

## Universal Credit data sharing with social landlords. A consultation on draft Regulations - September 2014

### National Federation of ALMOs Response

#### Introduction

The National Federation of ALMOs (NFA) represents 47 arms-length management organisations (ALMOs) who between them manage over 650,000 council homes across fifty local authorities. ALMOs manage homes for some of the most vulnerable people in society and work in some of the most intractable areas of the country. The NFA therefore makes this submission on the basis of that experience.

The NFA very much welcomes these draft regulations to enable the sharing of DWP data under the Universal Credit regime with social landlords including ALMOs.

The existing regulations enable our members to receive data on and provide support to households affected by the removal of the spare room subsidy and the benefit cap. Being able to contact these households and offer appropriate financial advice and support has been very beneficial in keeping arrears levels down, minimising court action and evictions. The results of our most recent Welfare Reform Survey indicate that the support and additional resource put in by our members to prevent and tackle rent arrears has reaped significant benefits with overall arrears levels coming back down to their original level before the changes were introduced. Please see <http://www.almos.org.uk/document?id=6712> for further information.

Knowing who is receiving Universal Credit will allow ALMOs to intervene early on and support households to access a range of support services where necessary, such as money advice services, access to digital services and support, local welfare provision, food banks and training and development providers. Without our members' intervention we are concerned that many households could needlessly end up with large amounts of arrears, facing eviction.

#### Overall Comments

The NFA sees early intervention through data sharing as a critical element in our members' strategies when it comes to sustaining tenancies after the introduction of Universal Credit. However we do have concerns about the use of the word "responsibility" in the introduction of the consultation paper.

"The intention is that, under the proposed amendments, social landlords would have **responsibility** for assessing whether their tenants require appropriate types of advice, support or assistance in relation to managing their financial affairs. In order for the landlord to make such an assessment, it is proposed that the Secretary of State will share details of tenants who have made a claim for or have an award of Universal Credit. It is considered that such data sharing by the Secretary of State is proportionate under the Data Protection Act 1998 and the Human Rights Act 1998."

Many social landlords including ALMOs already assess their tenant's need for additional support or assistance in relation to managing their financial affairs where they have the resources to do it but not all are able to do so. We would prefer a more open form of wording such as is provided on page 7 of the consultation paper where it refers to:

"The additional welfare purposes would be to allow the Secretary of State to share limited information with social landlords **to enable** them to assess and provide appropriate types of advice, support or assistance in relation to managing their financial affairs."

At the moment a rent account with an arrears balance will be the normal trigger for advice, support and assistance to be offered by an ALMO unless the tenant is already identified as vulnerable and this is where a change to the legislation supports their aims.

The current wording in the introduction seems to indicate a responsibility to all tenants who need support in managing their financial affairs whether or not the rent account is in good order. To go beyond the normal landlord role in that respect would be a significant change in landlord's responsibilities and should only be taken on with the explicit agreement of individual landlords and additional resourcing from DWP.

Some members are also of the opinion that if limited to "minimal" data sharing there may be a missed opportunity to continue the good working relationships between ALMOs and Housing Benefit departments which currently enable ALMOs to provide the right support to tenants whilst tackling rent arrears and mitigate benefit fraud and error through data sharing. There have been suggestions that data sharing should be in 'real time' with social landlord staff able to access data directly from DWP. This would enable real time responses to cases high risk cases that tend to require home visits.

Many members requested that DWP information be available on 'incoming' tenants to ensure support can be provided from when tenants start their tenancy and in order to ensure the system works, there should be clear reporting processes, frameworks and timelines set up with social landlords to ensure data sharing happens in as efficient, timely and accurate way as possible.

## **Response to Specific Questions Raised.**

### **Social Sector Landlords**

**Q1. We envisage social landlords would provide a range of support to their vulnerable tenants, what types of support would you as a social landlord provide your tenants?**

Our members provide a wide range of support to their tenants depending on tenants' need and requirements as well as the ALMOs resources. Examples of the types of services provided by members are:

- Prevention of rent arrears support
- Tenancy sustainment support
- Health and wellbeing support for vulnerable tenants.
- Identify fraud and support tenants where error has occurred.
- Money management and budgeting support
- Income maximisation
- Help and support to create and access online applications.
- Home visits from our “Your Money” team
- Enhanced Citizens Advice Bureau service at their offices.
- Debt advice
- Advice on managing a UC claim,
- Establishing bank accounts
- Information about claimant commitment
- Limited access to IT and WIFI at their offices
- Requesting alternative payment arrangements.
- Support to claim other welfare benefits
- Support to find employment
- Access to a hardship fund
- Energy advice
- Referrals to floating support.
- Use an in house Debt Advice Team
- Advocacy with Creditors
- Providing emergency fuel tokens, food parcels
- Liaising with other advice agencies to increase the assistance a tenant can access
- Applying for Trust Fund awards
- Assisting tenants with bankruptcy applications
- Assisting with applications for Debt Relief orders
- Negotiation of repayment rates for e.g. social fund loans, court fines, council tax deductions etc.
- Working with tenants to maximise downsizing opportunities

