

# Speech: Supporting housing tenants

Good morning. Thank you for the opportunity to speak to you today as part of your welfare reform conference.

I joined the DWP as a minister last July and have been working on the housing brief since that time, including of course with colleagues at the National Housing Federation (NHF) who have been constructive and helpful.

I was lucky enough to work closely with Lord Freud prior to his retirement last month and many of you will have had the chance to meet him too during his 6 years in the department – the longest serving of all the ministers appointed in 2010, and, like you, we miss him hugely.

This role has reinforced to me just how important social landlords are – not only in terms of your contribution to society in general – but also as vital partners for our work in DWP.

There are a few areas I would like to speak about today, not least the government's plans for rolling out Universal Credit up to 2022. I also want to cover in some detail how my department and social landlords can keep working together productively to ensure a smooth transition to the new system.

Some of you will have seen first-hand the work we are doing through Universal Support to assist vulnerable claimants and I will go into more detail on this.

I'll also set out what the government is doing to support employment and skills, particularly in the light of the green paper on health, disability and work we published recently.

## **Universal Credit plans up to 2022**

Universal Credit is designed to mirror the world of work and give people responsibility and control over their lives.

It represents a generation-changing culture shift to how welfare is delivered and how we support people in and out of work.

Universal Credit is now available for all new claims from single jobseekers, wherever they are in Great Britain.

We are expanding the Universal Credit full service to all types of claimants across the country. This will mean everyone has the chance to get on, with the dignity of a job, the pride of a pay packet and the security that comes from being able to support their family.

The full Universal Credit service was in 44 jobcentres across the country by the end of last year and roll out continues. From this July we will scale up

transition to around 43 jobcentres per month.

Then from July 2019 we will begin the process of migrating claimants on other benefits – like Jobseeker’s Allowance (JSA) and tax credits – to the full service. Like the rest of this process, migration will be done gradually, safely and securely.

We are already seeing the benefits that Universal Credit brings compared to the old legacy system. The facts speak for themselves.

We are seeing people move into work faster – for every 100 people who find work under the old JSA system, 113 Universal Credit claimants have moved into a job.

People on Universal Credit are spending around 50% more time per week looking for a job.

We also know that Universal Credit is working in terms of progression in work. 86% of people on Universal Credit were actively looking to increase their hours, compared to just 38% of people on JSA.

And when it comes to earning more, 77% of people on Universal Credit were actively looking to increase their earnings, compared to just 51% of people on JSA.

And the taper change that was announced at [Autumn Statement](#) – moving from a 65% earnings taper to 63% – goes even further toward supporting in-work progression. When people keep more of what they earn, and see a greater reward for working and earning more – it improves work incentives and helps people earn their way out of welfare dependency.

The taper change is set to benefit those in first to fourth income deciles the most. In fact, the latest Office for National Statistics (ONS) data shows that the lowest paid workers are seeing their pay go up by the most – by over 6% last year.

These are the sort of tangible benefits – the real improvements to lives of claimants – that Universal Credit is all about.

I am proud to be a part of the ministerial team responsible for delivering this change and I look forward to continuing to work closely with Housing Associations to improve employment outcomes for their tenants.

## **How social landlords and DWP can work together for a smooth transition to Universal Credit**

We all have the same aim. We all want to do the right thing for our claimants – your tenants. Enabling claimants to take control of their lives helps them move into work and off benefits.

Universal Credit is a transformative change in helping people to break free from benefit dependency. A crucial part of this increased independence is

paying housing costs as part of the overall Universal Credit payment, direct to the claimant. Enabling people to stop saying “the council pays my rent,” and – instead – to say “I pay my rent.”

It is important to recognise that we are not rebuilding Housing Benefit within Universal Credit. We are moving from a relationship that was primarily between landlords and local authorities – where claimants of Housing Benefit were often not aware of what rent they were liable for – to one where landlords will have a direct relationship with their tenants, who will need to pay their own rent out of their Universal Credit award and their earnings. This will mean housing associations building closer relationships with these tenants than under Housing Benefit.

