

Universal Credit Survey

Results

July to September 2021

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Scottish Federation of
Housing Associations

We are housing Scotland

Introduction

This report is part of SFHA's ongoing Universal Credit survey findings, with this short update providing additional data for the most recent quarter (July to September 2021). The figures presented in this report are based on those provided by SFHA members who responded to the surveys. This data is not intended to be representative of SFHA's membership as a whole, but instead serves to provide a snapshot of our members' experiences and should be read in conjunction with our previous reports which can be found on the SFHA website. For this quarter, some additional questions on the impact of the coronavirus (COVID-19) outbreak and were also included.

Since the previous report was published, the UK Government has removed the £20 Universal Credit uplift which was introduced to mitigate the impacts of the COVID-19 pandemic. Since September 2021 we have included a specific question on the impact of this change although the effects may not be felt for some time to come.

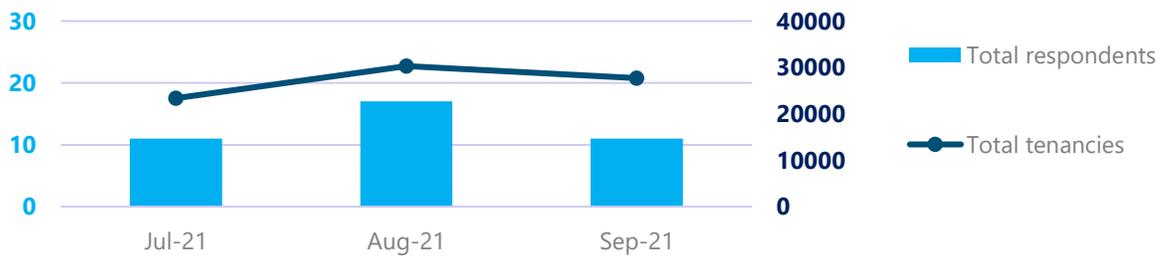
Looking ahead, given that participation in the survey has declined in recent months, SFHA is currently considering the future of the survey and exploring alternative options for engaging with members on this topic. An online focus group session has been scheduled for Tuesday 25th January (2pm to 3.30pm) to discuss this further. Any other SFHA members who would like to attend should contact Cassandra Dove (cdove@sfha.co.uk) for more information.

Results

Sample characteristics

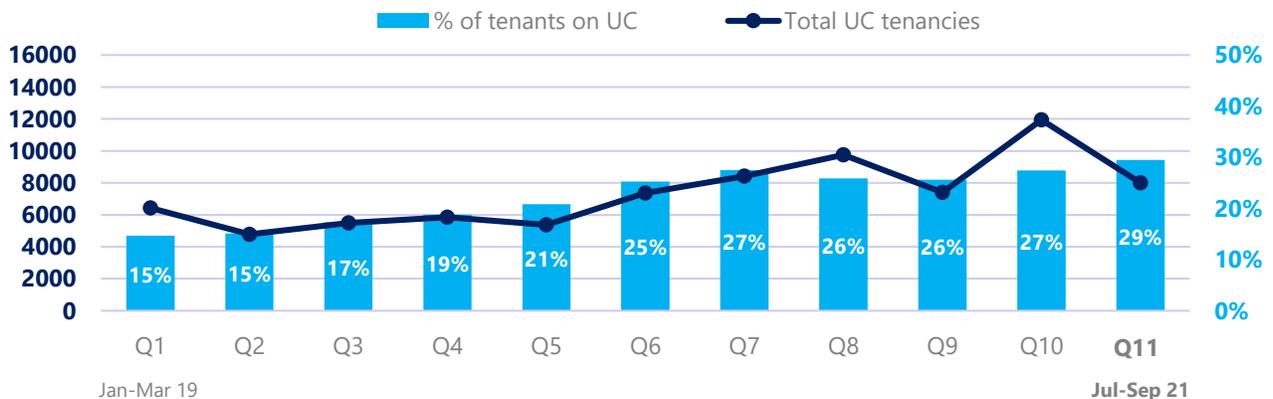
Over the last three months, between 11 and 17 participants have participated in SFHA's Universal Credit survey (Figure 1). This equates to combined stock figures of between 23,000 and 30,000 units and between 7,000 and 9,000 Universal Credit claimants. The results should be treated with caution due to the small sample size and differences in survey participation each month. The quarterly figures are based on an average of the monthly results and should be treated as estimates only.