A number of ALMOs also now provide homelessness and housing options services on behalf of their councils and where they do that they often provide intensive intervention for those threatened with homelessness from a floating support team. It is worth noting that some ALMOs’ floating support teams and their financial advice teams can provide support for all residents across their local authority area not just their own tenants. Therefore in order to assist people they would need to have access to data about everyone in their respective local authority areas. The consultation does not make reference to these groups, however, they are also impacted and many of members provide similar services for them.

Some ALMOs are already looking at how to prepare tenants for UC before it is rolled out. Some are developing pilot projects to provide them with a measure of the long term support needs within the stock they manage. Decisions will then be made as to whether the support is provided internally or commissioned externally and to what extent. It is expected that support would be on the basis of Triage, short/medium

term support and longer ongoing support around personal budgeting, debt management, digital inclusion, and employment/training opportunities.

However it is important to note that consideration has to be given to the level of identified needs once UC rolls out and what capacity ALMOs have to offer support. Concerns are that not only will current resources and funding be stretched to the limit as UC rolls out (as demand is already increasing), but that there will potentially be a skills deficit capacity across some areas in those available to offer support to those who need one to one support and who cannot cope with telephone or on line contact.

**Q2. Our intention is to enable DWP to provide minimum information about the claimant aimed at identifying tenants claiming UC or being UC recipients. Would that information be sufficient for you to provide support to your tenant?**

Members have also asked for the following information to help verify tenant and household members, assist with their assessment for the need of support, prevent arrears accruing and help set up the best and most suitable payment method for their customers:

- Name
- DOB
- Address
- NI number
- Household composition
- Date of claim – this would be helpful as a pre notification to actual UC Payment date so that contact can be made with tenant to assess, vulnerability, ability to make a rent payment, support requirements
- UC payment dates
- Details of the housing element of UC to be paid (full or partial and if the housing element has been reduced for example because of the Benefit Cap so members understand their reasons for possible non-payment).
- Total entitlement amount – to enable rent payment plans to be realistic
- Whether or not deductions for direct payments are in place
- Details of any known vulnerabilities (i.e. whether the tenant has been identified as falling into either tier 1 or 2, and on what basis)
- Whether the tenant has already been referred or signposted to any other services through the initial claims process.
- Current payment arrangement (i.e. to claimant or landlord) and dates of start and end of those arrangements.
- Need to know if requests for direct payments have been successful and for what period.
- The rental and service charge values used to assess the claim.
- Period of entitlement
- Any suspensions of benefit – to support tenants to address suspension and ensure affordable interim payment plan where necessary.

Members have also requested that at roll out, there be “reconciliation” for HB claims ending and UC claim active, in order that ALMOs can help source support for those who have not claimed UC, possibly due to a vulnerability. Some ALMOs have suggested they will have a dedicated officer or team to assist in the transition of existing claims.

Members also want to clarify if the proposed exchange of data will be on a case by case basis at specific request or whether the intention is to provide the data in bulk form. The latter is their preferred option.

Some members have also raised concerns about the situation for couples:

“In the case of couples claiming UC, the data shared by DWP would be for the claimant with liability for paying the rent.”

In terms of liability for paying rent, this is determined via the tenancy agreement. Many tenancies are joint, and the couple are jointly and severally liable for the payment of the rent. We would urge that where couples are joint tenants this information is provided for both, regardless of who the lead applicant is.

Equally, members have raised the issue of the need for a way in which landlords can provide information back to DWP; for example on rent increases, property sizes, arrears and vulnerability. In the past data on housing rent accounts has been shared with DWP for the detection of fraud. Information could be shared in the same way both ways to assist ALMOs in maximising income and assist DWP in verifying accounts and levels of rent.

At the moment many ALMOs offer support to tenants to help them complete claims for Housing Benefit by helping the tenant to collect evidence where required. It would be very helpful if DWP could continue to share what is required to complete application on a case by case basis where there are difficulties and delays. This would help ALMOs make best use of their resources and target work efficiently as well as preventing unnecessary court action or eviction. At the moment most ALMOs have agreements in place where the Housing Benefit Department can fast track claims (often on the day of a court hearing or planned eviction) so that unnecessary homelessness is avoided.

Although the proposals set out a framework for minimum data sharing our members believe that enhanced data sharing as set out above and an agreed SLA on timescales, frameworks and protocols etc. would be helpful to both tenants and landlords – e.g. secure email, telephone support, automatic batch processing and frequency of updates.

