

nawra

national association of
welfare rights advisers

Work and Pensions Committee Universal credit update inquiry

NAWRA Response

March 2017

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The National Association of Welfare Rights Advisers – NAWRA

1. The National Association of Welfare Rights Advisers (NAWRA) was established in 1992 and represents advisers from local authorities, the voluntary sector, trade unions, solicitors, and other organisations who provide legal advice on social security and tax credits. NAWRA currently has more than 240 member organisations.
2. We strive to challenge, influence and improve welfare rights policy and legislation, as well as identifying and sharing good practice amongst our members.
3. NAWRA holds a number of conferences throughout the year across the UK, attended by members from all sectors of the industry. An integral part of these events are workshops that help to develop and lead good practice.
4. Our members have much experience in providing both front line legal advice on benefits and in providing training and information as well as policy support and development. As such NAWRA is able to bring much knowledge and insight to this consultation exercise.
5. NAWRA is happy to be contacted to provide clarification on anything contained within this document. NAWRA is happy for details and contents of this response to be made public.

Purpose of this response

The Work and Pensions Committee relaunched its inquiry into the rollout of universal credit on 21 February 2017

This response sets out the concerns of NAWRA members.

Methodology

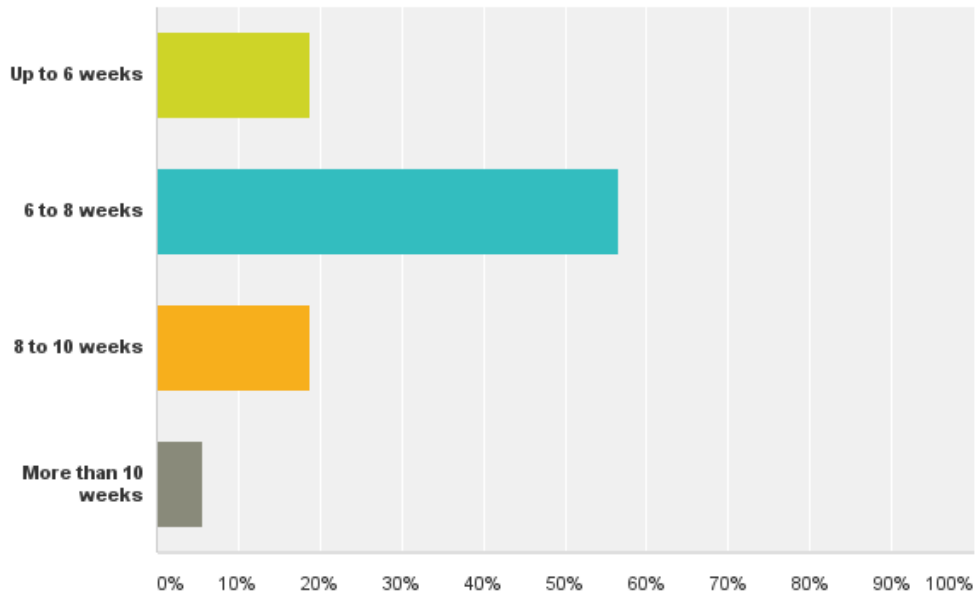
All member organisations were sent a survey via email. The survey was designed to address the specific aspects of the Committee's inquiry

The survey request was circulated to NAWRA member organisations and 69 responses were received. Although this is considerably lower than for other consultations this probably reflects that fact that universal credit is currently only having a big impact in areas where the full service has been rolled out.

For each aspect of the inquiry members were given a multiple choice answer which is demonstrated by the bar charts below and then a free text response which we have summarised below the chart.

Q4 How long on average are people waiting for their universal credit claim to be processed from the date of claim?

Answered: 53 Skipped: 16



Q5 Please give examples of why the delays are occurring and the impact this is having on your clients.

Members report multiple problems with delays with UC claims being processed, and this is having a significant detrimental impact on claimants. The most common cause of delays was the verification requirement, and in particular the verification of housing costs. Claimants who have old tenancies face difficulties as they are often not accepted by DWP for reasons such as old tenancy agreements, or if it includes the name of someone else who is no longer living in the property. The problems with assessing the Housing Costs element often means only the personal allowance element is processed initially, and the housing costs are paid later resulting in further delay. Members report that documentation can be provided several times before it is actually confirmed as received and then processed. The problems with the delays can be exacerbated by incorrect advice by DWP call centre staff.

