



UNIVERSAL CREDIT POLICY

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Cadder Housing Association Ltd

Universal Credit Policy

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1.0 INTRODUCTION

- 1.1 Cadder Housing Association is a registered social landlord, set up in 1994 to improve the living conditions for residents in the Cadder estate in the north of Glasgow. It operates on a “not-for-profit” basis, and is run by an elected Management Committee, consisting mainly of local residents who employ a staff team to manage the Association on a day-to-day basis.
- 1.2 This document outlines the Association’s Universal Credit Policy, which complements our Rent Arrears Policy, Rent Setting Policy and Welfare Reform Action Plan.
- 1.3 Welfare reform (Universal Credit) ranks as the Association’s highest risk on our Corporate Risk Register. This policy in conjunction with the Association’s Rent Arrears Policy are the main policies for maximising rental income and managing non-payment.
- 1.4 The Welfare Reform Act 2012, as enacted by the UK government introduced a number of new benefits, including Universal Credit. Universal Credit (UC) was introduced to Glasgow in June 2015 for new single claimants. This will be expanded within Glasgow from 31 October 2018 as part of the Full Service UC roll out, which will involve all new claimants being moved onto UC. Thereafter, the Department of Work & Pensions intend to move existing benefit claimants onto UC by 2023.
- 1.5 UC replaces the following benefits, which are rolled into a single monthly payment and paid in arrears:
 - Housing Benefit
 - Child Tax Credit
 - Income support
 - Working Tax Credit
 - Income-based Jobseeker’s Allowance
 - Income-related Employment and Support Allowance
- 1.5.1 UC is paid to qualifying households, in or out of employment.
- 1.6 The Association is committed to supporting tenants. This includes the prevention of rent arrears through early action, which will have a positive impact in the prevention of financial hardship and tenancy sustainment. This includes early engagement

being made with tenants transferring onto UC to discuss rent payment methods and any UC award issues.

- 1.7 The Association's main source of income is rents and it is therefore critical that losses in this area are kept to an absolute minimum. A key factor in achieving this is to ensure that tenants receive their maximum UC entitlement and any other benefits. Housing Benefit is paid on average to 65% of Association tenants and this will be paid directly to tenants migrating onto UC (known as the UC rent element).
- 1.8 Cadder is amongst the most deprived communities in Scotland. The Scottish Index of Multiple Deprivation (SIMD) is produced by the Scottish Government to map deprivation levels throughout the country. Cadder is represented through four Data Zones, of which its two main Zones are in the most deprived 8% (2016 figures). Previously Cadder's main Data Zones were in the worst 10% (2012 figures). Revised data confirms that one in three Cadder residents are now 'Income Deprived', compared to the Glasgow average of one in five. It is therefore imperative that Association tenants and other Cadder residents claim their maximum UC entitlement.

2.0 POLICY AIMS & OBJECTIVES

- 2.1 This policy is a key Association document. Its underlying objectives are to:
 - (i) assist Cadder residents with Universal Credit applications;
 - (ii) help tenants avoid accruing arrears on their rent accounts;
 - (iii) maximise household incomes;
 - (iv) mitigate risk to the Association's Business Plan's needs; and
 - (v) maximise rent collection.

3.0 LEGISLATION, REGULATION & GUIDANCE

- 3.1 This policy complies with the following legal requirements:

Scottish Secure Tenancy – the Association's tenancy agreement contains specific conditions in relation to the payment of rent and other tenancy related charges. Non-payment of these charges represents a breach of the tenancy conditions involved.

Housing (Scotland) Act 2001 - the policy adheres to the provisions of the Housing (Scotland) Act 2001, including the guidance in relation to the recovery of possession of a tenancy when a tenant has breached the conditions of their tenancy agreement by accruing rent arrears.

Housing (Scotland) Act 2010 – The policy has been drafted to take account of the arrears and eviction related provisions to be introduced through Section 14 of the 2010 Act. These include the provision of clear information to tenants on their

tenancy and arrears situation; direct provision of advice and assistance; provision of information about other sources of information and advice; agreeing reasonable repayment plans; and revised arrangements for when a Notice of Proceedings can be served.