### **Q3. What do you think would be the implications of not having the information which DWP is proposing to supply under these regulations?**

Members have identified the following implications:

- Increased arrears due to lack of early intervention and support to

manage transition to monthly payments.

- Inability of landlords to set up appropriate collection dates to coincide with when claimants receive their universal credit payments, reducing the risk of arrears and avoiding or mitigating tenants incurring unpaid transaction charges.
- An adverse impact on tenants' financial wellbeing and their ability to sustain and maintain their tenancies.
- A negative impact on the landlords' levels of rent debt and bad debt provision.
- Landlords would be likely to take action earlier on in their recovery process resulting in increased levels of court action and requests for salary / benefit deductions from DWP.
- Greater levels of evictions and homelessness.
- Increased tenancy failure
- Increase in ASB, debt related problems.
- Potential evictions of vulnerable tenants who could have been supported to maintain their tenancy but whose benefits have not been addressed alongside other debt related problems.
- Increased costs for the ALMO due to inability to target support in most appropriate way, increased arrears and therefore impact on resources available to provide basic services for tenants.
- Loss of a tenancy as a result of rent arrears can affect peoples' mental and physical wellbeing and affect their progress on work programmes, training courses, support programmes for e.g. addictions, mental health conditions etc.
- Inconclusive benefit and support evidence in court resulting in higher court costs.
- Lack of improved risk mitigation as regards fraud and error.

The Direct Payments Demonstration Projects clearly demonstrated that where direct payment of housing benefit has been implemented, social landlords saw the contact they have with tenants rise considerably as a result of the support that was required. Under Universal Credit this needs to be targeted at those tenants most in need of support. Members have also reported that based on their experience with the under-occupation charge and benefit cap, households would not access support as quickly as needed and may even reach crisis point before asking for help. The continuation of good working relationships between DWP and social landlords is essential to the successful roll out of Universal Credit - minimum levels of data sharing may frustrate the existing inter-agency work and tenants and landlords will suffer.

#### **Q4. What concerns do you think your tenant may have about their information being shared with you as a social landlord?**

Although tenants are best placed to voice any concerns our members do not envisage any significant issues from the majority of tenants in this regard, particularly as the information exchange will be used to support tenants in sustaining their tenancies. Many ALMOs point out that the exchange of data already takes place

under the housing benefit regime (where this is already allowed for in the Housing Benefit legislation) and they imagine residents would assume such arrangements would continue anyway.

Some tenants may be concerned about who has access to their information and the security of that information. Some tenants show concern generally with electronic data sharing as they have been victims of cyber fraud or data theft. They generally do not want to reveal any information to the ALMO to assist them when in hardship due to concerns in data getting lost or misused

Understandably there may be some tenants who are concerned about the sharing of data. For instance someone who falls into Tier 1 vulnerability due to say drugs misuse, but whose drugs habit does not currently impact their tenancy, (max HB paid direct and no ASB etc.) may feel that their tenancy may be at risk if that information is shared. However the benefits of the potential support then offered to that tenant must be promoted. Alternatively in instances such as this would it be possible to identify a potential vulnerability tier 1 but that the tenant has declined to enable DWP to share details of the vulnerability?

Some tenants may be concerned it will be used for fraud detection purposes where they are fraudulently claiming benefits or have gained the tenancy fraudulently.

It has been suggested that as part of its changes DWP perhaps need to include a clear declaration at point of application that the data will be shared with their landlord for the purposes of managing rent payments and identifying support needs.

Members have also pointed out that none of their tenants expressed any concern about their data being shared for the provision of support around the under-occupation charge or benefit cap (which in some areas was a cross-tenure project covering both the housing association and private rented sector).

ALMOs work closely with partners at the Housing Benefit section to discuss data sharing and ensure that everyone understands what they can and can't do and this works well at ensuring the regulations are used as intended. In general ALMOs are also cautious to get client's permission to discuss their benefits in any circumstances that may not be clearly defined by the regulations. We therefore do not foresee any issues with the data sharing being proposed.

## **General (Social and Private)**

**Q7. These regulations allow social landlords to make decisions about the use of data in order to support their tenants; would you think that is sufficient to ensure the proportionate use of data?**

Our members overwhelmingly agree that social landlords can be trusted to make decisions about the use of this data without concerns about the proportionality of its use. ALMOs are used to this responsibility to 'use' information proportionally, and the regulations govern the purpose for which the data will be provided for. They have clear policies on this issue and are explicit in who, why and when they will share their data.

Where the above is not covered they would ask and get written consent of the tenant.

There have not been any issues with these regulations so far and there is no reason not to assume that ALMOs will continue to act responsibly in this area.