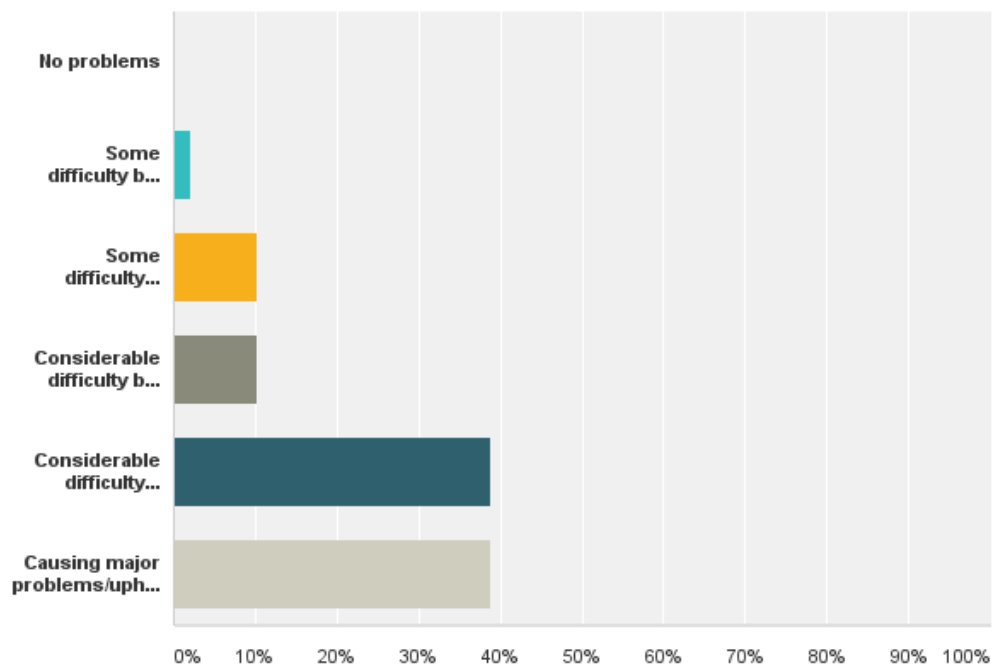
'On one occasion I was working with a young, vulnerable adult. He made a claim for UC and for some reason was not paid his Standard allowance after the 6th week. It was eventually paid after 8 weeks only when we intervened and rung the helpline together with our customer. The agent apologised and our customer was paid within the 3 hours. Due to vulnerabilities our tenant was not able to ring the helpline on his own.'

NAWRA member

The impact of the delays most commonly reported relate to increasing debts, and in particular rent arrears. Many members report the increase in rent arrears, and this leading to increase in homelessness. Members also refer to clients referring to loan sharks, pay day loan companies, borrowing from family and friends and increased reliance on foodbanks. Whilst many clients obtain an advance of UC, the requirement to pay this back over the next six months means that claimants continue to be in debt for a longer period and struggle to recover the situation.

Q6 How easy do claimants find it in general to manage monthly payments in arrears?

Answered: 49 Skipped: 20



Note: last five blocks above should read 'Some difficulty but managing to adjust', 'Some difficulty which is ongoing', 'Considerable difficulty but managing to adjust', 'Considerable difficulty which is ongoing', 'Causing major problems/upheaval'

Q7 Please give examples of the sorts of problems your clients are experiencing and any difficulties they have resolving them.

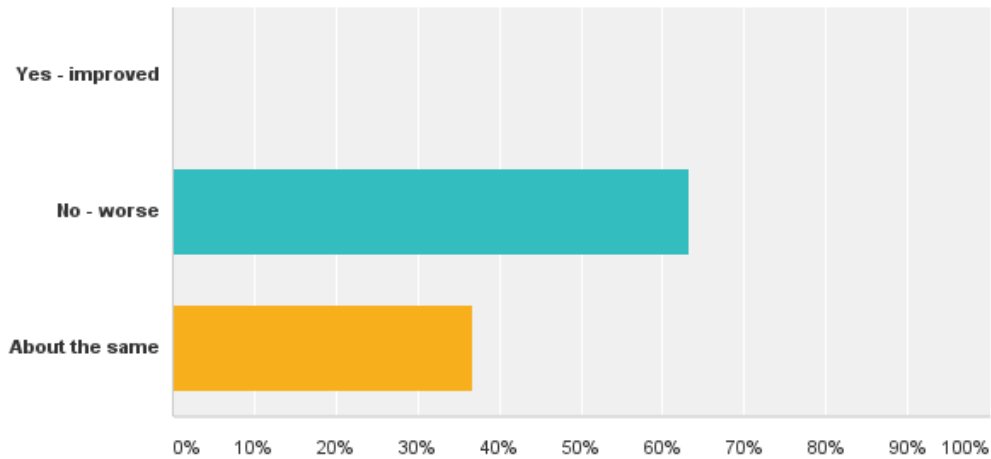
The most common difficulties members reported are around managing the cycle of debt, and particularly the difficulty in recovering from the start of the claim. Many claimants resort to incurring debts. The repayment of the UC advance, in addition to managing other deductions such as for rent arrears compounds the debt situation and claimants are not able to get back on their feet. With budgets being so tight, any unexpected outgoings cause already tight budgets to be further stretched.

