

Universal Credit: making it work for supported housing residents



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Executive summary

Government proposals

On 9th August 2018, the Government announced that all forms of supported housing will continue to be funded by Housing Benefit. This followed consultation on alternative ways of funding supported housing which included grant funding for short-term accommodation, such as hostels and refuges, and a 'sheltered rent' for sheltered housing.

Supported housing providers generally welcomed the Government's announcement. They had argued that funding for supported housing should stay in the social security system. The main reasons for this were:

- Funding through the social security system provides the security needed to supply the high-quality short-term supported housing, which all parties agree is a fundamental objective.
- Residents in supported housing should not be put at risk of losing social security entitlement.
- There are ways of designing an accompanying oversight regime for housing costs in short-term support housing, which would provide the necessary assurances on cost control and value for money.

Continuing to fund supported housing through Housing Benefit is undoubtedly the best solution for the foreseeable future. It is a tried and tested system, which generally works well. And it will provide the necessary security of funding and continuity.

However, as Universal Credit full service is rolled out, supported housing residents are having to make and manage a Universal Credit claim for their personal needs.

Therefore, Riverside, YMCA, St Mungo's, and the Salvation Army jointly commissioned Policy in Practice to investigate how Universal Credit would need to be adapted to work in practice for residents in short-term supported housing. Policy in Practice has undertaken qualitative analysis, a review of relevant literature and a series of discussions with providers, tenants, welfare experts and government officials.

The barriers to claiming Universal Credit

Our research found that residents in short-term supported housing often had difficulties with:

- Understanding a complex system involving a variety of online processes;
- Involving their support worker in helping to manage their claim;
- Communicating with Jobcentre Plus;
- Providing identification to establish a claim;
- Accessing a bank account for claims to be paid into;
- Setting up and managing their claims online;
- Ongoing management of their claims; and
- Managing their finances.

Making Universal Credit work in practice

However, Universal Credit can be adapted to meet the needs of residents in short-term supported housing, including the following measures which partly build on existing flexibilities:

- Ensuring that the social security system explicitly recognises the role of support workers in supporting their residents through the claim process.
- Develop better communication processes, specifically to enable the claimant to give time-limited access to third-party advocates to support claims administration.
- Giving support workers access to the claimant journal to allow a two-way information flow, to include: explanation of awards, explanation of deductions, required claimant actions and responses, and information about vulnerabilities and barriers to work.
- Better resourcing of the Universal Credit helpline to reduce waiting times for support, and improving guidance and training on issues relating to supported housing.
- Meeting the cost of accessing ID and providing an identity certificate which can then be used by residents as ID for other purposes.
- Working with the banking industry to create more easily accessible basic bank accounts and publishing national guidelines on banks that provide them.
- Providing an option for ineligible service charges to be paid directly to the landlord if requested by the tenant.
- Ensuring that the interface between Housing Benefit and Universal Credit is as smooth as possible.
- Setting the maximum level of third-party deductions on an individual basis, taking account of other debts and pressures on the claimant.

Conclusions

Our research and analysis show that:

- Universal Credit can be adapted to meet the needs of residents in short-term supported housing and the current barriers to claiming the personal elements can be largely overcome if DWP treat supported housing landlords as partners in helping their residents manage their claim.
- In exchange for enhanced trusted partner status, with much better communication channels, short-term supported housing providers would be able to remove some of the administrative burdens currently faced by the DWP, actively supporting residents to adapt to Universal Credit's unique requirements.

- Now that Housing Benefit has been maintained for supported housing, there is a need to ensure that the DWP and providers of supported housing minimise any potential disruption caused by working with two different benefit systems. In the future, there may be a greater role for Universal Credit in helping to prepare residents in supported housing for living in mainstream accommodation, but this cannot be the case until our proposed modifications have been made and shown to be working effectively.

Recommendations

We therefore recommend that:

- The modifications to Universal Credit for short-term supported housing, as set out above (and in the body of the report), should be introduced.
- Any substantial modifications to Universal Credit should be piloted as soon as practicable.
- Once these modifications have been made and proven to be working effectively, further discussions can be had as to how Universal Credit and Housing Benefit can be more closely aligned to remove any lasting administrative disruption caused by working with two separate benefit systems.

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Introduction

Policy in Practice has been commissioned by Riverside, YMCA, St Mungo's and the Salvation Army, who together provide 26% of short-term supported housing in the UK, to investigate the Universal Credit claim process for residents living in supported housing.

The commissioning housing providers are seeking to understand the barriers faced by residents claiming Universal Credit and how these barriers might be overcome. This is particularly important now that the roll-out of full service is gathering pace and, increasingly, residents of supported housing rely on Universal Credit for their personal needs.

Currently, funding of housing costs for supported housing residents remains with Housing Benefit and is administered by local authorities. On 9th August 2018, the Government announced that funding of supported housing would stay with Housing Benefit for the foreseeable future. This followed consultation on various alternative models. It was felt that housing costs should be kept outside Universal Credit due to concerns about the suitability of the claim process and claim management for supported housing residents, specifically:

- The monthly assessment period does not sit easily with the need to cater for very short stays (i.e. less than 5 weeks) in supported housing;
- The emphasis in Universal Credit on paying housing cost directly to the resident; and
- There is no specific provision for supported housing rents in Universal Credit and the definition of eligible service charges is tighter than in Housing Benefit in some areas, for example communal furniture and window cleaning.

The commissioning housing providers believe that funding of housing costs through the social security system is in the best interests of residents and the most feasible way to ensure funding stability for the sector. They therefore very much welcome the Government's announcement that Housing Benefit will remain in place.

This research project is designed to examine:

- Existing processes for assessing and establishing a Universal Credit claim for residents living in supported housing;
- Barriers claimants living in supported housing face in establishing and maintaining a Universal Credit claim;
- Measures that are currently in place to support the management of a Universal Credit claim;
- Further measures that could be put in place in order to overcome the unique challenges those living in supported housing face in establishing and maintaining a Universal Credit claim; and

An understanding of the barriers to the claim process, and how Universal Credit can be made to work for residents in supported housing, will also inform how it can work more effectively for vulnerable residents living in other tenures.

Background

Current provision

The term 'supported housing' covers a range of specialist accommodation which allows many vulnerable people to live in the community. It includes group homes, hostels, refuges, and sheltered housing. It is typically more expensive than other forms of tenancy because of higher building, maintenance, and management costs. But it provides value for money because it is considerably cheaper than alternative provision such as hospital and care homes.¹

Most supported housing is funded through the social security system. In full-service areas residents claim Universal Credit for their personal needs, but they claim Housing Benefit for their housing costs (including core rent and eligible service charges) and this is usually paid directly to the landlord. Most supported housing is treated as 'exempt accommodation' for Housing Benefit purposes. This means that accommodation where the landlord provides care, support or supervision is exempt from various restrictions that limit the amount of Housing Benefit payable. From 2014, supported and similar forms of housing (referred to collectively as 'specified accommodation') have also been effectively exempt from other welfare reforms, such as the benefit cap.

Consultation for change

Benefit provision for supported housing has been the subject of several reviews and policy proposals over the years. In 2015, the Government decided to make supported housing (along with all social housing) subject to Local Housing Allowance limits. This would have applied from April 2019 to tenancies taken up from April 2016. From September 2016 a top-up to the LHA limits was proposed for supported accommodation. However, in 2017, these proposals were abandoned in favour of a new approach. The details of this approach and its objectives were set out in full through the *Funding Supported Housing: Policy Statement and Consultation*.

In October 2017, DWP and MHCLG published *Funding Supported Housing: Policy Statement and Consultation*. In it, the Government sets out the **key objectives** for funding of supported housing:

- Secure the supply of good quality accommodation, both currently and in the future;
- Focus on positive outcomes for the resident – the quality of care is seen as vital;
- Provide value for money, to include a form of oversight and cost control; and
- Take account of developments in welfare direction and provision, particularly the introduction of Universal Credit.

Although there were disagreements about the policy, the objectives outlined in the publication are broadly shared by all parties (for example they were welcomed by the National Housing Federation²).

