

Universal Credit and Social Landlords: Review of the Trusted Partner Pilot

In House research with Trusted Partner and non-
pilot landlords

September 2017

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Executive summary

The Department for Work and Pensions (DWP) undertook in-house qualitative research interviews and group discussions with Registered Social Landlords (RSLs) who were part of the Universal Credit (UC) Trusted Partner (TP) Pilot, and with a wider group of social landlords.

The concept of Trusted Partners arose from stakeholder meetings with Registered Social Landlords and Lord Freud¹. Thirty three landlords were involved (starting at different stages) between September 2015 and February 2017. Trusted Partners had more streamlined access to Alternative Payment Arrangements (APAs)² but were required to demonstrate support provided to the tenant to move towards financial independence.

The research found there were benefits of the Trusted Partner role:

For the landlord: greater certainty and better communications.

For the tenant: better access to support throughout their transition to Universal Credit.

For DWP: working in partnership to understand challenges faced by landlords.

TP Landlords liked the brand of Trusted Partner and valued being trusted to make recommendations about Alternative Payment Arrangements. We recommend keeping and extending the Trusted Partner role to include more social landlords.

Interviews with the wider group of Registered Social Landlords indicate that, whether part of the Trusted Partner Pilot or not social landlords:

- tended to support the concept of Universal Credit;
- wanted to help develop UC in partnership with DWP and; therefore,
- valued good communication links with the Department (like that provided by Trusted Partner pilot).

¹ Lord Freud was Minister for Welfare reform between 2010 and 2016.

² Alternative Payment Arrangements (APAs) - the main one, Managed Payment to Landlords, allows the housing element of Universal Credit to be paid to the landlord rather than as part of the whole UC award paid to the claimant.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607851/personal-budgeting-support-and-alternative-payment-arrangements.pdf

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1 Background

The Trusted Partner (TP) Pilot was developed as a result of concerns from social landlords in the initial stages of Universal Credit development (resulting from the change from Housing Benefit being administered locally to Universal Credit which is a centralised and fully integrated system) and a desire to be fully involved in making improvements.

Thirty three Registered Social Landlords across Great Britain (starting with 6 in the North West in September 2015 and finishing February 2017) were chosen from around 200 landlords who had originally expressed an interest. The TP Landlords had mainly experienced Universal Credit Live Service but some also had experience of Full Service³. The selection was designed to ensure coverage of the range and types of social landlords (with properties from 1,300 to 150,000) across England, Scotland and Wales –and included Housing Associations; Arm’s Length Management Organisations (ALMO); Stock-owning Local Authorities.

The key elements were that Trusted Partners had more streamlined access to Alternative Payment Arrangements (APAs)⁴ but were required to demonstrate support provided to the tenant to move towards financial independence. They were supported by a central Trusted Partner team within DWP.

The Trusted Partner Pilot objectives:

- To test the TP role and explore likely future volumes of TP APAs.
- To explore whether the TP concept supports the UC policy goals.
- To explore the end to end process including the claimant journey, case management and the flow of information between the different stakeholders.
- To identify possible gaps in the provision; ensure that the claimant journey is simple and that it is cost efficient.
- To test the email channel for APA referrals.

³ **Universal Credit Full Service** is available to all types of claimants in certain areas of Great Britain. Universal Credit full service claimants will have an online Universal Credit account to manage their claim. They will use their account to report changes, send messages to their work coach and find support. **Universal Credit Live service** is available to: all single people across Great Britain, who are not in a full service area and couples and families with children in certain areas. Universal Credit live service claimants will manage their claim by telephone. See <https://www.gov.uk/guidance/universal-credit-full-service-and-live-service>

⁴ **Alternative Payment Arrangements** – see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607851/personal-budgeting-support-and-alternative-payment-arrangements.pdf

2 Methodology

There were two elements to this research:

An end of pilot review took place where Trusted Partners were invited to discuss their experience in focus groups undertaken by the Universal Credit evaluation team. Separate interviews were undertaken with those unable to attend the group discussions to ensure that all of the Thirty three Trusted Partner Pilot landlords provided their views. The end pilot review with Trusted Partners was light touch as the Department had been working closely with the TP Landlords for a while.

Additional qualitative interviews took place with 14 other Registered Social landlords; 'non-pilot landlords'. It was important to gain the views and experiences of a wider group of landlords who had not been working as closely with the Department during this transition to Universal Credit to establish the extent to which TP landlords represented wider views or not.

In order to select landlords who were similar in every other way to those included in the TP pilot the sample was taken from those who expressed an interest⁵ and met the criteria to be in the pilot but were not chosen because of a limit on the numbers of Trusted Partners. The selection of non-pilot landlords also included a similar variation by size (small, medium, large number of properties); whether localised or centralised; and type of landlord - Housing Association; Arm's Length Management Organisation (ALMO); Stock-owning Local Authority. In this way the research with non-pilot landlords provides a similar range of characteristics (which might affect their experience of UC) to those selected for the TP pilot.

The approach to the research and analysis was developed in consultation with a member of the Department's external Universal Credit Expert Panel⁶ to ensure the independence and robustness of the work.