Members refer to many clients being continually in rent arrears, some of which have never been in rent arrears before. Some social landlords are asking their tenants to accrue credit onto their rent accounts in anticipation of them transferring to UC, and the rent arrears which are likely to occur at that point.

Claimants who are in work face difficulties when they are paid more than once in an assessment period, or if they receive irregular payments. They often do not know what their payments will be as the system is too complicated to understand, particularly for self employed.

Q8 Has universal credit improved the accuracy of payments?

Answered: 49 Skipped: 20



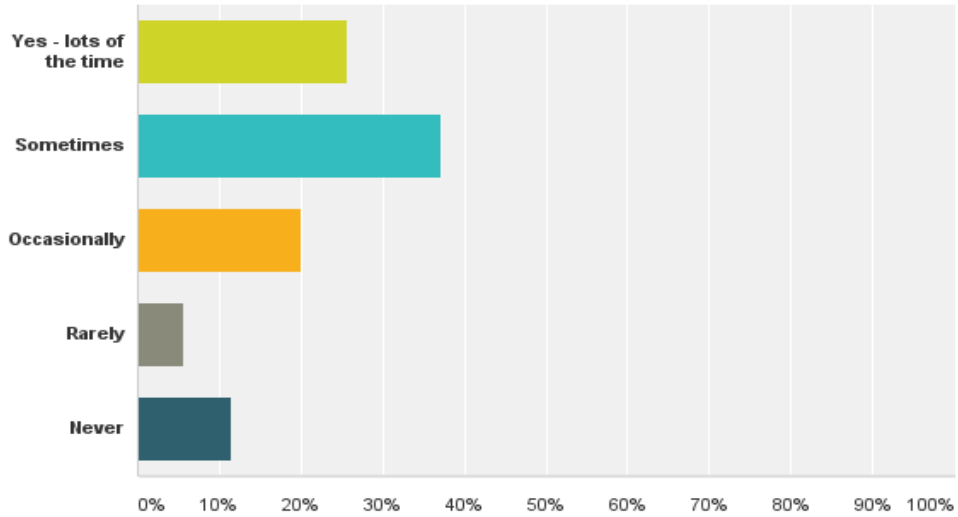
Q9 Please give examples of where things have gone well or not well, and give examples of any issues in resolving problems.

Members report that payments can be incorrect due to a variety of reasons. Elements can be missing, such as housing costs element, missing child element, or the LCW or LCWRA elements when they should be applied. Several members report claims where contribution based ESA is taken into account as income when the claimant is not receiving it. Errors with RTI information was also frequently referred to, and also significant problems when trying to resolve this problem. Some members also report payments would be missing or delayed without explanation. Waiting days is also an area where there are regularly problems with exempt claimants often having them erroneously applied.

When trying to resolve problems, members report a variety of challenges. For claimants trying to resolve the problems themselves, they face barriers of difficulties getting through to the DWP, expensive costs when contacting the DWP, and incorrect or conflicting advice when they do speak to someone. Advisers face significant challenges due to the need for explicit consent, which results in simple problems becoming time consuming to resolve.