¹ See for example 'Proposal for a strong and sustainable future for supported and sheltered housing,' 27th June 2016, National Housing Federation

² See 'Government consultation on funding model for short-term supported housing services, National Housing Federation response,' 24th January 2018

The Government's policy document then went on to set out different policy solutions for funding three distinct types of supported housing:

- A new form of 'sheltered rent' for sheltered and extra care housing, paid through the social security system;
- Continuation of existing arrangements for long-term supported housing, also paid through the social security system; and
- A ring-fenced grant paid to local authorities for funding short-term supported housing on a discretionary basis.³

Response to Consultation

The consultation generated a large response (738 altogether)⁴ and many respondents set out concerns about the proposal to fund short-term supported housing through a local authority grant because:

- The rights and protection of residents are weakened by the removal of their entitlement to Housing Benefit;
- The proposed funding mechanism flies in the face of the aim behind Universal Credit to encourage independence;
- An essentially discretionary funding mechanism does not provide the necessary certainty of funding for providers, and it could threaten sector viability and stifle innovation; and
- There would be additional administrative burdens for local authorities without a corresponding increase in their capacity to deliver on these additional burdens.⁵

The Government published its response to the consultation on 9th August 2018. The Government stated that it had heard the concerns expressed by both supported housing providers and by the relevant departmental select committees. As a result, it concluded that continuing to provide funding via the social security system, together with a robust oversight regime, was the best option, and that maintaining Housing Benefit for all supported housing, including short-term, reflected the particular needs of these vulnerable groups of people, and the Government's commitment to protect them. This decision has been widely welcomed by supported housing providers, including those who commissioned this report.

Universal Credit and supported housing

The Government is currently implementing its flagship welfare reform, Universal Credit, which brings together six income-related benefits and tax credits. Universal Credit involves claimants taking a great deal of responsibility for their claim, making claims online, and managing claims through an online portal. The design of Universal

³ Defined in the document as "accommodation with support, accessed following a point of crisis or as part of a transition to living independently, and provided for a period of up to two years or until transition to suitable long-term stable accommodation is found, whichever occurs first."

⁴ See Funding for Supported Housing, Response to Two Consultations, MHCLG April 2018

⁵ See Annex 2 (Literature Review) for a fuller account of the Government's proposals and the reaction to them

Credit mimics the world of work in that a single payment, including the housing element, is paid monthly in arrears directly into the claimant's bank account.

Although housing costs for supported housing residents are met by Housing Benefit rather than Universal Credit, it is clear that, for mainstream social housing residents, DWP regards registered social landlords (RSLs), or housing associations, as key partners in implementing Universal Credit successfully. Housing associations play a part in verifying the rent and can apply for 'alternative payment arrangements' if the resident is in rent arrears. Furthermore, DWP is rolling out a 'landlord portal', together with 'trusted partner' status, to improve communications with housing associations. These arrangements will speed up the verification of claims and the alternative payment arrangement process, as well as smoothing administration for housing associations, and illustrate that DWP is prepared to be flexible in its approach to vulnerable claimants.

Now that the arguments for funding supported housing through the social security system have essentially been agreed, and the Government is committed to working with the sector to develop an appropriate oversight regime, it is important to look at how Universal Credit can be made to work successfully for residents of supported housing, including ways of ensuring that the interface between Universal Credit and Housing Benefit works effectively.

It is clear that there will need to be some adjustment to processes to ensure that a system designed to foster claimant responsibility and mimic the world of work can adapt to the needs of the most vulnerable.

Barriers to Universal Credit claims and claim management

"If benefits go wrong it's like a house of cards, if it fails, everything else falls down"

Support Worker, Homeless Hostel

In order to better understand the barriers to making and maintaining a claim to Universal Credit, Policy in Practice undertook qualitative research consisting of in-depth interviews with supported housing residents who are Universal Credit service users, supported housing staff, and JCP Work Coaches. The interviews focused on the claim experience and solicited views on provision of housing costs through the social security system.

The interviews identified thematic barriers to successfully claiming and managing a Universal Credit claim. However, as hostels provide support in relation to specific vulnerabilities, experience of barriers and the related support provision is not uniform.

It should be noted that there are ways of adapting Universal Credit that would help overcome the barriers – these are discussed in the next section of this report.

The research findings revealed that:

- None of the barriers identified exist solely within the supported housing sector, many will also be faced by residents in general needs provision. A number of staff interviewed felt that this meant that there were fewer barriers to successful claiming for those with access to support workers than for those without this support.
- Most barriers to claiming and claim management relate to all aspects of the claim process and not specifically to the housing element, which is staying with Housing Benefit. No additional barriers to claiming were identified that would apply solely to the housing element of the claim.
- The barriers identified will affect a greater proportion of supported housing residents, and so are of greater relevance to supported housing providers. Some are specific to the particular type of life-crisis that has led to supported housing.

"UC puts a lot of responsibility onto the individual. But also, there's an assumption that the individual is capable of shouldering that. It's most likely to have an impact on people in supported housing. But really, it'll be across the board. Supported housing residents will be supported to do the claim so it should all be ok. At least it's just one claim."

Senior Engagement Officer, Young Persons Hostel

Complexity and support

Understanding a complex system

"If they don't follow processes, it has an impact on their payment, and it'll be up to us as income managers to support them, and some will slip through the net."

Scheme Manager, young person's hostel

The claim process for Universal Credit is complex and requires several steps to be taken within set time limits (see Annex 3); firstly, a claim must be made online, then initial validation is carried out by email, the claim must then be completed and verified. Support staff stated that this initial claim process took between 1½ and 2 hours. If verification is not possible online, face-to-face verification must be arranged. Following a successful claim, an initial interview is arranged at the JCP and work capability is assessed. At the interview, the claimant commitment is agreed and signed. For claimants who are too ill to work, there will be a Work Capability Assessment carried out by a contractor. Separately, the claimant needs to make a claim for Housing Benefit from the local authority. This involves completing a claim form and providing evidence of income and rent. Only a third of interviewees completed the claim process without some level of support.

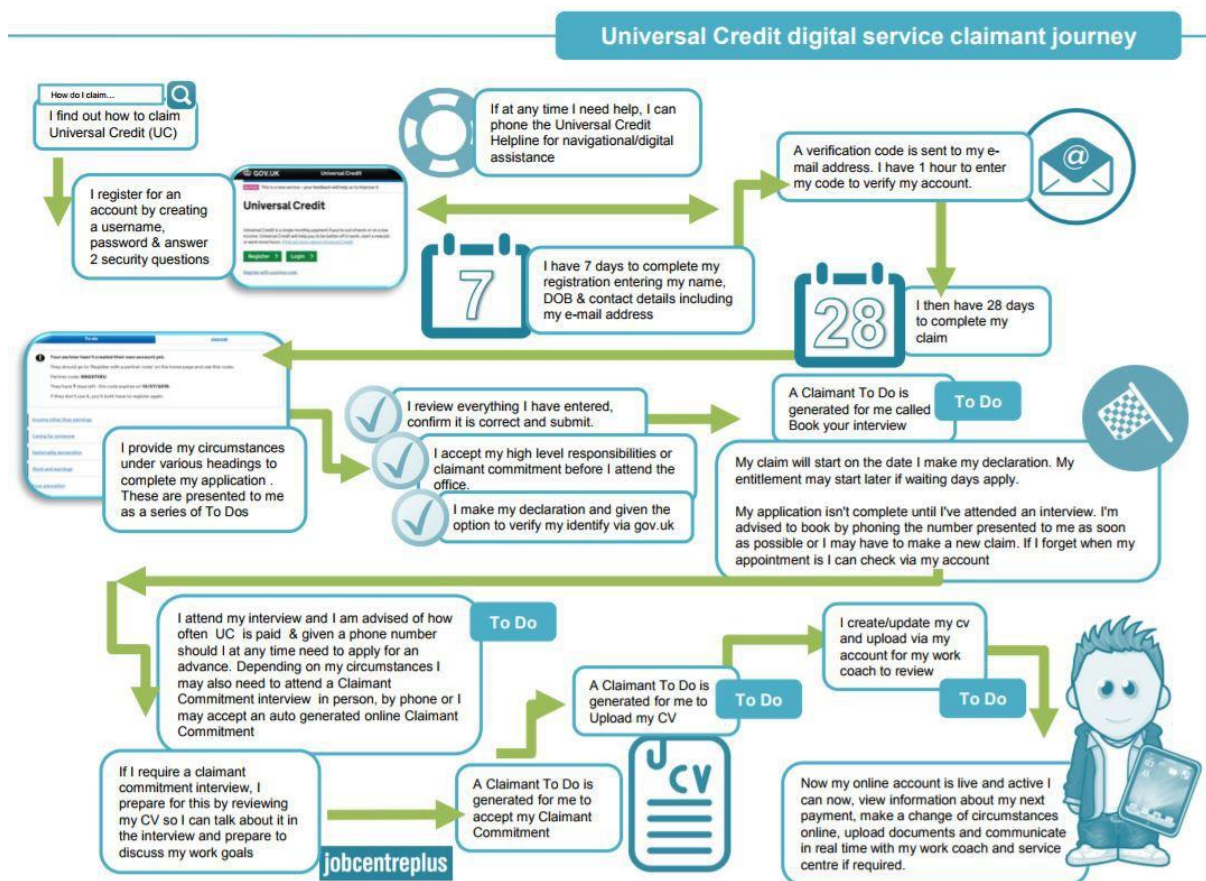
A number of residents stated that learning difficulties made it difficult to understand complex processes. Others stated that their mental health difficulties led to a lack of resilience. Several residents said that if they attempted to claim benefits on their own, without ongoing assistance from a support worker, for example, that they would give up. This echoes findings in the National Audit report,⁶ that a third of claimants do not complete the claim process (see Annex 4).