Figure 1: Number of Respondents



From the returns submitted over the last three months, 29% to 30% of tenants were estimated to be in receipt of Universal Credit. This compares to figures of 27% to 28% reported in the previous quarter (Figure 2) and represents the highest percentage observed over the course of the study period.

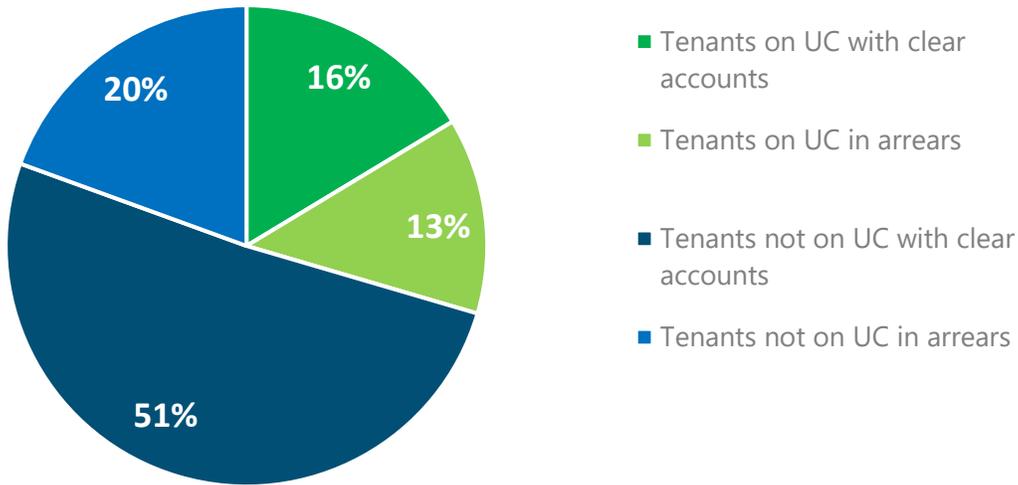
Figure 2: Total Tenancies on Universal Credit (Quarterly Estimates)



Arrears

Percentage of tenancies in arrears

Figure 3: Percentage of Tenancies in Arrears (Quarterly Estimates)

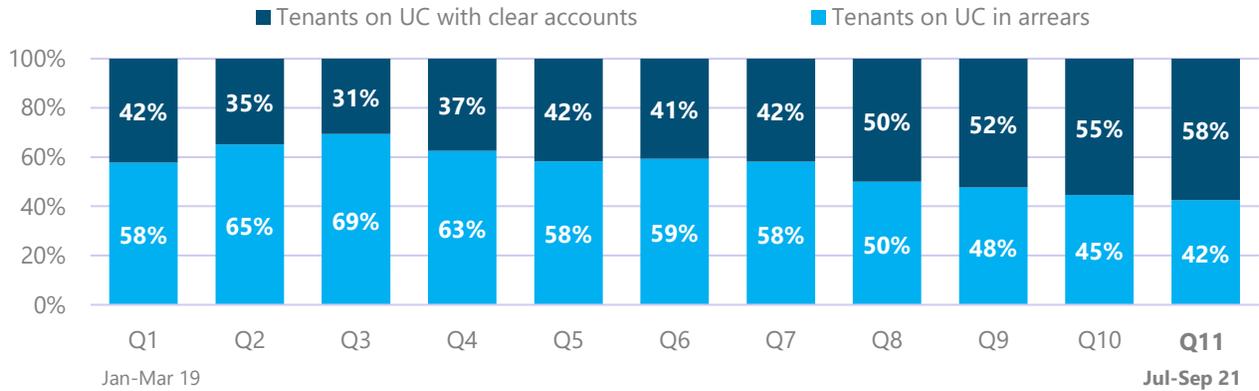


As shown in Figure 3, of those tenants on Universal Credit (29% of all tenants), the monthly figures for the July to September period show that the percentage in arrears ranged between 34% and 51%. This represents around 13% of all tenants. For those who are not on Universal Credit (71% of tenants), around a quarter were found to be in arrears with monthly averages varying between 21% and 28%. This equates to approximately 20% of all tenants.