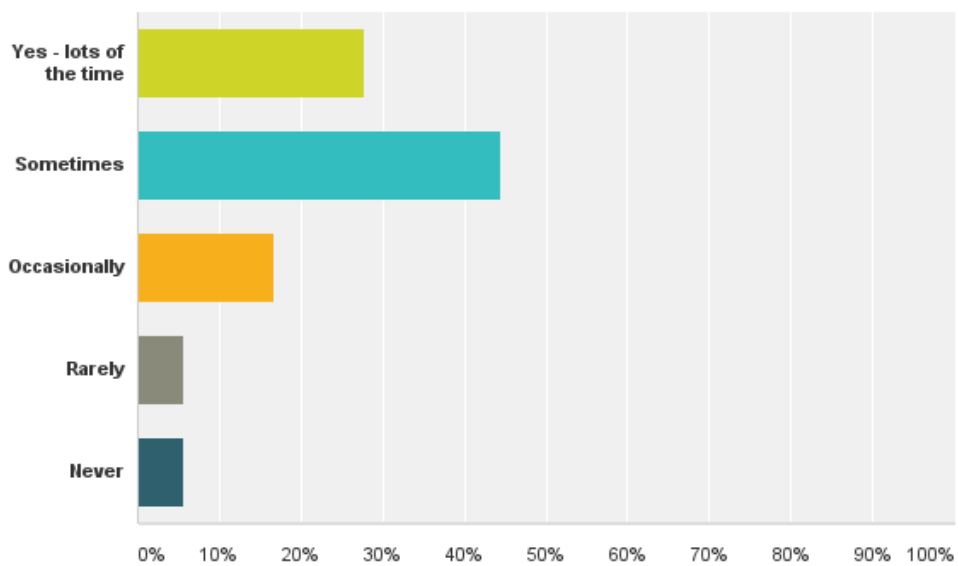
Q10 Live service only - have claimants reported making a new claim for universal credit and then found that the system has not registered their claim correctly?

Answered: 35 Skipped: 34



Q11 Full service only - have claimants reported making a new claim for universal credit and then found that the system has not registered their claim correctly?

Answered: 18 Skipped: 51



Q12 Please give examples including any issues in resolving the problem

Members reported that in the live service there were problems with the system crashing before the claim was complete, or people thinking the claim had been registered when it had not. These both led to delays in claim. Other problems reported included housing costs not being included and waiting days being incorrectly applied (exceptions not being picked up).

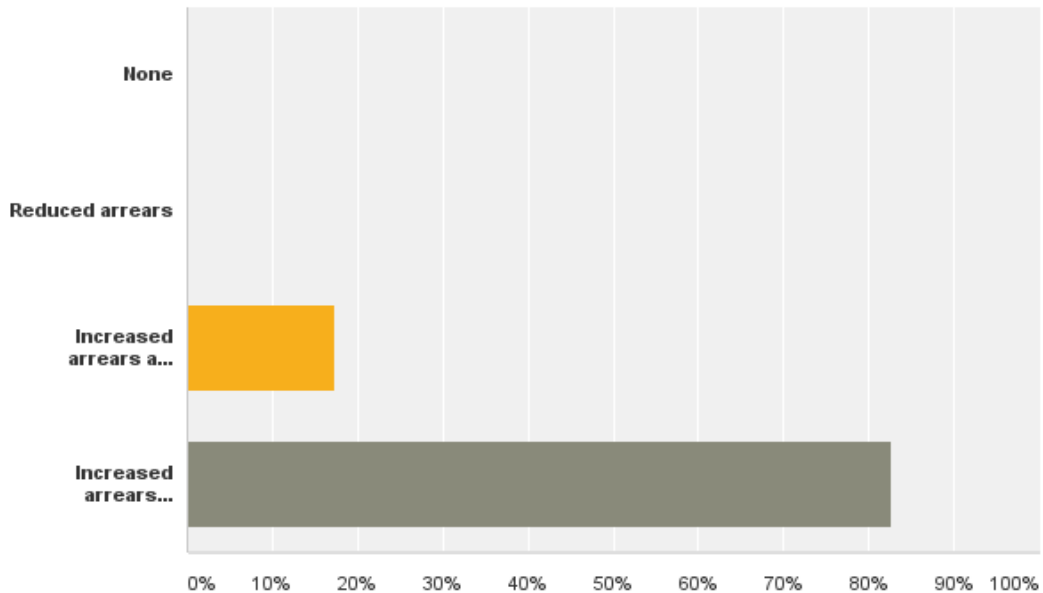
Within the full service problems claiming contributory JSA and ESA were reported. Claims were not accepted via the UC full service helpline as advised on gov.uk¹. In some cases UC was being paid instead of the contributory benefit leading to the person losing out on their national insurance credits and possibly, in the case of ESA, losing long-term entitlement to a contributory benefit.

Additionally members reported that claimants had great difficulty making a phone claim – rather than just having their phone claim accepted, claimants were expected to justify why they couldn't make an online claim.

¹ <https://www.gov.uk/guidance/new-style-employment-and-support-allowance> and <https://www.gov.uk/guidance/new-style-jobseekers-allowance>

Q13 What impact is universal credit generally having on rent arrears?

Answered: 46 Skipped: 23



Note: last two blocks above should read 'Increased arrears a little' and 'Increased arrears substantially'

Q14 Give examples of how this has impacted either on claimants or on landlords. Include if claimants have been evicted or under threat of eviction.