"I couldn't have done it. I would have given up"

Female 35, Homeless Hostel, talking about the UC claim process. She received support from the Support Worker to complete her claim

The complexity of the process is illustrated by the claimant journey provided by the DWP.

⁶ National Audit Office, Rolling out Universal Credit, HC 1123 SESSION 2017–2019 15 JUNE 2018



There was general confusion amongst those moving from ESA to Universal Credit about the need to manage the process and interact with the DWP. An Engagement Officer at a supported housing provider stated that lack of understanding of the complexity of the process risked leading to sanctions.

The lack of adequate explanations on the process was mentioned by a number of staff working with residents.

"It never comes across that there's people at JCP or DWP or the local authority to actually support people. The Work Coach tells you what you've got to do, which isn't really support. And Housing Benefit is the same. We can do some of the support. But it would be helpful to have some people there who are geared up to support them rather than put them through a process."

Senior Engagement Officer, young person's hostel

Interaction with the JCP

Claiming Universal Credit requires an initial interview at the local JCP. Claimants who are expected to seek work will have ongoing regular appointments with Work Coaches.

Most of the residents interviewed stated that it was difficult to access the JCP due to cost and accessing affordable transport. In addition, other barriers, more prevalent amongst residents of supported housing than residents of general needs housing were mentioned. Mental health difficulties, particularly anxiety, created a barrier for some interviewees. One resident stated that he became highly anxious in unusual

situations and would not generally go anywhere new alone. Residents with substance misuse issues can have a period of time during treatment where they can't leave the premises and so cannot attend interviews.

In many instances, support workers either attend interviews with residents or arrange for taxis to transport the tenant directly to the JCP. Where residents are required to have a Work Capability Assessment, the support workers were heavily engaged in the process and arranged transport to the assessment centre. In some instances, the support workers accompanied the residents to the assessment centres.

Most residents interviewed found their Work Coaches helpful and many felt that their Work Coaches understood the barriers they had to seeking work. A number commented on assistance that Work Coaches had provided around claim management. However, two of those interviewed felt that the Work Coaches did not understand their mental health difficulties. In both cases, this had resulted in inappropriate work commitments. To rectify this the support worker had accompanied the residents back to the JCP and explained the residents' situation. Interviews with JCP Work Coaches underlined the problematic nature of invisible barriers such as mental health difficulties. The Work Coaches stated that personal circumstances could not be considered in setting work commitments if the claimant does not provide relevant information about barriers to work.

A JCP Work Coach emphasised that Work Coaches are highly experienced in interviewing to uncover barriers but in some instances these need to be explicitly stated by the claimant.

"If we are with our residents and explain the problem then the Work Coaches will generally change the commitments but often these do not initially reflect the person's abilities".

Welfare Advisor, Supported Housing Provider

Implicit Consent

"HB has implied consent with a consent form - with UC we have to have three-way conversations with the DWP".

Welfare Support Officer, Supported Housing provider

Legacy social security systems allow a representative to manage a claim on behalf of a claimant if the claimant had previously given written consent. This provision is not available under Universal Credit. For a person to discuss any aspect of a claim, they need to provide explicit consent for a specific issue. The consent runs out once that issue has been discussed.

Residents, support staff, and JCP Work Coaches all mentioned that the lack of implicit consent can cause difficulties with claim management. For staff who are supporting residents, there is particular concern around the amount of time that support takes when they cannot communicate directly with the DWP. A Welfare Rights Officer stated that additional time is required as all calls require the support worker to sit with residents and pass communication with the DWP via the resident.

"As support is critical there needs to be some method of implicit consent. Currently the support worker will wait 30 - 40 minutes to get through. DWP will

answer one question about one resident (if it is in the journal). Then have to ring up again for another question for another resident. HB used to answer 3 or 4 queries at once."

Money Advice Officer, Supported Housing Provider

The JCP Work Coaches said that they would welcome the introduction of implicit consent for the most vulnerable claimants. They had heard of incidents where staff had needed to presume consent for interaction with representatives, in effect ignoring the rules around implicit consent, in order to move a claim forward.

Claiming and claim management

Digital Claim Management

Claims for Universal Credit are online. Once a claim is set-up, management of the claim is through the claimant's online journal. A successful claim journey therefore relies on the claimant having access to the tools to access the internet (such as a PC, tablet, or smart phone), an internet connection, and the confidence and ability to use IT.

Accessing tools to enable online claiming and claim management was problematic for a high proportion of residents interviewed. Of those interviewed, half did not have a phone or other items that could access the internet. This rose to two-thirds of those in homeless hostels. All those interviewed understood that they could access computers within the supported housing environment or at local JCPs. For some residents, this provision was not felt to be sufficient for the level of access to the internet that is required for ongoing claim management. Where computers were available at the accommodation, there was some reluctance to use them as they were often staff computers or there was competition for use. Where access was via the JCP, some residents did not have the resources to visit the JCP regularly. In both the hostels and the JCP, pressure to access PCs meant that some residents expressed a reluctance to do so.

The ability to use IT and confidently manage the claim differed greatly between hostel types and the age of residents. Generally, younger residents and residents who owned the tools to access the internet felt that they could manage their online journal, if they could get access. However, three-quarters of residents interviewed at homeless hostels, particularly the older residents, relied on support workers to manage their journals and to notify them if there were any messages from the DWP to which they should respond or that required action.

An Income Officer for a supported housing provider stated that they have noticed that having to make the digital application can be so off-putting to some people that it stops them making the claim at all. He said *"It's always been an ambition of ours for residents to have digital skills in their support plans. But now it's a key priority for us."*

The digital nature of the claim caused concern to some of the residents interviewed. One resident commented that if he had to manage an online claim without support he would *"just not bother and not claim"* (male 22, Homeless Hostel).

The lack of ongoing face-to-face support was mentioned as problematic for those with communication difficulties.

“UC has no face-to-face time during the claim process. This creates a barrier and can make the process more difficult for some residents. As they may be able to explain their situation in a face to face conversation but often doesn't fit into options for the online form. If they cannot give the "right" answers, many will give up. Often those who have been made homeless don't have the resilience to carry through with the application”

Welfare Advisor, Homeless Hostel

Access to an email account

The first part of the Universal Credit claim is designed to establish eligibility. Whether the claimant is eligible or not is confirmed by email. An email account is therefore a pre-requisite to completion of the claim.

Many of the residents interviewed did not have an email address prior to the claim process. This is particularly the case for those within homeless hostels. All those interviewed who did not have an email address relied on support workers or the JCP to assist them in setting up an address.

Provision of identification

The Universal Credit claim relies on initial proof of identity. The verification process is initially undertaken online; the claimant needs to enter details of identification documents which are checked by third party verification agencies against other online records. Information from Verify,⁷ the company that is responsible for the verification process, reveals that at the end of 2017, a third of claimants were not able to verify claims online and a further third chose not to do so. Where verification does not occur online, verification is carried out during a face-to-face interview undertaken by the local JCP.

The verification process requires the claimant to have proof of identity (such as a passport, driving licence or EEA national identity card), if a person does not have acceptable photo ID, other verification can be used but this can delay the claim. Claimants also need to provide proof of their address (such as a letter from HMRC, a bank or utility provider) and proof of their National Insurance number. Obtaining proof of identity requires payment of fees which is an additional barrier for claimants.

Almost two-thirds of residents interviewed did not have suitable ID at the start of the claim process and around three-quarters of residents in homeless hostels did not possess the necessary documentation. A few had Citizen Cards, but these are not acceptable for the verification process. In order to proceed with the claim, the residents were required to obtain birth certificates and other proof of identity and then have these verified at a face-to-face interview.

Lack of ID is a particular problem for those fleeing domestic violence as they will generally flee without possessions. A Refuge Manager stated that “they always flee

⁷ Minutes from GOV.UK Verify, Privacy & Consumer Advisory Group, Meeting date: 16 November 2017

without any paperwork, ID or bank details so this is always a problem with making a Universal Credit claim".

Where the residents did not have the required ID, support workers obtained these on the resident's behalf.

"They [support workers] sort out all the ID, and then you go to the library and copy it and send it off."