⁵ There were around 200 Expressions of Interest (EOI) in being part of the Trusted Partner pilot. Social landlords who did not choose to put in an EOI are outside the scope of this research.

⁶ For details of the UC Expert Panel see the Universal Credit Evaluation Framework https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536193/ad-hoc-report-34-universal-credit-evaluation-framework-2016.pdf

3 Research Findings

3.1 Trusted Partners

The research found there were benefits of the Trusted Partner role:

For the landlord: greater certainty and better communications.

For the tenant: better access to support throughout their transition to Universal Credit.

For DWP: working in partnership and understanding challenges faced by landlords.

Trusted Partner Landlords liked the brand of Trusted Partner and valued being trusted to make recommendations about Alternative Payment Arrangements.

Trusted Partners want to be known and treated as '*partners*' rather than '*stakeholders*', with a joint vested interest in making UC work.

Comments included:

“Trusted Partners is about the relationship/communication with the TP team; having direct contact and the ability to change things.”

“Helpful to be part of the conversation, influence and make things better.”

“Opportunity to network, it’s a real opportunity to get the bigger picture.”

The research found that Trusted Partner landlords tended to have a good understanding of their tenants and vulnerabilities (e.g. affecting their ability to pay rent) which required additional support. They also spoke about the potential benefits to landlords and DWP in developing data sharing to facilitate the culture change needed for a smooth transition to Universal Credit. Trusted Partner landlords commented in particular on the good level of engagement provided by the central Trusted Partner team. This was particularly valued during a time when landlords talked about facing other pressures and wanting to be as prepared for this change as possible.

They described being a Trusted Partner as helping to mitigate some of the difficulties they experienced: finding out late that someone is on UC; time taken to resolve issues with individual tenants and uncertainty about timing of rent payment.

3.2 Non-pilot Landlords

Interviews with a wider group of Registered Social Landlords found that they were still keen to be Trusted Partners (although not included in the pilot) and wanted to work in partnership with DWP. Key findings were that:

Social landlords supported the concept of Universal Credit and wanted to be '*full partners*' with the Department in delivering the changes. They support the development of a Landlord Portal as part of Universal Credit Full Service and want to be proactively involved in the development of data sharing systems.

Social landlords are making significant changes to their IT systems, housing team structures, rental collection practices and the support/advice provided to ensure that Universal Credit works for their tenants.

Landlords need early notification (from DWP or the tenant) that UC housing costs are due (when and how much) in order to alleviate any delays to UC rental payments (either from the claimant directly or via Managed Payment to Landlords). Such delays can significantly affect landlords' income streams and ultimately lead to the start of possession proceedings.

Social landlords (non-pilot) provided similar examples to those of Trusted Partners of changes made to their IT, staffing and other practices to adapt to the new requirements of Universal Credit:

- Reallocating resources to create new teams and adapting existing teams, such as a new 'tenancy sustainment' team interacting with every new UC tenant to identify needs and provide support.
- Adopting a Risk assessment approach (Red Amber Green rating) for UC claimants.
- Automatically referring to additional support e.g. budgeting.
- Greater interaction with other social landlords and with Jobcentres.
- Adapting/changing rent account software to manage changes under UC.
- Removal of rent free weeks.

To illustrate this one landlord provided approximate timings spent preparing each tenant for Universal Credit:

- checking whether they have an email account, are computer literate and helping with completing UC claim form (60 minutes with a Housing Officer);
- completing details on landlord system (30 minutes with a Rent Officer) and:
- going through a 'UC checklist' estimating amounts, Benefit Cap & whether they need an APA (30 minutes with an Income Officer).

Further time was needed for referrals to budgeting support and employability skills.

Some social landlords spoke about rent arrears being higher for UC than non-UC tenants. Landlords were starting to collect data on this. There was variation in approach with some collecting at the level of individual and some at the level of the social landlord organisation. Landlords spoke about undertaking further analysis to identify issues around technical arrears and those arising prior to the start of Universal Credit.

Social landlords are considering how best to manage the transition to Universal Credit and monthly payments including options around asking for small advance payments and therefore creating accounts in credit prior to transferring to UC.

4. Conclusion

Similar issues were raised by Trusted Partner pilot landlords and non-pilot landlords and there was recognition of the need to work closely with DWP to facilitate the change to Universal Credit.

All talked about the change required for UC being greater than what they anticipated and the need to adapt their business processes. Social landlords have always needed to have a good knowledge of their tenants and any vulnerability affecting their likelihood of paying rent. They tend to provide budgeting support alongside and, in some cases, instead of an APA, where housing costs are paid to the landlord.

Landlords need certainty about their income in order to suspend arrears control procedures while awaiting payments and therefore, welcome:

- knowing as soon as possible that their tenant is on UC;
- knowing when and how much the tenant is receiving in housing costs;
- for APAs to be timely and payment to be clearly identified for each tenant;
- and, having a route through to resolve individual queries.

Interviews with the wider group of Registered Social Landlords indicate that, whether part of the Trusted Partner Pilot or not social landlords:

- tended to support the concept of Universal Credit;
- want to help develop UC in partnership with DWP and; therefore,
- value communication links with the Department like that provided by Trusted Partner status.