Data Protection - The Association is fully committed to compliance with the requirements of the General Data Protection Regulations (GDPR), which came into force on 25 May 2018. The Association will therefore follow procedures that aim to ensure that all employees, Committee members, contractors, agents, consultants, partners or other persons involved in the work of the Association and who have access to any personal data held by or on behalf of the Association, are fully aware of and abide by their duties and responsibilities under GDPR.

Equality Act 2010 - The Equality Act 2010 applies to everyone who provides a service to the public and is based on all persons having the right to be treated with dignity and respect. The Association will ensure that the Equality Act 2010 is adhered to during its management of rent accounts. We will ensure that all residents are treated fairly, with support needs being met when required.

3.2 Regulation – Scottish Social Housing Charter

The Social Housing Charter came into effect in April 2012 and this sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The Association's Rent Arrears Policy will take account of and comply with the relevant Outcomes contained within the Social Housing Charter:

Outcomes 1; 2; 9; 11; 13:

- (1) Every tenant and other customer has their individual need recognised, is treated fairly and with respect, and receives fair access to housing and housing services.
- (2) Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.
- (9) People at risk of losing their homes get advice on preventing homelessness.
- (11) Tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.

- (13) Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

The Scottish Housing Regulator is responsible for monitoring, reporting and assessing how well social landlords are achieving the Charter's outcomes and standards. The Association is required to gather evidence to demonstrate to the Regulator, tenants and service users that it is meeting the outcomes, which includes the management of rent arrears.

3.2.1 This policy is aligned to Standards 1, 3 and 5 of the SHR's Regulation Framework:

Standard 1 – The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users

Standard 3 - The RSL manages its resources to ensure its financial well-being and economic effectiveness.

Standard 5 – The RSL conducts its affairs with honesty and integrity

3.3 Guidance

This Policy has taken account of the guidance contained within:

- UC Guidance for Landlords (Department of Work & Pensions)
- Scottish Choices (Scottish Government)
- UC Rent Collection (Chartered Institute of Housing)
- Welfare Reform Practical Approaches (Chartered Institute of Housing)
- Universal Credit Explained (Money Advice Service)
- Welfare Rights & Wrongs (Scottish Federation of Housing Associations)
- Early Warning System - UC Guidance (Child Poverty Action Group)

4.0 STRATEGIC AIMS & VALUES

4.1 This Policy is aligned and informed by the Association's Strategic Aims for 2011-18 and its Values. These are:

4.1.1 Strategic Aims:

- I. Provide a high quality housing service that is continually responsive to the expectations of our tenants and other customers;

- II. To engage and build relationships with our customers to ensure our service and activities meet their needs and aspirations of our tenants and other customers;
- III. To invest in our people to ensure they have good knowledge and skills to excel in their role within the Association;
- IV. Pursue development, regeneration and wider role initiatives in close working with key partners with the aim of improving Cadder, as well as the quality of life and living conditions of tenants and residents in Cadder; and
- V. Maintain the financial viability of the Association through sound business planning, control and achievement of best value in all that we do.

4.1.2 Association Values:

The Association identified core values associated with our commitment to improve the 'customer journey' in our services, which was integral to our achievement of Investors in People (Silver) accreditation in July 2015. These values (Our 4 'Cs') are:

- ✓ Customer Focussed
- ✓ Communication
- ✓ Caring
- ✓ Commitment

5.0 CONSULTATION

5.1 Consultation with the community and resident participation has always been one of the key aspects of the way in which the Association operates. We therefore welcome the statutory provisions in the Housing (Scotland) Act 2001 which require all social landlords to take tenants' views into account when formulating key service delivery policies.

5.2 There are two strands to policy consultation within Cadder:

- ❖ Firstly, we believe it is important to inform all tenants when a policy review is due. Where required, we will provide information on what changes are likely to be proposed by the Association
- ❖ Where required, the next stage will be to invite feedback from tenants and service users (where applicable) on any changes to the policy, in relation to:

- how well they feel the proposals address the needs of the community and;
- whether there are any particular amendments they would like to see.