Female, 27, Young Person's Hostel

Access to a bank account

Universal Credit is paid monthly in arrears into a bank account. Where the claimant does not have a bank account, the DWP has provision for the first payment to be paid to a third party (such as a friend or family member) but ongoing payments must be made to a bank account. For vulnerable residents, use of third-party accounts carries with it a high risk of exploitation. None of the residents interviewed had used this option.

Four fifths of residents did not have bank accounts when they arrived at the hostels. Of these, a quarter set up accounts themselves, the others relied on assistance. Setting up a bank account relied on ID so was completed after ID was obtained.

Lack of banking facilities is high amongst those fleeing to domestic violence refuges. A Refuge Manager stated that residents will usually leave their home without any paperwork. The Refuge Manager also stated that as financial abuse is often tied up with domestic violence, many residents may have been denied access to accounts prior to fleeing.

Where residents did have bank accounts, but these were overdrawn, new bank accounts were required to enable access to payments.

There is no national guidance on banks that are more likely to accept accounts from those in receipt of Universal Credit and provision appears to be localised. Interviews with JCP Work Coaches indicated that they relied on local knowledge and connections that were initiated by the JCP. For example, Halton JCP had developed a relationship with the local branch of the Halifax Bank and pro-actively worked with claimants without accounts. These claimants were signposted to Halifax representatives within the JCP's Community Hub. A JCP Work Coach from a neighbouring JCP said that her JCP did not have any local banks that would work with Universal Credit residents.

Residents who did not have accounts, or required new accounts, relied on a variety of assistance to set this up including assistance from social workers, friends and the JCP. 50% relied on the housing support workers to assist with setting these up. It was unclear whether the support workers were informed of local connections with banking providers that had been initiated by the local JCP, or whether these connections had been initiated by the housing provider.

If a claimant is unable to open a standard account, then a Post Office Card (POCA) account can be used. These accounts allow claimants to receive and withdraw cash, but do not have the standard banking facilities. These types of accounts were

commonly used for legacy benefit purposes for claimants who could not access standard banking facilities. With the initial roll-out of Universal Credit there was an assumption that these could no longer be used for benefit payments. However, these accounts can continue to be used under Universal Credit, although DWP internal guidance states “Only in exceptional circumstances if the claimant cannot open one of the above accounts [*bank account or Credit Union account*] can a Post Office Card account be accepted for payment of Universal Credit.” None of the residents interviewed used a Post Office account and it appears that this facility is not widely publicised by the DWP. The Post Office will retain these accounts until at least 2021, the future of the accounts after this is not certain.

“There is poor publicity about Post Office Accounts being a viable account for payment of UC. Local JCPs often don't know that this is a possibility. We as an organisation have to tell their staff that it is.”

Income Officer, Hostel

Ongoing Claim Management

“It's ok. But not if there's a problem. You have to wait for a week for an appointment. They don't read the email and then it takes ages for the Work Coach to respond. I'd rather just phone up for an appointment with my Work Coach.”

Female 17, Young Person's Hostel

The ability of claimants to manage their claim journal is variable and is influenced by literacy levels, mental capacity, language fluency, general resilience, and online access. Of those interviewed, a fifth managed their online claim without support. The remainder relied on various levels of support from both housing provider staff and the JCP. A fifth did not seem to know that they had an online journal. For example, a 21-year-old male in a homeless hostel, in receipt of Universal Credit, stated “I don't need a journal because I'm sick”.

Where English was not a first language, journal management appeared to be particularly problematic. A Scheme Manager stated, “for some of our residents, English is not their first language and it's difficult for them to understand the importance of updating the journal.”

In some hostels, support staff stated that they managed the journals for a number of their residents and that they relayed information to and from the DWP via the journals. Other support workers sat with residents as they managed the journal.

One support worker stated that the need for retention of passwords, for both email addresses and access to journals, was not something that was possible for those with memory problems. A number of support workers retained the passwords of the residents requiring support. Staff were aware that retention of passwords risked data protection and security issues, but an Income Officer explained, “it's the only way we can help them.”

A third of claimants interviewed managed their journal themselves. They felt that the process was relatively straightforward once they were used to it. However, waiting

for replies and difficulty in accessing support meant that problems could take a long time to rectify.

For support workers and for residents managing their own claim, communication with DWP was cited as problematic. A Scheme Manager in a young person's hostel said "I don't think it's working that well. Residents feel that it's difficult to communicate with DWP when there's an issue".

A Welfare Support Officer felt that even though some residents find management of the journals problematic, the journals are useful to support workers as they have a record of communication and allow the support worker to see previous payments.

Payment and budgeting

Payment Arrangements

Universal Credit is paid monthly in arrears. The first payment takes a minimum of 5 weeks from the date the claim is completed to reach a bank account.

Half of those in receipt of Universal Credit received a short-term benefit advance during this period. Requesting and receiving the advance was straightforward for all residents from homeless and young person's hostels. Residents in refuges had often already received an advance at their home property, and so were unable to access another advance.

Monthly budgeting was cited as an issue by half of residents. Half of those who stated that monthly budgeting was problematic spent any Universal Credit that was left after deductions in the week following payment. This left no money for the remainder of the month. One resident explained that after initial deductions the amount left was so small that they knew it wouldn't last and so there was no point in budgeting. A younger resident (aged 21) stated that his mental health difficulties made him compulsive and he was highly likely to immediately spend any money he had.

"After I've paid the service charge there is nothing left to manage so I spend it in the first week"

Male 30, Homeless Hostel

"For vulnerable people with money issues it's key to make sure they keep on top of their budgets, and the monthly payments they get on UC make it more difficult. It's a good concept, but the monthly payments haven't been fully thought through."

Scheme Manager, Young Persons Hostel

Where the residents had spent Universal Credit shortly after receipt, they relied on the breakfasts within the accommodation, together with free food provided to the hostels by local companies and support workers. For example, Pret a Manger provided a hostel with all left-over sandwiches at the end of each day.

Most staff interviewed were concerned about the ability of the more vulnerable residents to manage to the end of the month. A Welfare Advisor was concerned about health impacts from poor diet and also the risk of substance misuse when residents with addiction issues received their monthly payment. However, one Income Manager felt that the preparation put in place by the hostel meant that monthly payments were not as problematic as initially envisaged. This suggests that preparedness of support agencies play an important role in smoothing the transition to new payment arrangements.

"I thought monthly payments would be a huge problem, but it's not been as bad as I thought. And we've been preparing for it, we have a 'food bank' here and other things in place."

Income Manager, Homeless Hostel

A Refuge Manager stated that for residents of refuges the wait for the first payment is often much longer than 5 weeks and was more typically over ten weeks. Many of these residents cannot receive advances due to having already received advances at their previous accommodation. The complexity of their change of circumstances and confusion around dual-home payments exacerbates the wait. During this period, the hostel provides food, clothing, toiletries, and loans.

"Coupled with no ID, no bank account, changes of circumstances and overlapping accommodation rules, the women we see wait a very long time"

Refuge Manager, young women's refuge

Money Management

"Vulnerable adults have always struggled with money and time management, but it's more apparent in our minds now."

Income Officer, Supported Housing Provider

Many of the residents interviewed had money management and debt issues. These were caused by a number of factors.

One resident interviewed was in a cycle of debt to family and friends which partially resulted from the wait for the first payment of Universal Credit. Subsequent payments were used to firstly pay this debt leaving a reduced amount for the following month, which in turn led to further debt.

For a third of the residents, management of Universal Credit payment was exacerbated by recovery of overpayments or loans for advance payments. Previous overpaid benefits from the DWP or other benefit agencies (such as the local authority), and loans or advances made by the DWP are recovered from ongoing benefits. There is a maximum limit for deductions. Interviews indicated that there may be issues around the DWP administration of third party deductions which is exacerbating the situation. At least one of the resident's deductions appeared to be higher than the suggested limit, and one resident was repaying a previous overpayment of Housing Benefit that had been paid to a landlord (so would usually be expected to be recovered from that landlord). None of the residents interviewed understood clearly what these deductions related to or the expected length of

recovery. Support workers were unable to access this information on behalf of their residents.

None of the residents remembered discussions around recovery of debt or overpayment at the initial interview with their Work Coach. One tenant asked his Work Coach and was provided with an explanation, but he had forgotten this by the time of interview. Support workers stated that the journal indicates if an overpayment is being recovered but there is not enough information to assess whether recovery is being correctly applied.

The half of residents who stated that they were good at budgeting did not have debts and managed to budget between payments.

All residents interviewed prioritised payment of the personal service charge to their housing provider and stated clearly that this was a priority. A few of those interviewed were in debt with the service charge and this seemed to cause anxiety. The circumstance of one resident illustrated how easy it was to fall into arrears with this charge. The 21-year-old male resident of a homeless hostel had been given an on-the-spot fine of £80 for dropping a cigarette end on the pavement. Payment of the fine meant that he could not pay his service charge that month and, at the time of interview, was working with the housing provider to pay back the arrears over a period of time.