Between 34 and 51% of tenants on Universal Credit are in arrears compared to around a quarter (21-28%) of non-Universal Credit tenants

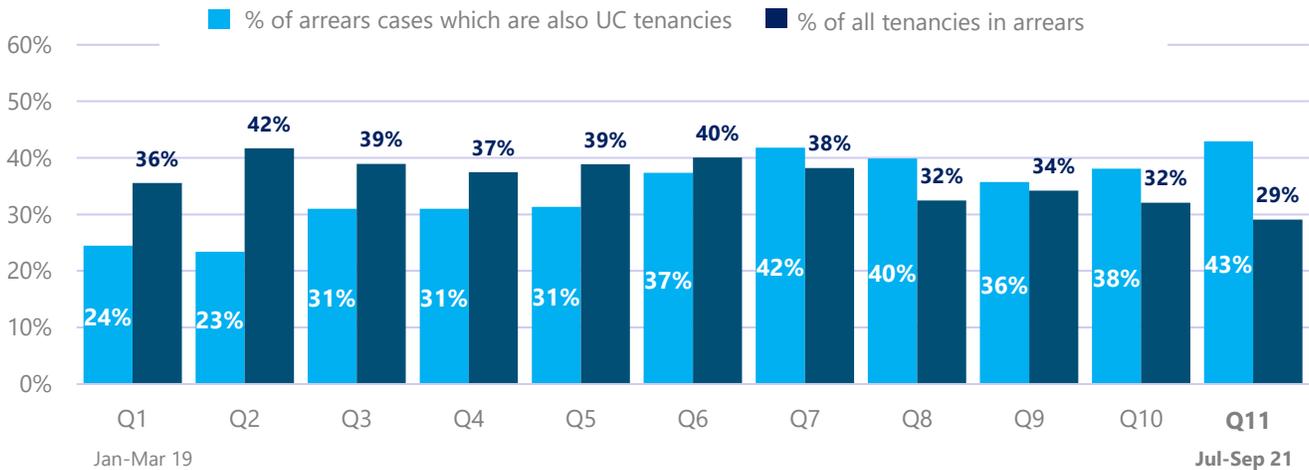
As shown in Figure 4, the proportion of Universal Credit tenants who are in arrears was estimated at 42% across the July to September quarter. This is the lowest percentage observed over the entire study period.

Figure 4: Overall Percentage of Universal Credit Tenancies in Arrears (Quarterly Estimates)



As shown in Figure 5, the percentage of Universal Credit arrears cases as a percentage of *all* arrears cases ranged between 40% and 49% based on the monthly averages for July to September, giving a quarterly estimate of 43%. The percentage of *all* arrears cases across *all* tenancies was found to range between 25 and 33% over the last three months, giving a quarterly estimate of 29%. This is the lowest figure observed since the beginning of the study.