We know this is a really big change. A change for your tenants, for local authorities, for DWP and for landlords. I have no doubt that it is the right thing. But I am also under no illusion that it will be easy. We need your help to do this right.

And I would like to say now how grateful my department is for all the help thus far – from housing associations, local authorities and representative organisations.

So, what can social landlords do to ensure a smooth transition for your tenants moving on to Universal Credit? There are 3 main things:

First, talk to your tenants. Help them get ready for Universal Credit. You can find our social landlord support pack on [gov.uk](http://gov.uk) which will help you provide the best possible support to prepare your tenants for this change. We have built this pack with help and lessons from housing associations and local authorities who have worked with us and participated in trials such as the Direct Payment Demonstration Project a few years ago and the on-going Trusted Partners trial.

The second thing you can do for your tenants is talk to us. Keep in contact with Universal Credit partnership managers to stay up to date on the latest information and service improvements and to get support understanding how Universal Credit works. And, more importantly, use our Strategic Landlord Forum and partnership managers to feed back issues. This allows us to make continuous improvements to the service. For instance, the Social Landlord Group is helping us in the design of a landlord portal for Universal Credit and has been involved in setting up the Trusted Partner Pilot.

And finally, help us to get things right when your tenants are on Universal Credit. Getting rent verification and managed payment applications back to DWP as quickly as possible is really important in helping us get it right for our claimants, first time.

Housing associations and local authorities have been and continue to be vital partners in the delivery of Universal Credit.

That is why I am keen to continue this close working between you and my department, so that we can jointly secure this critical cultural change.

## **Universal Support delivered locally**

One of the areas where it is crucial that government and housing associations work together effectively is in supporting people with complex needs to navigate the new system.

Our shared goal is to support claimants through transition to Universal Credit so that the benefits of the new system are available to everyone.

Where claimants have complex needs, we recognise that services working together – including jobcentres – is paramount to effectively tackle these barriers to work and to get them into sustainable employment.

This is where Universal Support comes in. Universal Support is currently delivered in a framework approach to allow local partners and local authorities to work with jobcentres to deliver the support needed by their local community. We want the support that Universal Credit claimants receive to be not just tailored to them but really part of a coherent journey that makes the best use of local resources.

Universal Support is focussed on helping Universal Credit claimants to address their digital and financial barriers, and we are funding local authorities to deliver this support through partnerships in their area. We are seeing really practical examples of how financial health checks and basic IT skills training can help claimants build their independence to manage their both claim and their financial affairs more effectively.

Local trials have helped build our evidence base about the complex, often multiple barriers to work that harder to help claimants face. Using these findings, we are reviewing our Universal Support approach and considering how best to address a broader range of barriers.

One of the things we are exploring in particular is how we can improve appropriate sharing of data between partners such as other government departments and local authorities.

We intend to publish a social justice green paper shortly which will set out how we will identify and address the root causes of poverty.

## **Employment and skills for working age claimants**

We are committed to empowering claimants to find a job and earn their way out of welfare dependency. A key part of this is ensuring that we have a strong economy that provides the jobs vitally needed to give everyone a chance to fulfil their potential.

The latest labour market statistics show that employment rate remains at a record high of 74.5%. Since 2010 we have seen 2.8 million more people in work. 70% of that rise in employment is due to full-time jobs. Youth employment is up almost 200,000 since 2010 and female employment is at a record high (69.8%). And, importantly, there are 865,000 fewer workless households over the same period.

According to the Office for National Statistics (ONS), there are now over three quarters of a million full time vacancies available in the UK on any given day. This is above the level of vacancies before the recession and is a testament to the strength of our economy.

I have visited jobcentres across the country and am always impressed and inspired by the passion and professionalism of work coaches.