Three residents mentioned how their mental health difficulties and addiction issues affected money management. A 50-year-old resident of a homeless person's hostel stated that he didn't like to have a lot of money as he was scared he would be tempted to spend it on alcohol. Most of those interviewed with addiction problems stated that they are likely to prioritise abused substances over other items.

"Residents can see arrears increase and this can increase the anxiety of those with mental health issues. If health concerns are considerable, staff will not let residents know of their arrears situation until payment is received."

Support Worker, Homeless Hostel

A Senior Engagement Officer stated that more time was now spent on money management issues as a result of Universal Credit and monthly payments.

Alternative Payment Arrangements

All the residents interviewed stated that the Work Coaches had mentioned Alternative Payment Arrangements and half had received Short Term Advance Payments. One staff member felt that sometimes these were not discussed and that residents had to re-apply for payment arrangements after the initial interview.

"The Jobcentre is not always forthcoming that they can get an advance. Although then they do have to pay it back, and already they don't have much money to live on after they've paid towards their rent and all their bills."

Engagement Officer, Young Persons Hostel

Only one interviewee recalls discussion around fortnightly payments. The resident stated that he “would prefer payment more frequently as budgeting for a month is difficult ... it runs out. I asked DWP for more frequent payments, but it wasn't allowed”.

A JCP Work Coach said that fortnightly payments are discussed with all residents where addiction or other issues indicated that monthly payment would be inappropriate. She stated that once it was explained that the first payment would only be for half the money, most claimants chose not to proceed.

A Support Worker said that she feels that claimants are unlikely to request more frequent payments as they are "afraid to rock the boat in case it affects their claim"

Housing costs

Residents were asked for views on whether housing support should be paid directly to themselves or to the landlord. All residents interviewed would prefer the housing element to go directly to the landlord. Many were concerned that mental health difficulties, poor money management or addiction issues could lead to them spending the money and losing the roof over their heads.

Only a third of residents interviewed felt that they would be able to budget for rent if the money was paid directly to them. One resident felt that she could manage but preferred it going to the landlord as she had previously been homeless and did not want to take any risk that this could be repeated. A 22-year-old man who had previously been homeless due to his immigration status, stated that he would be able to manage the rent payments, but would prefer not to as if it went to the landlord it was one less thing for him to do.

"something like this could make me homeless again"

Male 48, homeless hostel. Discussing direct payment of housing costs

Staff unanimously agreed that housing costs should be paid directly to the housing provider. A Senior Engagement Officer stated "I want them to be treated as they would in the real world, but here, it's supported, it's often their first tenancy. So perhaps it should be paid to the landlord. If it's paid to individuals, huge amounts of support will be needed to help them manage their claim, and to budget that huge amount of money coming in to pay their rent”.

A Welfare Advisor was concerned about the risk to health of those with dependency issues who may spend a large sum on alcohol or drugs. She was also concerned that having large sums of money leaves young people open to intimidation, "it ups the stakes for intimidation", and that if rent money is spent immediately, it will be hard for young people to borrow what is required to maintain accommodation because "Rent is too large a sum to borrow from a friend if it is blown”.

Staff reported that there is sometimes confusion between DWP and Housing Benefit around definitions of supported housing. “It can be problematic if HB and DWP have different views on whether a tenancy is supported” (Resident Services Partner, homeless hostel), and this could be overcome with clearer, shared guidance on definitions.

The ineligible housing charges within supported housing were mentioned as a cause of arrears and were difficult for some residents to manage. A Welfare Advisor suggested that “service charges that are not eligible for Housing Benefit could be deducted upfront - this is important as the resident risks losing their hostel place if this is not paid. But DWP do not have a process to pay this to the landlord as it is not eligible rent.”

"The DWP doesn't seem to understand about eligible and ineligible charges and what we are requesting when we ask for these to be paid directly".

Scheme Manager, young person's hostel

More frequent reclaim for supported housing residents

When a resident starts work, Universal Credit is withdrawn at the rate of 63p for each pound. After Universal Credit is withdrawn altogether as wages increase, Housing Benefit is then withdrawn at 65p in the pound. The main consequence of this is that the total amount of Universal Credit received by those in supported housing is lower than for those in other housing types. The effect of a lower level of Universal Credit means that support stops altogether at a lower earnings rate.

A Welfare Adviser for a homeless hostel was particularly concerned about the impact of this on claimants within the supported housing sector. Her concern was that those moving into work, particularly those with low levels of skills, tend to be on zero-hour contracts with flexible earnings. This means that a resident could alternate month by month between being eligible for Universal Credit and not being eligible. Residents in supported housing would need to re-start their claim after every month where earnings ended their Universal Credit eligibility. But residents in general needs accommodation would not be subject to such frequent claims in these circumstances as their Universal Credit would include housing costs and would be higher.

Adapting Universal Credit to supported housing

The barriers faced by supported housing residents in claiming Universal Credit have a common underlying theme around the need for better accessibility. In order to overcome these barriers, accessing support, accessing information, accessing payment arrangements and access to the pre-requisite tools and materials are essential. We set out recommendations below on how Universal Credit could be adapted to overcome these barriers.

The role of support workers

Current arrangements for accessing support appear to be in place. Residents access a variety of support including informal support networks consisting of friends and family, and official support channels such as through the JCP and social workers. The most prevalent support method is through support provided by the supported housing service. For residents with barriers to independence, the role of support workers is critical to the success of a Universal Credit claim.

"I can't fault [support worker]. She takes care of, everything, like tax questions, because it's all new to me. And bills too, setting up my water bill, because I've never had to do that before, so she's helped me with that too."

Female, 19, young person's hostel (Talking about her support worker)

The level of involvement of support workers differs dependent on resident need and accommodation type, but all residents that were interviewed had relied on at least one intervention from a support worker. Without support workers it is probable that some of the residents may not have completed or managed their claim and the resource implications for the JCP in providing this support would be significant.

The ability of a support worker to act as a conduit and interpreter of information is hampered by the lack of provision for implicit consent within Universal Credit. Under legacy benefits, provision is in place to enable a claimant to provide written consent for a case to be discussed with a representative - this provided implicit consent for ongoing discussions with that representative. This provision is not available under Universal Credit. This means that support workers often need to sit with residents during contact with the DWP or, alternatively, provide a one-off explicit consent entry in the claimant journal prior to contact. This is particularly resource-intensive for support staff.

The JCP is the second most cited source of support and the relationship with the Work Coach affects how residents view the claim process. Where the relationship is good, Work Coaches are viewed as a useful resource by claimants. All claimants have a named Work Coach who will work with them throughout the claim journey. The JCP Work Coaches valued this one-to-one relationship and stated that this enabled them to develop an understanding of barriers and support requirements.

The nature of supported housing, backed by support mechanisms in place at JCPs, means that for these residents accessing support may be less of an issue than for those in general needs accommodation.

However, the fluency of the support process is hampered by communication difficulties with the DWP and payment processes. This has resource implications for supported housing staff who are finding that significantly more time is required to assist with claim management, and the associated money management, under Universal Credit than under legacy benefits.

Online journals are seen as useful for tracking payments but not useful as a means of communication. This was due to the time taken for responses by the DWP, the inevitable nature of written dialogue, and the need for supported claimant management of the journal. The journal appears to work as a claim-tracking tool, but not as an explanatory or informative tool, and is not useful in accessing in-depth information about the claim.

Recommendations

Ensure that the social security system explicitly recognizes the role of support workers in supporting their residents through the claim process.

Develop better communication processes, specifically to enable the claimant to give time-limited access to third-party advocates to support claims. This would extend the trusted partner role for support workers.

Extend the claimant journal to allow a two-way information flow to include: explanation of awards, explanation of deductions, required claimant actions and responses, and information about vulnerabilities and barriers to work.

Communications, training and guidance

"Better communication is vital - we cannot support residents if we don't know what they are getting and why".

Welfare Advice Team Leader, Homeless Hostel

Conversations and explanations about claims take place through the Universal Credit helpline. However, communication with the helpline was cited as a problem by both support workers and residents. Staff interviewed stated that the process for accessing information under Universal Credit was more time-consuming than under legacy benefits and requires significantly more staff resource. For the helpline to function as a source of information it requires a well-resourced phone centre, knowledgeable DWP staff, and a level of communicative ability and understanding of the claimant. Interviews indicated serious delays in getting through to the helpline ("it can take 40 minutes to get through") and a lack of staff knowledge, particularly around the housing element and third-party deductions. Although these are issues for all claimants, not specifically those from supported housing, more vulnerable claimants often lack the ability and resilience to communicate about their claim and question decisions. Where necessary, residents relied on support workers to assist with accessing the information required to understand benefit awards.