- 5.3 The Association has a Resident Participation Strategy which outlines our commitment to encourage participation and consultation in the review of our policies and service areas, where required. It clearly states that the Association will only consult on any changes to the policy where these changes significantly affect tenants and service users.
- 5.4 Where appropriate, the Association will also consult with Cadder Community Council, staff and any operating focus group(s).

6.0 UNIVERSAL CREDIT

- 6.1 UC is a means tested benefit with a capital limit of £16,000 and is payable to claimants aged 18 – 60.5 years.
- 6.2 In most cases Universal Credit will be a single, monthly payment which will be paid in arrears directly into the claimant's bank account. Payments will include all eligible housing costs (Housing Benefit). This means that tenants (claimants) will be responsible for paying their rent themselves. Couples living in the same household will get one monthly payment between them, this can be paid into a joint account or a single account in either person's name.
- 6.3 Universal Credit payments are made up of different amounts depending on the claimant's individual circumstances. Awards will take account of any non-dependents (adult son / daughter) living in the property and will be reduced by £72.16 per month, regardless of the non-dependent's earnings.
- 6.4 UC claimants aged 18 – 21 years are currently not entitled to receive housing costs (Housing Benefit) within their payment unless the DWP awards an exemption to the affected claimant. Where an exemption is not awarded, the Scottish Government has made a current provision to award a Scottish Welfare Fund payment to cover any unpaid rent element (Housing Benefit) of the UC claim.
- 6.5 UC claimants are required to enter into a 'Claimant Commitment' with the DWP in order to receive and continue receive payments. This involves the claimant agreeing to a Commitment with their DWP Work Coach.
- 6.5.1 The Claimant Commitment will set out what the claimant has agreed to do to prepare for and look for work, or to increase their earnings if they are already working. It will be based on the claimant's personal circumstances and will be reviewed and updated on an ongoing basis. Each time it is updated, the claimant

will need to accept a new Claimant Commitment to keep receiving UC. The DWP may reduce (sanction) UC payments if the claimant does not maintain the terms of the Claimant Commitment.

6.5.2 If sanctioned, the claimant can apply to the DWP for a Hardship Payment. However, this will be recoverable from future UC payments.

6.6 Claimants will be expected to make a claim for UC on-line:

www.gov.uk/apply-universal-credit

6.6.1 Claimants can contact the DWP Helpline if required:

Telephone – 0800 328 5644

Textphone – 0800 328 1344

6.7 Claimants will require an e-mail address, bank / building society / Post Office account and mobile telephone number to apply for UC. The Association can help residents set up an e-mail address and obtain a bank / building society / Post Office account

6.8 Tenants claiming UC with any under-occupied bedrooms will have their UC payment reduced by:

- 14% for one spare bedroom
- 25% for two or more spare bedrooms

6.8.1 In such circumstances, tenants will be required to submit a separate claim for Discretionary Housing Payment (DHP) to cover the shortfall. DHP claims are administered by Glasgow City Council.

6.8.2 The Scottish Government intend to abolish the above reductions (Social Size Criteria) through the Social Security (Scotland) Act 2018.

6.9 Universal Credit is assessed monthly and paid monthly in arrears. The first payment should usually be received 1 month and 7 days after a claim is made.

6.10 In situations where tenants who are being moved onto UC are already claiming Housing Benefit, they will receive an additional two weeks Housing Benefit to assist with the transition over to UC.

6.11 Claimants can ask for a 'Universal Credit New Claim Advance' if they are in financial need and are unable to manage until their first monthly payment is received. This will be recoverable from future UC payments, normally over a twelve

month period.

- 6.12 Where tenants are being moved onto UC, the DWP are expected to notify the Association. This will in turn allow the Association to contact the tenant to advise of available support and if required, confirm the payment amount. We will also discuss rent payment options with the tenant.
- 6.13 UC can be paid on two homes if:
- Liability for two homes has arisen because of fear of violence in the normal home. In this case, both rents can be paid for up to 12 months as long as there is an intention to return to the original property;
 - A disabled person can't move into a new home because it needs adaptations. In this case, the claimant must show that the delay is reasonable and if so, both rents can be paid for up to 1 month; or
 - Someone cannot move into accommodation immediately because they are in hospital or a care home then the UC additional amount for housing costs can be paid on the new accommodation for up to 1 month.