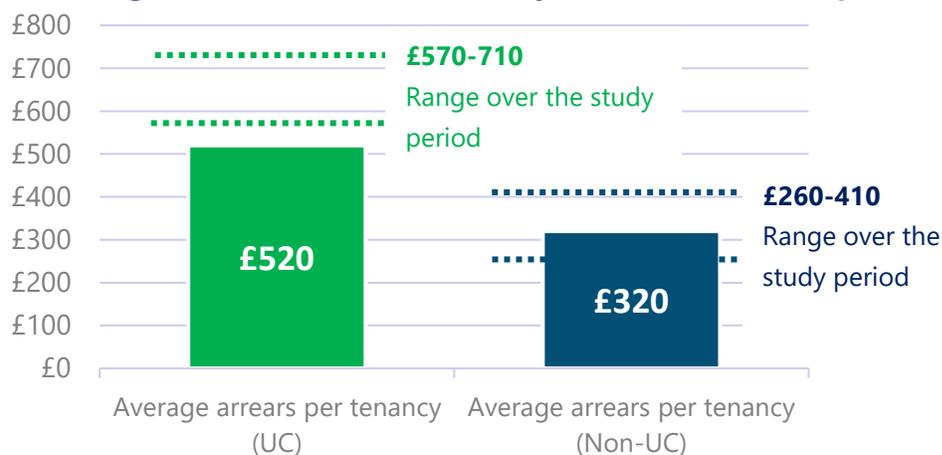
Figure 5: Arrears cases: Universal Credit Tenancies vs All Tenancies (Quarterly Estimates)



Average arrears per tenancy

Based on the survey returns for the most recent months, the average arrears amount for those on Universal Credit ranged between **£510 and £560**, giving a quarterly estimate of **£520**. By comparison, over the previous average figures have ranged between £570 and £710. For those not in receipt of Universal Credit, average arrears figures for July to September ranged between **£320 and £430** with a quarterly estimate of **£390**. This compares with the quarterly figures of between £260 and £410 observed during the previous years. There remains a notable difference between the two groups with Universal Credit claimants owing over **£200** more on average than other tenancies. However, the latest data does indicate a new low point in the average arrears levels observed amongst Universal Credit tenants.

Figure 6: Average Arrears Amounts (Quarterly Estimates – Jul to Sep 2021)



Payment Options

Based on organisations with sufficient data, it was estimated that between 37% and 51% of tenants had **Alternative Payment Arrangements (APA)** as a **Managed Payment to Landlord (MPTL)** in place for the housing element of Universal Credit depending on the survey month. Of those who are on Universal Credit and also in arrears, it was estimated that 25-26% had **Third Party Deductions (TPD)** in place. Between 19% and 28% of tenancies had opted for direct payment to landlords through **Scottish Universal Credit Choices**. It should be noted that there were a limited number of responses to this question and therefore, these figures should be treated with caution.

Service

Universal Credit Full Service

As with previous months, the majority of respondents were satisfied with the Landlord Portal in relation to rent verifications and new claim notifications, while lower rates of satisfaction were reported with advance payments to claimants, partnership managers and the journal service. In the comments provided by survey respondents, there continue to be frustrations with the lack of information available through the portal:

“Not being told when a tenant is no longer in receipt of Universal Credit as they still remain on the portal for a while afterwards” – July 2021

“Third party deductions seem to be stopping without notice. Where we have a TPD in place, we often don't know if or why this is. For example, the tenant may have become employed and is no longer eligible for UC, they may have been sanctioned, or they may have told the DWP that they have paid off their arrear and the TPD can be cancelled - we have no way of knowing.” – May 2021

“We have encountered more problems than previous with delays in managed payments being set up and lack of contact with partner managers” – September 2021

Assistance sought by tenants

In terms of the levels of support required by tenants, the majority of respondents reported that at least some of their tenants had sought assistance on the issues listed in the last three months. In July there was a particular demand for assistance in **making claims online** and **understanding payment breakdown**. The ending of the furlough scheme and removal of the £20 uplift were cited as potential drivers of this.

Tenant support – demand for services

In terms of the change in demand for wider services across all tenancies, demands for **welfare and debt advice** and more general advice to tenants showed particular increases in the month of August. Increases in the costs of living, and energy bills in particular, were also noted as a particular area of concern:

“Many of our tenants are about to lose the £20 uplift payment that they have been receiving in their monthly UC throughout the pandemic. They are telling us that they will really struggle when this payment goes.” – July 2021

“Reliance on foodbanks continues to increase, and increase in utility bills as a result of being home more” – August 2021

“Tenants have less money in their pocket along with rising living costs.” – June 2021

Impact of COVID-19

Since March 2020 we have included some additional questions on the impact of coronavirus (COVID-19) on Universal Credit claimants and social housing tenants more generally. As part of the September survey, a specific question on the impact of the withdrawal of the £20 Universal Credit uplift was also included. Some restrictions have been lifted during the months covered in this report, however there remain ongoing uncertainties and some limitations in the services provided.

