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Facing the Challenge of Universal Credit

Housing & Major Projects PDS Panel: 18 November 14

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Impact of Universal Credit - Tenants

From speaking to tenants eligible for UC we have established their concerns about moving onto UC:

- DWP Processes – new and digital be default
- When will it happen? Roll out to be confirmed for most.
- Transition arrangements and the impact upon their income
- Curo rent – how much and how they pay
- Lack of skills and competency with IT, numeracy and budgeting – big personal hurdle for many
- Lack of access to IT – not all have access to a computer
- Other creditors (erg Wonga) – many are in multiple debt
- Poverty Premium

However, positive feedback from tenants in receipt of UC that it helps manage income fluctuations and transition into work, so doing what it was intended to do in this respect.



Impact of Universal Credit - Curo

- In the region of £34m Housing Benefit will be paid to customers that is currently paid to Curo.
- Increased costs of transactions and collections.
- Average arrears for UC customers £1000.
- Average arrears for non UC customers £360.
- Customer debt could quadruple if we do nothing – would impact on service delivery.



Solutions Currently in Progress

- Increased Customer Accounts Resource, including recruitment of Employment, Training & Skills Co-ordinator, Money Manager and Tenancy Sustainment Officer.
- Information & Management System enhancements.
- Curo migration into Keynsham & MSN One Stop Shop.
- Introduction of pre-tenancy risk assessment (Success Plan).
- Passport to Housing pilot until March 2015
- Close working with B&NES, DWP, JCP – early roll out by Bath JCP means we are able to influence process design.
- Bristol Credit Union – ‘jam jar’ accounts.
- Curo-wide colleague training.



'The Right Home for the Right Person at the Right Time'

- Earlier contact with applicants
- Adverts informing of rent in advance
- Credit checks for all applicants
- Success Plans for new tenants to assess tenancy resilience
- Tailored tenancy management dependent upon identified risk e.g. support need
- Passport to Housing pilot – Curo tenants



Success Plans – The Right Home for the Right Person at the Right Time

- Risk Assessment to understand likelihood of tenancy success
- Focuses on financial capability & resilience
- A tool to keep people in their home not to prevent them from getting one
- Responsibility of landlords to ensure people are not worse off as a result of getting a tenancy
- Mostly say yes, but maybe not now, not here or no



Passport to Housing

- Customers on bands A&B wait an average of 6 months.
- Aim is to prepare customers for their move and make them “new tenancy ready” – golden opportunity – debt counselling takes time.
- Moving very difficult on a low income

Process is voluntary but lots of demand for the service; 1/3 opting in:

- Only 10% have under £1000 of debt
 - 80% have between £1000 and £10,000
 - 10% have over £10,000 of debt.
 - Average income £1200 p.c.m.
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- Customers plan their move, sort financial problems and maximise income through work or benefit.