There is recognition that support workers are essential to enable many vulnerable claimants within supported housing to manage the claim and yet no adequate communication channels exist to enable them to do so.

The groundwork for any provision to enable support workers to communicate better with the DWP is already partially in place. The DWP have defined vulnerabilities⁸ for when support is likely to be needed and have accepted the usefulness of working with landlords, illustrated by the provision of a landlord portal for trusted landlords. The introduction of implicit consent for those with specific vulnerabilities would ease claim communication for the most vulnerable, and support both the claimant and the DWP in overcoming communication barriers.

Increasing training and resources for DWP staff, particularly with regards to the Universal Credit helpline would assist both support workers and residents access timely, good quality advice, first time. This is a particular issue for supported housing as needs such as mental health difficulties, as well as other complex needs, means some residents in supported housing have less resilience to deal with long waits for support, the need for multiple contact and the resources to challenge decisions. Currently, it appears that in many cases support workers shoulder the burden of dealing with an inadequate service on behalf of their clients.

JCPs aim to have specialised “champions” trained in specific claimant situations such as domestic violence, homelessness, and addiction. These Work Coaches are expected to act as a resource for other Work Coaches. However, resourcing and access to champions appears to be problematic. A Refuge Manager said that staff turnover meant that there was rarely a Domestic Violence Champion in place at her local JCP and even when one is in post, this is not advertised. In addition, each JCP has a complex-needs Work Coach. This role does not have an attached caseload, enabling them to provide support for other Work Coaches. Training of Work Coaches in dealing with vulnerabilities is ongoing and all Work Coaches are scheduled to receive training in complex needs by 2020. This sits well with the recommendations of the Government's rough sleeping strategy,⁹ which amongst other things calls for the establishment of Work Coach homelessness experts in every Jobcentre and dedicated training in the support on offer for those who sleep rough.

The introduction of better communication would enable support workers to liaise with the DWP around barriers to verification, visit requirements, vulnerabilities, and barriers to work. It would provide support workers with the information needed to provide explanations of awards and third-party deductions and it would reduce claim management costs for DWP.

Not all supported housing residents require support with claim management, and those that do may only require short-term support. Arrangements for extended communication would need to address appropriateness based on specific vulnerabilities and recognise that arrangements may be time-limited.

Interviews indicated that even when DWP are contacted directly, staff are not always equipped to provide advice in complex situations and that the quality of advice varies. Examples of this are the apparent lack of knowledge around housing

⁸ See for example: DWP, Personal Budgeting Support and Alternative Payment Arrangements – Guidance, April 2018

⁹ Para 189 of Rough Sleeping Strategy, MHCLG August 2018

service charges and dual-home payments for those fleeing domestic violence. Additional guidance could be co-ordinated through the DWP complex needs team.

Recommendations:

Better resource the Universal Credit helpline to reduce waiting times for support, and train staff to provide timely, high quality advice.

Clearly advertise the existence of "champions" trained in addiction, homelessness, domestic violence and other barriers, and ensure this resource is fully-funded and easily accessible within Jobcentre Plus.

Give staff more guidance and training on when to refer to complex housing issues, such as housing service charges and dual-home provision for those fleeing domestic violence.

Claiming and claim management

Claim requirements: ID, bank accounts, email accounts, IT

Many residents did not possess online access, an email account, acceptable ID, or have a bank account. These are all pre-requisites for claiming Universal Credit.

Online access is provided within supported accommodation and at JCPs. Although some residents were not computer literate, sufficient support was provided by service provider staff. Where literacy or language presents a barrier, both supported housing and JCPs can complete the claim on behalf of the claimant. As such, those in supported housing may find access to IT less of a barrier than those in other accommodation types.

Provision of ID often requires payment of a fee for copies of birth certificates. Currently this is provided by either the supported housing provider, one of which has set up a fund specifically for this provision, or through the JCP Flexible Support Fund. A publicised DWP pot for this purpose would prevent strain on supported housing services' resources.

Access to bank accounts is currently dependent on local relationships and local knowledge.

Setting up a credit union account requires a fee and Post Office accounts are rarely publicised or used and may not exist after 2021. In 2016, the Government commissioned research into banking options for Universal Credit claimants¹⁰ and produced a report that identified basic bank accounts as a useful provision. The recommendations of this report have not yet been implemented.

Better publicity around Post Office accounts and resources to set up credit-union accounts could be provided to assist with short-term access to banking. However, the DWP should work with the banking industry to provide a long-term solution

¹⁰ The banking needs of Universal Credit Claimants: the potential role of budgeting accounts, Policis for the DWP

including the provision of basic bank accounts and national guidelines on those banks that welcome Universal Credit claimants.

Recommendations:

Recognise the cost of accessing ID so the burden does not fall on the housing provider.

Once ID is verified, DWP should provide an identity certificate which can then be used by residents as ID for other purposes.

In the short term, promote the acceptance of Post Office accounts for those that are not able to access standard banking facilities.

Work with the banking industry to create easily accessible basic bank accounts and work towards the publication of national guidelines on banks that provide them.

Payment and budgeting

Alternative Payment Arrangements

It appears difficult for residents to access fortnightly payments even if vulnerabilities, such as addiction or mental health difficulties, mean management of money over a longer period is problematic. Support workers indicate that monthly payments are very problematic for some residents and that this has a knock-on impact on both mental and physical health. There is also an increase in staff resources spent on budgeting support. At the moment, the JCP does not appear to promote these payments consistently, even when the vulnerability of the claimant indicates that it may be useful. If a claimant is provided with fortnightly payments, the first payment is made after 5 weeks. By this point, the tenant may have built up debt that cannot be met by a fortnightly award payment and so chooses to receive a monthly payment.

Money Management

For some vulnerable claimants there is a need to put in place measures that protect income in order to ensure that the basic requirements of rent and food can be met over a month.

Managing the personal service charge element of rent was problematic for a number of claimants. It is critical that the resident can pay this, as non-payment can lead to eviction. These service charges are not eligible for support through Housing Benefit and must be paid by the resident to the service provider. As supported housing often includes charges for utilities and a charge for a meal, the amount that the resident needs to pay out of their Universal Credit can be substantial. Some residents, particularly those with addiction problems or mental health difficulties, find management of the service charge within supported housing particularly problematic. Under legacy benefits there are mechanisms in place for these charges to be deducted from benefit support and paid directly to the service provider. For some residents, a similar provision under Universal Credit would be useful.

Third-party deductions also have an impact on whether income can stretch over a full month. Residents owing money to benefit agencies tend to also have other debts, and pressure to meet these other repayments can be considerable. Once third-party deductions and other pressing debts are met from a monthly payment, the resident may have little or no residual income for food and essentials over the forthcoming month. There needs to be an element of flexibility in setting recovery through third-party deductions as, in some circumstances, the maximum level of deduction may not be appropriate. Support workers interviewed would like the flexibility to agree repayment at a lower level. However, they are aware that if they do this, the DWP are likely to use the gap between the repayment and the maximum repayment limit, to set up repayment to another debtor. Therefore, at present they cannot assist the resident by reducing the amount.

Residents fleeing domestic violence may flee with children and without any paperwork. Lack of ID, lack of bank information, the changes of circumstance, a move to a new area, a dual-home claim, and previous benefit advances, mean that these residents may have no money at all for extended periods. Particular grant provision for those arriving in domestic violence refuges should be considered.

Recommendation:

Consider providing an option for ineligible service charges to be paid directly to the landlord if requested by the resident.

More frequent payments are a useful tool for vulnerable residents with poor money management and could be better promoted by the DWP.

Set the maximum level of third-party deductions on an individual basis, and agreed with the claimant, taking account of other debts and pressures on the claimant.

Conclusion and summary of recommendations

Our research and analysis show that there are powerful arguments for continuing to fund supported housing through the social security system, to ensure that investment in quality accommodation for some of the most vulnerable people in our society is both maintained and enhanced. It is therefore very welcome that the Government has decided to continue to fund supported housing through Housing Benefit.

Now that Housing Benefit has been maintained for supported housing, there is a need to ensure that the DWP and providers of supported housing minimise any potential disruption for residents caused by working with two different benefits systems. Our research demonstrates that an adapted version of Universal Credit, to meet the needs of supported housing residents, is both possible and desirable. Crucially, our suggested modifications would not involve changes to the Universal Credit regulations.

Residents in supported housing live in managed environments, where support is provided. This presents the perfect opportunity to enable them to establish a Universal Credit claim. An enhanced trusted partner status for supported housing providers would involve a commitment on their part to actively develop claimants' independence in managing claims.