Work coaches both support claimants to find suitable work and help employers find suitable candidates. Working with employers helps us to understand the needs of the local labour market.

Over the last 15 years, there has been a notable increase in the number of individuals attaining Level 4+ qualifications and a reduction in the number of individuals with no qualifications. However, we know there is more to do. Individuals with less than level 2 qualifications have an employment rate of 58% compared to the overall employment rate of 74.5%.

The government has invested heavily in skills in England – the budget for academic year 2016/17 is circa £2 billion without apprenticeships. On apprenticeships, we are committed to reaching 3 million apprenticeship starts in England by 2020 and will ensure they deliver the skills employers and the economy need for growth.

Apprenticeships are a great way to progress in work and life and a great way for employers to improve the skills base of their businesses. They work for people of all ages and backgrounds and can transform lives. We are committed to making sure that apprenticeships are as accessible as possible, to all people, from all backgrounds.

All of this work benefits the economy. But it also has a really transformative impact on people's lives. We know that work is the best route out of poverty. And it can also be immensely beneficial to health and wellbeing.

## **Supporting more disabled people into work**

The government's vision for disabled people is that whatever their age or background, they should be able to fulfil their potential and have equal opportunities to play a full and active role in society.

We are committed to removing barriers that disabled people face and we have an ambition to halve the disability employment gap.

This is why in October we published [Improving lives – the work, health and disability green paper](#), which sets out the government's new and ambitious approach to improving work and health outcomes for disabled people and those with long-term health conditions.

We have seen improvements in disability employment – over the last two years the number of disabled people in work has increased by 323,000 – and successes in programmes like Access to Work and the Disability Confident

scheme.

However, we are committed to going further. And that is why we have published the green paper, which sets out our new approach to work and health and seeks views from disabled people and many sectors of public life on how best to achieve these aims.

Amongst other things, we are going to review the Work Capability Assessment to ensure those with the most severe needs can receive the support they need to find employment.

While these are important steps to make a difference, we know that the scale of our ambition for change will take time. The more people who are thinking and talking about how we improve employment opportunities for disabled people, the better. So, I encourage you to get involved and participate in our consultation (which closes on 17 February).

## **Supported housing**

Finally, it is of course important for me to say a few words about supported housing.

The government has announced a new funding model for the sector that will see core rent and service charges funded through Housing Benefit or Universal Credit, up to the level of the applicable Local Housing Allowance (LHA) rate.

When this system comes in from April 2019, we will devolve to local authorities in England an amount of ring-fenced funding to distribute to meet costs of supported housing above the LHA rate.

The government acknowledges the crucial work of the sector, which is why we want to both protect and boost the supply of supported housing.

That is also why we will ensure that the sector continues to be funded by government at the same level it would have otherwise been in 2019/20, taking into account the effect of the government policy on social sector rents.

We have also announced that the Shared Accommodation Rate will not apply to people living in the supported housing sector.

I have seen some fantastic provision first hand and I know what a difference good supported housing makes to people's lives. Ministers across government want to increase the role that quality, individual outcomes and value for money play in the funding model to ensure that all provision strives to be as good as the very best.

To ensure the new funding model works well for the sector, we have launched a [consultation on funding for supported housing](#), which runs until 13 February 2017. I would encourage as many of you as possible to respond whether individually or through the NHF, who I know are working hard on their submission to government. This consultation is one part of a wider listening exercise. My colleague Marcus Jones – the Local Government Minister – and I

have found it really valuable to have met with so many housing associations and other stakeholders to hear their views first-hand. DWP and the Department for Communities and Local Government (DCLG) are also running 4 task-and-finish groups on specific topics to feed into this consultation.

Your engagement is so valuable in ensuring the detailed design of the model is right. I would like to put on record again here today how grateful I have been to all the social landlords that have engaged in our work and shared their views and expertise.

I look forward to working with you all, and with the NHF as your representative body, to deliver this government's vision.