7.0 UNIVERSAL CREDIT SUPPORT

- 7.1 The Association's Financial Inclusion Service is available to all Cadder households and helps residents to submit benefit claims; identify any other unclaimed benefits; challenge DWP sanctions; check benefit awards and provide representation at benefit appeal hearings. The service's overall aim is to maximise household incomes, which in turn assists tenants' ability to pay their rent.
- 7.2 The Association recognises that many tenants will ably manage the process of making a claim for UC and will not require any support from the Association. Where support is required, the following assistance is available to residents:
- Creating a DWP on-line account (now a requirement for benefit claims)
 - Completion of new UC claims
 - Assessment and challenge of UC awards
 - IT support
 - Assistance with Discretionary Hardship Payment claims
 - Use of IT suite (Cadder Community Centre)
 - Opening bank / Post Office accounts
 - Budgeting
 - Rent payment options

- 7.3 When we become aware that an Association tenant is to be migrated onto UC, we will make contact with the tenant to offer support and advice and determine how rent payments will be made. Where the tenant owes existing arrears, staff will discuss repayment terms, which will include managed self-payments or deducted payments from the tenant's UC award directly to the Association.
- 7.4 In addition to the support that will be provided by Customer Services staff, tenants (where required) will be offered tenancy support services provided on behalf of the Association by Glasgow Simon Community (GSC) or Quarriers. GSC and Quarriers bring extensive tenancy support experience and can help with various tenancy issues. These services are free, impartial and confidential.
- 7.5 Staff will establish any alternative communication needs, such as other preferred language; large print; sign language or appointed advocate, etc. Where this is established, a flag up message will be placed on our software system (SDM) and required communications methods provided thereafter.
- 7.6 The Financial Inclusion Team will attend new tenant sign-ups and where required, assist new tenants with UC or other benefit claims. Prospective tenants will be made aware of the rent charge for the available property at the offer stage.
- 7.6.1 The Rent Arrears policy and procedure will be explained and the new tenant will be provided with a summary booklet. In particular, the tenant will be advised to contact the Association as soon as they become aware of any problems whatsoever in making the rent payments. Methods of payment will be explained and this will be aided by the Association's 'How to Pay' leaflet being provided.
- 7.7 The Association will ensure that all tenants are kept up to date with any benefit issues / changes, including UC. We will do this via our newsletters, website and general letters / leaflets.
- 7.8 The Association will engage with all tenants (new and existing) at all relevant opportunities to explain UC and the associated requirements that applicable tenants will be required to meet. We will also advise of the available support from the Association's Financial Inclusion Service. We will raise awareness of UC and available support to residents on a wider scale through our website, newsletter and circulars.
- 7.9 The Association's Rent Arrears Policy details the available support to tenants, which includes affordable repayment plans being made when rent arrears accrue. This will equally apply to UC tenants with rent arrears. The Association's arrears recovery process will be applicable to all tenants.

7.10 Claimants can contact the DWP Helpline if required:

Telephone – 0800 328 5644

Textphone – 0800 328 1344

8.0 RENT PAYMENTS

8.1 UC payments are made monthly and will be made directly into the claimant's nominated bank account. Payments are normally paid monthly in arrears.

8.2 Tenants moving onto UC will be expected to pay their full due rent on time. We will ensure that tenants have a rent payment card and provided with a 'How to Pay' booklet, which outlines the many ways that payments can be made. We will encourage tenants to pay by Direct Debit method, which provides assurance to both the Association and the tenant. Available payment methods are:

- Swipe cards that can be used at the Post Office and Pay Point outlets
- Direct Debit facility through their Bank / Building Society
- Housing Benefit direct
- Arrears Direct (deductions taken at source from state benefit payment)
- Via internet
- By telephone
- Cheque
- Allpay app
- Payments at the Association (debit card)

8.3 The housing element (Housing Benefit) of the tenant's UC award can also be paid on behalf of the tenant to the Association by the DWP via an Alternative Payment Arrangement (APA).