There is a good case for piloting a new trusted partner model for supported housing.

We therefore recommend that the following modifications to Universal Credit for supported housing should be introduced.

The role of support workers

The most important change required is to recognise fully the role of support workers in helping residents make and manage Universal Credit claims.

Subject to permission from the resident, the support worker should have dual access to the resident's journal which would become a two-way information flow between the resident and DWP. The resident could either give the support worker permission to see their journal and agree responses, or the support worker could have a copy with their own password. This would be far more efficient, both in getting accurate and timely information to DWP, and ensuring residents navigate the process successfully. This would lead to far less footfall at Job centres and phone enquiries, with lower administrative costs. In return, supported housing providers would undertake to do all they could to prepare residents to enter the labour market and live independently, recognizing that in some cases this might not be possible, at least in the short term.

Recommendations

Ensure that the social security system explicitly recognises the role of support workers in supporting their residents through the claim process.

Develop better communication processes, specifically to enable the claimant to give time-limited access to third-party advocates to support claim administration. This would extend the trusted partner role for support workers.

Extend the claimant journal to allow a two-way information flow to include: explanation of awards, explanation of deductions, required claimant actions and responses, and information about vulnerabilities and barriers to work.

Communications, training and guidance

Improvements in communications and training should be based on reasonable service level agreements for various administrative processes. Before the managed migration exercise begins, DWP should be explicit about setting out the performance standards required which should at least match existing standards for the administration of legacy benefits. Some processes such as appeals should have a statutory footing. Allowing support workers access to the journal to help residents manage their claim will help DWP meet all these standards.

Improvements in training should be focused on some of the complex issues which residents of supported housing face, and the need for sensitive questioning at the outset. There also needs to be more general awareness of the help that JCP work coaches can give when designated as 'champions' trained in addiction, homelessness, domestic violence, and similar barriers.

Recommendations

Better resource the Universal Credit helpline to reduce waiting times for support, and train staff to provide timely, high quality advice.

Clearly advertise the existence of "champions" trained in addiction, homelessness, domestic violence, and other barriers and ensure this resource is fully-funded and easily accessible within Jobcentre Plus.

Give staff more guidance and training on when to refer to complex housing issues such as housing service charges and dual-home provision for those fleeing domestic violence.

Claiming and claim management

There should be a straightforward process clearly set out in guidance for establishing identity in the event that a resident cannot (even with help) provide the required ID online. DWP should pay for any costs associated with

obtaining evidence. Once ID is verified it should be standard for DWP to provide an identity certificate, which can then be used by residents as ID for other purposes.

Similarly, on bank accounts, it would be helpful to have clear guidance setting out how to obtain an account including a model application form agreed with the banks. More guidance should be issued on those banks willing to set up basic bank accounts for Universal Credit claimants.

Recommendations

Recognise the cost of accessing ID so the burden does not fall on the housing provider.

Once ID is verified, DWP should provide an identity certificate which can then be used by residents as ID for other purposes.

Promote the acceptance of Post Office accounts for those that are not able to access standard banking facilities.

Work with the banking industry to create easily accessible basic bank accounts and work towards the publication of national guidelines on banks that provide them.

Payment and budgeting

Our research showed that many supported housing residents struggle to budget effectively on the money they have coming in, and this can be compounded if deductions are made for recovery of overpayments and advances. The Policy in Practice measure of financial resilience¹¹ can help identify people most likely to be in this position. Where this is the case, the level of third party deduction should be set on an individual basis agreed with the resident, in conjunction with the JCP work coach and support staff.

Recommendations

Consider providing an option for ineligible service charges to be paid directly to the landlord if requested by the resident.

More frequent payments are a useful tool for vulnerable residents with poor money management and could be better promoted by the DWP.

Set the maximum level of third-party deductions on an individual basis, taking account of other debts and pressures on the resident.

¹¹ Policy in Practice's measure of financial resilience compares income to inescapable costs calculated for each household, to identify the level of income surplus and shortfall. There are four categories: 'Coping' with a monthly surplus of £100 and above; 'struggling' with a monthly surplus below £100; 'at risk' with a monthly shortfall, and; 'in crisis,' where income does not meet housing costs.

Annex 1 - Literature Review

What is supported housing?

Supported housing is a general term covering a broad range of accommodation, so it is difficult to define precisely. In the House of Commons briefing paper *Paying for Supported Housing* (9th April 2018), Wendy Wilson helpfully gives the following definition: "supported housing covers a range of different housing types, including group homes, hostels, refuges, supported living complexes and sheltered housing. Residents of supported housing generally require a level of personal care, support, or supervision. The cost of meeting this non-housing-related support is met separately from Housing Benefit. Residents of supported housing typically include the elderly, people with mental, physical and learning disabilities, and substance abusers".

Rent levels in supported housing are usually higher than mainstream accommodation, for three main reasons: accommodation is often purpose-built and/or specially adapted; maintenance costs are typically higher; and greater housing management and security responsibilities tend to increase staffing costs.

Current provision of supported housing

The Government's *Supported Accommodation Review: the scale, scope, and cost of the supported housing sector*, published in November 2016, states that there are approximately 651,500 supported homes in Great Britain, the majority in England (85%), with around 716,000 residents. Housing associations provide most supported housing (71%), alongside local authorities and third sector providers. Only a small proportion is provided by the private sector.

The document states that funding streams for supported housing are complex, with around £4.15bn spent on Housing Benefit for housing needs and an additional £2.05bn on support-related costs, with demand set to increase substantially,

Projected demand for supported housing

A 2017 report *Projected Demand for Supported Housing in Great Britain 2015-2030* by the Personal Social Services Research Unit for DH and the then DCLG, projects demand and associated costs for supported housing to 2030.

The report projects that, to keep pace with demographic pressures, the number of supported housing units for older people in Great Britain will need to rise from 460,000 in 2015 to around 625,000 in 2030, an increase of 35%, and for younger adults from 190,000 in 2015 to around 220,000 in 2030, an increase of 16%. To meet this increase in demand, overall expenditure on supported housing across all user groups would need to rise from £4.13 billion in 2015 to £5.24 billion in 2030 in constant 2015 prices, an increase of 27%.

The authors of the report are at pains to stress that the projections are inevitably sensitive to assumptions about future rates of disability, homelessness and other conditions requiring supported housing, as well as to assumptions about the future weekly costs of a supported housing unit. They are not forecasts as such but projections on the basis of specific assumptions about trends in such variables as future disability rates. The projections should therefore be treated as indications of

likely future expenditures on supported housing if policies are unchanged and drivers of demand follow the specified trends.

The economic benefits of supported housing

It is generally recognised that supported housing makes good economic sense because it helps people stay in the community rather than in more expensive institutional care. In its *Proposal for a strong and sustainable future for supported and sheltered housing* (27th June 2016) the National Housing Federation states that “Supported housing delivers average net savings to the public purse of around £940 per resident per year. Depending on the type of scheme, the level of savings can be even greater; for example, for people with learning disabilities the saving is £6,764 per resident per year. Research undertaken in 2009 showed a net financial benefit of the Supporting People programme of £3.41bn per year against an overall investment of £1.61bn.”

Shared objectives for funding supported housing

In October 2017, DWP and DCLG published *Funding Supported Housing: Policy Statement and Consultation*. In it, the Government commits to protecting and boosting the supply of supported housing which it regards as vital in helping vulnerable people continue to live in the community. The Government believes that it is important to set out sustainable ways of funding supported housing both now and in the future. The stated objectives for any revised funding arrangements are to: secure supply, focus on outcomes, provide oversight and cost control, and work with the grain of modern welfare. All these objectives are regarded as important but there is a particular emphasis on the quality of care.

These objectives are broadly shared by all parties (for example they are welcomed by the NHF¹² and supported by the DWP and the former DCLG Select Committees¹³), though the emphasis may differ.

Funding supported housing through the social security system

Now that the Government has made the decision to keep funding of supported housing in the benefit system the arguments for and against are not rehearsed here. Suffice to say that the Government's decision is widely welcomed by the housing sector as it will provide the necessary security of funding to facilitate the maintenance and development of good quality supported housing.

