

[BLOG: Universal Credit - Learning from Scotland](#)

Last week I had the privilege of attending the Scottish Federation of Housing Associations' Annual Conference in Glasgow. With the imminent introduction of Universal Credit in Northern Ireland I was keen to find out how Scottish housing associations have coped with such a significant change in housing benefits.

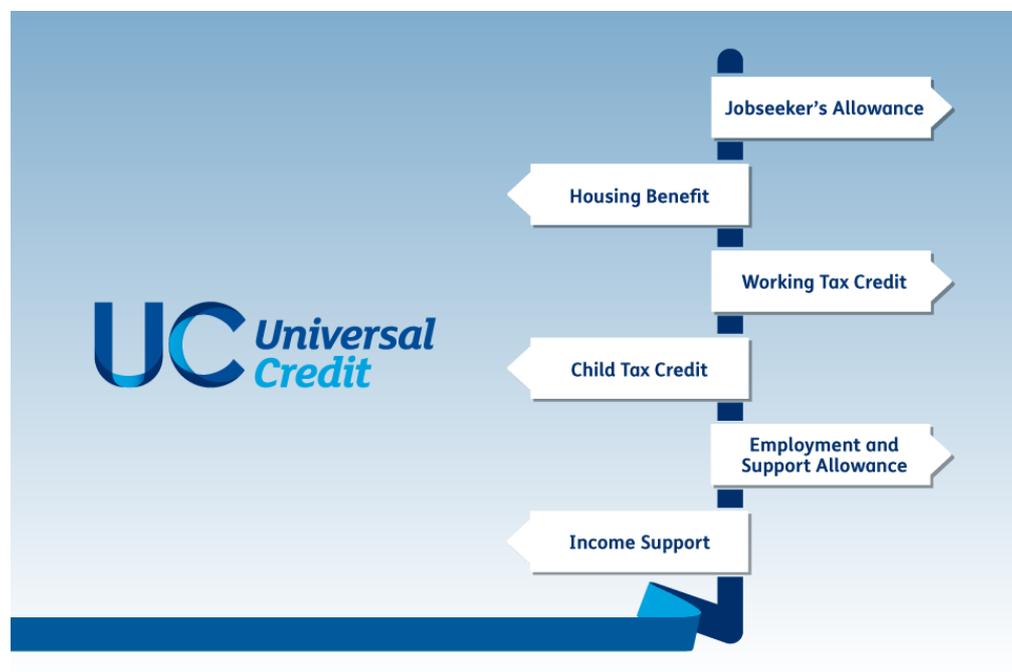


Universal Credit will be introduced in Northern Ireland on a phased geographical basis from September 2017 and will replace a number of benefits including Housing Benefit with one single payment. Northern Ireland has been able to secure several important changes to Universal Credit including direct payments to landlords and fortnightly payments. On hearing about the challenges faced by housing associations in Scotland it became apparent how important these changes are.

One of the most concerning aspects of Universal Credit is that the benefit is not normally paid for the first seven days of the claim, these are known as 'waiting days'. In practice, this means if a claim was made on 3rd May, the claimant will only be eligible for payment from 10th May. Furthermore, there is an assessment

period of one calendar month followed by a week long wait for payment to reach the claimant's bank account. This means that it can take up to six weeks after a claim has been made for the first payment to be received.

The experience of housing associations in Scotland has been that the six-week delay has resulted in households borrowing money from sources such as payday loans and doorstep lenders. When the first Universal Credit payment finally reaches the claimant, this is often used to clear these debts rather than rent arrears. With direct payments, housing associations in Northern Ireland should receive a backdated payment to cover rent arrears, however this does not address issues with household debt or the seven waiting days where no Universal Credit is payable.



A key aspect of Universal Credit is that claims are made online and that all further communication to the claimant is sent to the claimant's email address. This has made promoting digital inclusion amongst tenants a vital role for housing associations. As well as claimants managing their claim for Universal Credit online, landlords will soon access an online portal to confirm occupancy and rents. At present this is being done via email and has proved problematic, this has caused further delay to benefits being paid out.

With Housing Benefit, housing associations receive data files that indicate how much each claimant has been paid and for what period these payments are for. These files are easily uploaded on to each housing association's rent management

system enabling arrears to be identified and addressed early. The Department for Work and Pensions has not provided this level of detail to housing associations in Scotland to enable payments to be reconciled as efficiently as with Housing Benefit. At present housing associations are manually inputting payment amounts that must be cross referenced against national insurance numbers. This has placed additional pressure on staff time and has resulted in less effective and more inefficient arrears management.

When talking with colleagues from Scottish housing associations I asked them what advice they would give to Northern Irish housing associations as they prepare for the first Universal Credit claims in September. The advice given included:

- Know your tenants;
- Refresh and review your income recovery policies and procedures;
- Look at how your rent is charged and how your tenants pay - flexibility is key;
- Take a more holistic approach to housing management including incorporating digital skills and crisis management;
- Train all staff including contractors how to spot a crisis, such as no food or power;
- Engage with food banks;
- Identify Universal credit hotspots and set up benefit surgeries.

Whilst there are challenges ahead, housing associations in Northern Ireland can learn from colleagues in Scotland who have already experienced Universal Credit. NIFHA is working with the other housing federations across the UK and with the Department for Communities to try and make the introduction of Universal Credit as smooth a transition for tenants and landlords as possible.