8.3.1 APAs are considered by the DWP when the tenant has issues that are likely to prevent rent payment, which could result in homelessness occurring. The main circumstances when an APA will be considered are:

- Drug/alcohol problems;
- Learning difficulties;
- Mental health conditions;
- Multiple debt;
- Homelessness;
- Domestic abuse; and
- Rent arrears

- 8.3.2 Where vulnerability issues are known with an Association tenant, the Association will discuss an APA being made on the tenant's behalf. This will help ensure that required rent payments are made and avoid the risk of possible eviction.
- 8.3.3 The Association is also entitled to submit an APA when a tenant has eight or more weeks rent arrears or has continually underpaid the due rent and has at least one month's rent arrears. An APA can also be awarded if the tenant has been evicted for rent arrears in the past year or is threatened with eviction.
- 8.4 The Scotland Act 2016 allows for UC claimants in Scotland to have payments made fortnightly (as opposed to monthly elsewhere in the UK) and have the rent element (Housing Benefit) of their payment made directly to their landlord. This is known as UC Scottish Choices.
- 8.5 Where a tenant accrues rent arrears of eight weeks or more, the Association may apply not only for the tenant's rent element to be paid directly to the Association, but also for deductions to be taken from the remainder of the tenant's UC payment towards the arrears. The maximum rate for deductions is 20% of the tenant's UC award.
- 8.6 The Association operates a tracking system that monitors the progress of all rent accounts. The tracking system will highlight whether the current balance on an individual tenant's rent account has reduced, increased or remained static against the preceding monthly balance.

9.0 PARTNERSHIP WORKING

- 9.1 The Association will work closely with other agencies to pursue the objectives of this policy to assist our tenants and maximise income collection.
- 9.2 The Association will hold frequent liaison meetings with the DWP to discuss developments with UC and where required, issues with individual cases. These meetings will allow the Association to develop its strategic approach to UC.
- 9.3 The Association will work closely with Glasgow City Council's Financial Inclusion Department, who have a city wide remit for welfare reform and mitigation strategy.
- 9.4 The Association facilitates the Cadder Stakeholder Group meetings, which allows our Financial Inclusion Service to update other organisations operating in Cadder and offer their services to mutual customers.
- 9.5 The Association will liaise closely with Social Work Services in the event of potential court being taken for rent arrears, particularly where a known vulnerability exists.

- 9.6 The Association has membership of the Scottish Federation of Housing Associations (SFHA); Glasgow & West of Scotland Forum of Housing Associations and Scotland's Housing Network. These memberships provide for attendance at forums, benchmarking, knowledge / good practice sharing and guidance on welfare reform related matters.
- 9.7 We will engage with other social landlords to learn from their practices and experiences in order to enhance our approach to UC for the benefit of our tenants and income collection.
- 9.8 We will arrange for our relevant partners to provide training to staff, so that best advice and service is provided to residents.

10.0 MONITORING

- 10.1 The impact of UC on the Association's rental income position will be closely monitored. This will include:
- Number of UC tenants
 - Number of UC tenants in arrears
 - Level of arrears owed
 - Number of Alternative Payments in place
 - Number of cases with arrears deductions
- 10.2 The Customer Services Team Leader will meet bi-monthly with Customer Services staff to assess individual arrears cases, including tenants receiving UC.
- 10.3 We will also monitor and benchmark our UC arrears performance with other housing associations.
- 10.4 The Customer Services Team Leader will carry out audits of a random sample of arrears cases each month to ensure policy, procedural, legislative and good practice compliance.
- 10.5 The Association recognises the risks that rent arrears and welfare reform present to its Business Plan and this is affirmed by their inclusion within the Association's Corporate Risk Register and Internal Management Plan, which provides for a further level of monitoring.
- 10.6 The Association's Welfare Reform Action Plan is regularly updated and reported to Committee. This advises of current and pending risks to tenants and the Association and of the mitigation actions being taken.

11.0 REVIEW

11.1 This Policy will be reviewed in August 2021, or earlier to take account of: -

- ❖ Legislative, regulatory and good practice requirements
- ❖ Association performance
- ❖ The views of tenants and staff