Arrangements are provided to a claimant upon request by the landlord, would greatly diminish delays that are having such a deleterious effect on tenants and, consequently, landlords.

More simply, DWP needs to ensure information to all necessary sources is timely and accurate. This will allow the claimant and landlord to take the appropriate action with regard support required and thus help to mitigate the exacerbated financial difficulties. At present numbers of UC claimants are low, allowing for easy monitoring, however as numbers increase it is extremely important that all processes are met in a timely and accurate fashion.

Another simple step to improvement is to work on the aforementioned communication difficulties, which so plague the system. One of our members has commented: “the ability to triage a call and transfer direct to an appropriate party/team would be reciprocally both a cost and time saving measure. All parties would have the potential to resolve a situation in the first instance. This would have the desirous effect of reducing both administrative and stress inducing delays and errors. The willingness to address this failing would go some way to restoring faith in the DWP’s ability to modernise to a standard commensurate with the rigours demanded by welfare reform.”

One of our members responded to this question by stating that: “Local partnerships/ JCP partnership managers are excellent in supporting organisations and updating information. These could be used to monitor the current issues/performance and highlight concerns to be addressed”.

Another stated:

“Actually listen to the sector, hold external stakeholder groups with up to date information.

The trusted landlord status has been on-going for over 1 year, and NO information is being released into the domain of the partners.”

One more added:

“The DWP could try notifying the landlord that a UC claim has been made. This just may stop a recovery action being taken, which would encourage sustainable tenancies.

The DWP could offer PBS on ALL claims.

The DWP could learn to communicate more with digital methods to landlords, AND tenants.”

**Addendum:**

The below review of a UC interview, which one of our members welfare advisors attended, alongside a claimant, might provide the inquiry with a better understanding of the process and the issues it throws up:

**Evidence of UC interview in JCP**

My advisor attended an interview with one of our UC claimants. Findings as follows:

**The Universal Credit Appointment at Job Centre Plus**

Tenant visited JCP on Friday, the systems were down and he was advised to call back Monday or use his own PC to make a claim on line. Claimant advised he did not have his own PC. At no time was the claimant offered a telephone call claim. My advisor actually made the claim online using our laptop.

**The interview at JCP**

* The interview took over 1 hour, mainly as the start of the interview was the advisor taking compiles of identification, stamping every page of the telephone transcript, and asking the claimant to sign every page.
* There were not directly asked Tier1 or Tier 2 questions .
* An APA was explained but never offered.
* The claimant was asked who the landlord was but not asked if there were arrears.
* The telephone was given for a budgeting advance, but the claimant was told he could not apply for one for at least 24 hours.
* It was very much like a JSA interview but with contracts drawn up.

Other points of interest:

* The JCP advisor only has read only access to the UC claim account, ALL changes have to be made by ringing the service centre ( even small changes i.e. telephone numbers)
* Sanctions were briefly explained
* The JCP coach has no access to payment information, dates or amounts, this is all done by ringing the service centre. ( if the coach can get through).