Many members reported problems with rent arrears increasing, notice seeking possessions being issued, and in some cases clients being evicted. Housing officers are struggling to get information from universal credit which is exacerbating the situation. Alternative payment arrangements are not being picked up by the work coach at the start of the claim and sometimes the full payment is not made due to third party deductions.

'Although numbers are low, all our tenants on UC have increased rent arrears since making their claim, there are no exceptions.'

Housing Association worker

Where tenants had been there for a long time, they had difficulty proving rent liability as there was no current tenancy agreement which caused delays in payments being made.

Additionally members reported private sector landlords being unwilling to take on claimants who were in receipt of universal credit because of problems with arrears.

Where rent arrears have built up deductions are being taken at 20% and advisers report that there is an unwillingness to negotiate a lower deduction although legislation permits a 10% deduction².

Q15 How could the situation be improved?

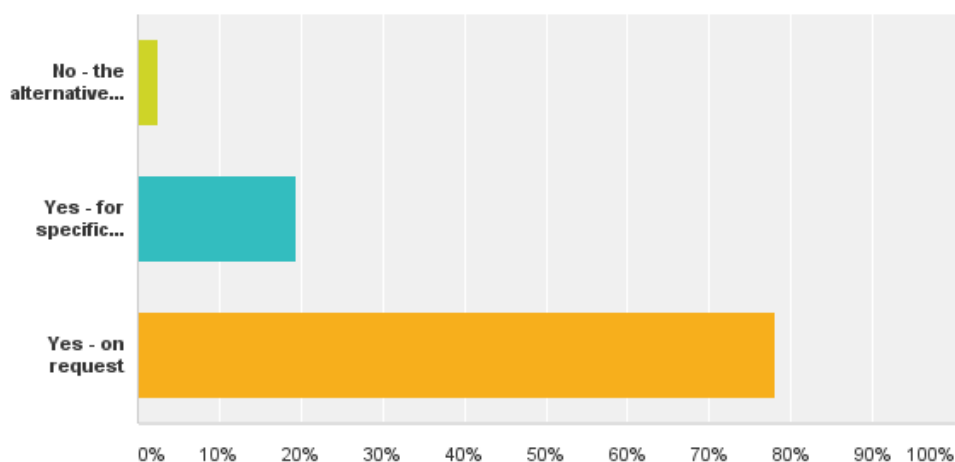
Suggestions from members to improve the situation included –

- Paying rent direct to the landlord in all circumstances or by default
- Better communications between housing benefit and universal credit where claims are transferring so that information is passed over and there is continuity of payment
- Simplified and faster verification process
- Better communication channels between landlords and universal credit
- Implicit consent so that problems can be resolved quickly
- Better explanation of what housing costs entail in the claim process
- Checks by the work coach that help with housing costs has been claimed where appropriate
- Need for alternative payment arrangements identified at first appointment with work coach and put into payment immediately
- Alternative payment arrangements paid on request rather than having to show vulnerability
- No waiting days for housing costs payments
- Pay housing costs payments sooner

² Schedule 6, para 7, The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013

Q16 Is more payment flexibility needed?

Answered: 41 Skipped: 28



Note: first two blocks above should read 'No – the alternative payment arrangements work fine', 'Yes – for specific vulnerable groups'

Q17 Where relevant specify who do you think would benefit from more flexibility and why.

Members highlighted that many claimants are vulnerable for many different reasons and suggested that it would be helpful if the DWP were to accept evidence from, for example, welfare rights advisers, support workers, social workers, family members and claimants themselves, and that this should be accepted readily without a need for lots of additional information which adds unnecessary stress and delay.

It was also pointed out that it is not only claimants that would benefit from more flexibility, but also landlords and work coaches who would then be able to better focus on their jobs rather than having to deal with crisis situations.

Q18 What could government do to facilitate this?