Comments

Between July and September there were mixed reports on the impacts on **service delivery** due to the different circumstances and approaches adopted by each organisation. While there are still some limitations and precautionary measures in place, the survey comments also show a return to ‘normal’ services:

“Other than the fact we cannot use the small interview room in our offices, and only one household can be in our reception area at a time, there is no impact on tenant services at this time.” – July 2021

“We have adapted well to the pandemic and offer tenants a variety of methods to get in contact with us including video chat.” – September 2021

"We are now operating as usual with all staff being based at the office. House visits are taking place with Covid precautions in place." – August 2021

However, even where restrictions may be lifted, there is evidence that some tenants may still be anxious about face-to-face contact and remote options remain in place:

"Some tenants do not want to call to the office or house visits, especially those with health issues. It is difficult to explain to a tenant how to read their journal over the phone. - August 2021

Some survey respondents continue to report increases in the number of **new Universal Credit claimants** while others report that the situation has eased somewhat. As indicated in previous, tenants who are unfamiliar with the benefit processes require additional support with their claims:

"The number of tenants on UC is still increasing, but this is manageable. While Money Advice Referrals did not increase in July, we do expect them to increase once the £20 uplift ends." – July 2021

"Extra pressure has been put on our Welfare Rights team and the number of the referrals have certainly increased, especially for tenants who have never used the service before." – Aug 2021

"More claims to UC as tenant's out of work following pandemic are long term sick from getting covid" – September 2021

There are also clear concerns about the impact on the £20 Universal Credit uplift and furlough scheme coming to an end and the impact this will have on tenants. While difficult to quantify at this stage, it is expected that many tenants will struggle financially over the coming months.:

"More tenants are speaking with us about their finances as they are being hit hard with the loss of the £20 uplift." – Sept 2021

"Some tenants who are newer claimants to UC have become reliant on this additional fund of £20 as it's all they've known while claiming UC so it feels like a larger

*undertaking trying to balance their budgets once the money is no longer available.” –
Sept 2021*

*“Those with a managed payment and on ESA/SSP are now seeing their managed
payment is a shortfall on rent because they will have other deductions on their UC.” –
Sept 2021*

Conclusions

The results from the July to September period of 2021 indicate some improvements in relation to service delivery with some members returning to near normal services; although it should be noted that this latest report covers the period prior to the emergence of the Omicron variant. The COVID-19 pandemic, and more general cost of living increases, continue to impact tenants financially with evidence of ongoing demand for welfare and debt advice. The withdrawal of the £20 Universal Credit uplift and the ending of the furlough scheme are particular areas of concern, and while it is too early to quantify the impact of these changes on arrears levels at this stage, it is expected that many tenants will struggle financially over the winter months. Survey respondents also continue to highlight frustrations with the functionality of the Landlord Portal alongside poor communication with Partnership Managers.

An estimated 29% of tenants are in receipt of Universal Credit which is the highest figure observed over the study period. The percentage of Universal Credit claimants who are in arrears (42%) is also the lowest figure observed since the beginning of the monthly surveys. There does however remain a notable difference in the average arrear amounts observed amongst those in receipt of Universal Credit and other tenancies, with Universal Credit claimants owing nearly £200 more on average than other tenancies.

A big thank you to all of those who took the time to complete the surveys. This evidence helps SFHA in its ongoing engagement with the Scottish and UK Governments. For further information on the survey or the information in this report, please contact SFHA Research and Policy Lead (Cassandra Dove) at cdove@sfha.co.uk.