Registration/accreditation

According to the Government's *Supported Accommodation Review*¹⁴ the regulation of supported housing is variable across Great Britain and “the evidence indicates that regulation of supported housing is less comprehensive in England compared to Scotland and Wales.” Homes England regulates registered providers of social housing and both local authorities and the Care Quality Commission have a

¹² See ‘Government consultation on funding model for short-term supported housing services, National Housing Federation response’, 24th January 2018

¹³ See ‘Future of Supported Housing’, joint report by the DWP Select Committee and the then Communities Select Committee, 28th April 2017 (summary)

¹⁴ *Supported accommodation review: The scale, scope, and cost of the supported housing sector* para 4.2.4

role but only where personal care services are also involved. The Charity Commission regulates charities. Arguably, there should be a more rigorous approach to regulation of supported housing, particularly now funding will continue to derive from the social security system. This is widely acknowledged, for example the Chartered Institute of Housing state that “in order to meet the government’s aims of encouraging a wide range of providers, but also to ensure that there is a level of quality and standards, and robust governance in place to protect the interests of vulnerable residents, landlords could be required to follow some registrations or accreditation scheme. This could involve either registration as a registered provider/ registered social landlord or as a charity, or alternatively a different accreditation route whereby RPs/ RSLs and charities are automatically accredited¹⁵.

In *Future of Supported Housing*, the joint report by the DWP Select Committee and the then Communities Select Committee, 28th April 2017, it is argued (para 32) that the proposed Supported Housing Allowance should be backed by a new requirement for providers to register with local authorities. It states that “the Government should establish a set of national standards to enable monitoring of the quality of provision in all supported housing in England and Wales. These should have a specific emphasis on improving the quality of life that residents experience in supported housing. All providers should be registered with their local authority, whether or not their services have been commissioned locally. Local authorities should undertake annual inspections of all supported housing schemes in their area to ensure a minimum standard of provision.”

Modifying Universal Credit for supported housing

Most stakeholders who have commented agree that Universal Credit should be modified to meet the needs of supported housing residents. For example, the National Housing Federation in its response to the October 2017 consultation¹⁶ states:

“Where we are advocating that housing costs should continue to be funded through the benefit system, further improvements will be required to Universal Credit to ensure this mechanism is as effective as possible.

Universal Credit is being implemented on a ‘test and learn’ basis and housing associations want to continue working in partnership with the DWP to help improve the system. We have already seen key improvements to the Universal Credit system and the sector welcomed the changes announced in last year’s Budget. However, the following aspects of Universal Credit still need to be considered to ensure the system meets the needs of people in supported housing:

- Administration delays and errors leading to delays in payment should be dealt with.

¹⁵ CIH response to DWP consultation on Housing Benefit reform and Supported Housing, 2011

¹⁶ Government consultation on funding model for short-term supported housing services: National Housing Federation, 24th January 2018

- The system should be more sensitive to the circumstances of vulnerable people, for example homeless people who may not be able to verify their identity, or need support to open a bank account.
- The Trusted Partner programme and the landlord portal should be reviewed to ensure they work for supported housing providers.
- The implicit consent rules should change so that the DWP can share information with supported housing staff to allow them to more effectively support tenants."

Annex 2 – Glossary of key terms

Benefit cap	The cap was introduced in 2013 and currently limits the total amount of benefits that most out-of-work, working-age households can receive to £20,000 a year (£23,000 in London). Exemptions include people in work and recipients of Disability Living Allowance and Personal Independence Payment.
Exempt accommodation	A definition of supported housing set out in Housing Benefit legislation from 1996 to ensure that accommodation where the landlord provides care, support or supervision is not caught by various provisions restricting the amount of rent that can be met. This enables Housing Benefit to cover some if not all of the additional costs associated with supported housing.
Eligible housing costs	Housing costs which can legitimately be covered by Housing Benefit. Certain service charges are not eligible.
Housing Benefit (HB)	A welfare benefit paid to residents on low incomes (either in or out of work) to help pay their rent. The scheme is administered by local authorities in accordance with national legislation. It is an income-related (means-tested) benefit, so the amount payable depends on both the level of rent and the claimant's circumstances and income. Payments can be made directly to the landlord in some circumstances.
Intensive housing management (costs)	There is no single definition, but the term is commonly used to describe the extra time and additional tasks that fall to landlords in supported housing. These can include management tasks that are more frequent or more complicated than in mainstream housing (e.g. re-letting void units, arranging repairs, urging residents to keep their rent up to date). The definition also includes tasks that relate to housing management (as distinct from care, support, or supervision) but which are not normally required in mainstream housing e.g. maintenance tasks that are normally undertaken by residents outside supported housing.
Landlord portal	A means of digital communication between social landlords and the DWP, which speeds up the verification of claims and the alternative payment arrangement process, as well as reducing the administrative burden on social landlords working in Universal Credit full service areas.
Managed properties	A category of specified accommodation where the support is commissioned (for example by a local authority) from a separate organisation, i.e. support

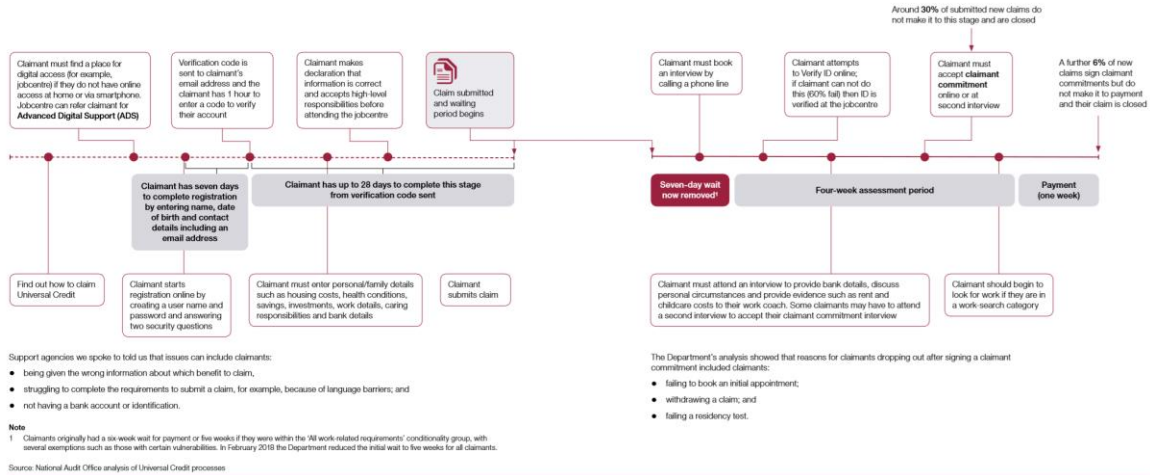
	is not provided by the landlord or by an organisation on behalf of the landlord.
Registered Provider	English providers of social housing (including supported housing) which are registered with Homes England (formerly Homes and Communities Agency).
Removal of the Spare Room Subsidy (RSRS) – or bedroom tax	If Housing Benefit claimants who live in mainstream social housing are judged to have more bedrooms than is necessary (i.e. they are 'under-occupying'), their rent eligible for Housing Benefit is reduced.
Service charge	Service charges are paid by residents to meet the cost of any services provided by their landlord that are not included within the rent.
Social housing	Housing provided by social landlords, typically housing associations and local authorities, for people judged to have a need for it, usually determined by the local authority.
Specified accommodation	Categories of supported housing specifically recognised within Housing Benefit regulations (a wider definition than exempt accommodation as includes accommodation where the care, support or supervision is not provided by the landlord). Households living in such accommodation are effectively exempt from some welfare reform provisions, such as the Benefit Cap, Housing Benefit no longer being paid direct to the landlord, and in some circumstances the RSRS.
Supporting People	From 2003, the support (but not the housing) component of supported housing provision has been funded by local authorities through the Supporting People programme. The ring fence around the funding for the programme was removed in England and Scotland in 2009.
Trusted partner	Trusted partner status allows social landlords to make decisions about the destination and frequency of benefit payments, within a monitored framework.
Universal Credit	Universal Credit is a means-tested benefit for people of working-age who are on a low income. It replaces four existing means-tested benefits, including Housing Benefit, and two tax credits. Under the 'full service' model, Universal Credit involves making claims online and managing claims through an online portal. The design of Universal Credit mimics the world of work in that a single payment, including the housing element, is paid monthly in arrears directly into the claimant's bank account.

Annex 3 – the claim journey

Figure 9
Getting to first payment

There are several stages to get through before a claim is submitted and the initial waiting period begins. This can increase the initial waiting period for claimants who struggle

Some claimants can complete the necessary stages in a day; for claimants who struggle the waiting period is lengthened.



National Audit Office, **Rolling out Universal Credit**, HC 1123 SESSION 2017–2019, 15 JUNE 2018

About Policy in Practice

Policy in Practice believes the welfare system can work better

We were founded to help people towards financial independence. We're a policy led software and analytics business and we've built three core services to make the welfare system simple to navigate and understand.

Our award winning Benefit and Budgeting calculator is used by over 10,000 people every day. Our analytics services are used to design local support schemes and show the combined impact of different policies on individual households. Our LIFT Dashboard finds trends and relationships in data sets to uncover and visualise the drivers of poverty. We use our policy expertise to drive change via publications, media coverage and blog posts.

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