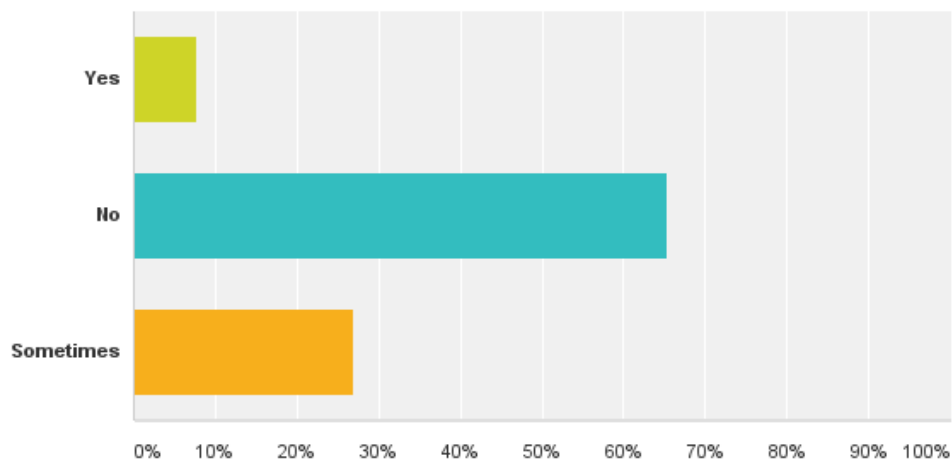
Government need to acknowledge that a significant number of low paid workers are not paid monthly and that having universal credit paid monthly does not help them in their budgeting skills. Because benefits are paid at a very basic subsistence level (exacerbated by the freeze in benefit levels and loss/cut of work allowances) budgeting is far more difficult and very many claimants are likely to need budgeting support, possibly on an ongoing basis. Claimants should be given the option for more frequent payments without having to justify their reasons.

Removing the waiting days would make a huge difference. Waiting days create an instant debt which might vary from around £70 to hundreds of pounds depending on the claimant's circumstances and costs. Before the claim even starts, claimants are already in difficulty even where there had no pre-existing debt. The system is set up to make people fail.

Also allowing welfare rights advisers and landlords implicit consent to get problems resolved more quickly and efficiently would help claimants, landlords and DWP staff.

Q19 Does universal credit provide people in emergency temporary accommodation with the support they need?

Answered: 26 Skipped: 43



Q20 What could be done to improve the situation?

'In one of our full service areas another local authority has reported a massive increase in rent arrears regarding temporary homelessness accommodation. Homeless claimants have frequently moved on before the UC waiting period is over, or before the end of an assessment period.'

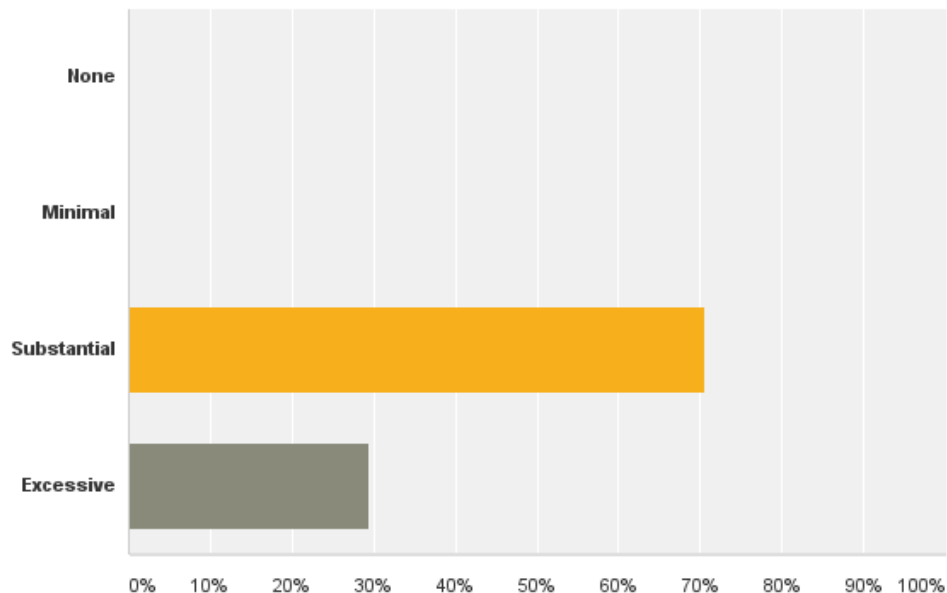
Local authority worker

The above situation is typical where emergency temporary accommodation is provided. Unless the claimant happens to be in the accommodation on the day their universal credit is assessed, payment will not be made. Where a claimant is in temporary accommodation there needs to be different rules so

that the housing costs can be met whatever point in the assessment period they arise. This needs to be addressed urgently.

Q21 What impact is Universal Credit having on the income and costs of local authorities, housing associations, charities and other local organisations?

Answered: 34 Skipped: 35



Q22 Please give examples.

Many members refer to the significant increase in rent arrears experienced by housing associations and local authorities. This will also lead to increased legal action and associated costs.

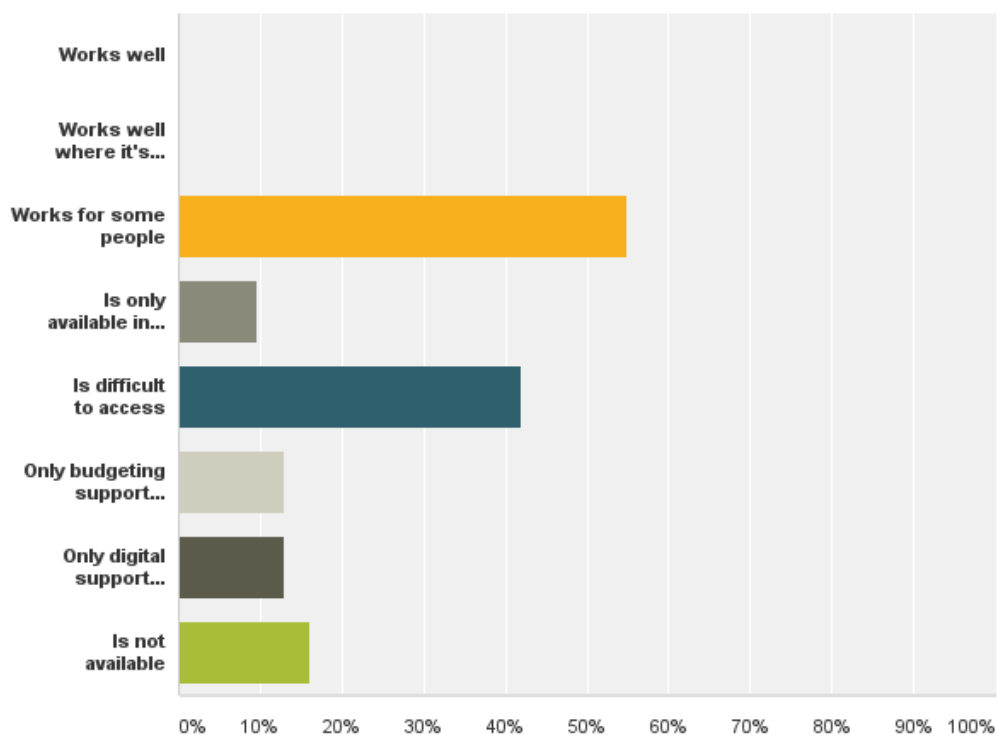
Support and advice services from local authorities, housing associations and charities all report that they are having to spend more time with UC claimants. This is resulting in significantly increased costs for staff time.

My workload has increased and so has that of the social workers. Although I have only had two full on cases, we are getting an increase in workload doing extra training, fire-fighting (I mean: Advising specific groups of the rules of UC And how to avoid getting a client on to a benefit that will not pay for 1mth), explaining away myths generated by the news about UC that may be inaccurate.

Local authority adviser

Q23 How well is universal support working? Tick all that apply

Answered: 31 Skipped: 38



Note: last seven blocks above should read 'Works well where it's available but there isn't enough', 'Works for some people', 'Is only available in very limited circumstances', 'Is difficult to access', 'Only budgeting support available', 'Only digital support available', 'Is not available'

Q24 Please give examples both of what works well and where it is not working

Some members had not even heard of universal support. Others reported a lack of referrals being made, or in some cases there were just too many claimants needing support for the services to meet their needs.

'Our local authority is contracted to provide both digital (claim) support and budgeting support and initially they were providing an excellent service (with great support materials for claimants). However, the sheer volume of claimants needing support is 'off the chart' and their ability to help everyone that needs it has been affected.'

Citizen's Advice worker

Many claimants had great difficulty getting online which could be due to facilities/knowledge/literacy or their health condition. People had trouble remembering passwords and how to access their email accounts. Some organisations reported a large demand on their computers which they could not always meet.

Other comments included whether the support was offered at the right time, for example claimants being offered personal budgeting support in the first month when they didn't have any money to budget rather than supporting them later on in the claim.

'Works with tenants who show up for job coach appointment – jobcentre are good in this area and are helpful. Does not work very well where the people have mental health issues – they need extra help and this is not available.'

Housing association worker

Q25 Do you have suggestions for improvement?

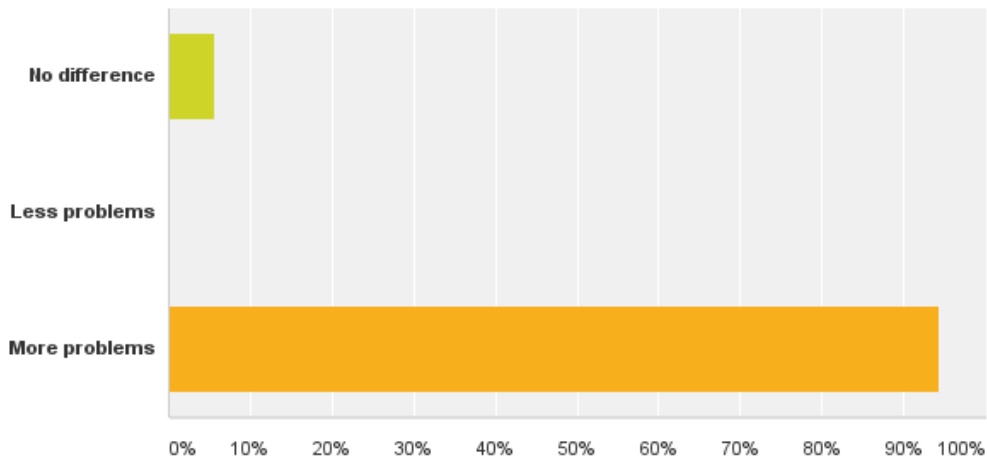
Generally there was just not enough support. Advice services are stretched to the limit and under continual threat of cut and the number of people needing support, particularly in full service areas where there is a more mixed claimant

group, is very high. Members also suggested that more face to face help was needed including outreach help in rural areas.

It was also pointed out that not so much budgeting support would be needed were there more flexibility in payments.

Q26 What impact has the introduction of full Universal Credit service had in areas where it has replaced the live service?

Answered: 18 Skipped: 51



Q27 Please give examples of the issues that are arising and any difficulties you have resolving them.

Members are seeing many more people who are losing out in the full service. Because the live service is predominantly non-disabled jobseekers, the amounts of money between legacy benefits and universal credit are comparable. But in full service there are disabled claimants too who can find themselves a lot worse off on universal credit due to the lack of disability premiums and there is no transitional protection where it is a case of 'natural migration'. There is no resolving this issue – the system is built to be less favourable to disabled people.

Additionally full service UC does not appear to have the flexibility it needs when dealing with people with health problems or caring responsibilities – there is a tendency for the claimant commitment to default to the standard full job-seeking commitment without taking into account personal circumstances.

'A client was submitting fitnotes to say she could only work 8 hours per week which she was doing as a self-employed cleaner. But they can applying a 35 hour minimum income floor (MIF) leaving her with no UC. We got the decision changed on mandatory reconsideration but the computer couldn't cope and put the 35 hour MIF on again. Her mental health was in tatters by the end.'

Housing support worker

Another problem that has arisen is difficulty claiming contributory JSA and ESA. As an organisation NAWRA has worked with the DWP stakeholder forum to improve this and there are now additional pages on gov.uk related to 'new style' JSA and ESA. However, it is still not straightforward to claim a contributory benefit, and at no point during the UC claim process are claimants advised of the possibility of claiming them. Not claiming them can lead to loss of NI credits and, in the case of ESA, possibly permanent loss of a benefit to which they may have been entitled indefinitely.

Making contact on the UC helpline is difficult and advice is not consistent. For example, EU nationals have been incorrectly advised that they do not qualify for UC despite having a right to reside other than as a jobseeker.

The lack of implicit consent in the full service makes it very difficult for us to support our clients. Frequently we may not be with the claimant when we need to speak to universal credit and this changed policy towards advisers is causing unnecessary delay and hardship. Despite representations made via the stakeholder group and Neil Couling, this situation remains unresolved.

Claimants do not always have the resources to access their online journal so they may miss something or be unable to make contact with their work coach – this can lead to unnecessary sanctions.

Conclusion

In conclusion NAWRA has serious concerns about universal credit - in particular as the full service rolls out which operates very differently to the live

service. While the live service involves an online claim, it is then managed in much the same way as legacy benefits. This is very different to the full service where there is an expectation that claimants can get online on a daily basis and are able to communicate digitally. The full service is also very different in that the claimant group includes far more vulnerable people with long-term health problems, disabilities and caring responsibilities.

If the full service is to have a chance of rolling out successfully NAWRA believes it is essential to incorporate changes and it recommends as a minimum -

- Allowing alternative payment arrangements on request - the computer system is already able to make alternative payments so there is no complication in allowing this. As already highlighted many low paid people are not paid monthly, and additionally budgeting on a very low income is made more difficult the longer the period between payments. Allowing flexibility would ease the transition for claimants, ease the administrative burden on the DWP, and lessen the need for such a high level of personal budgeting support.
- Recognising that for some people getting online on a daily basis may not be possible either because of their health condition or because of practical reasons such as broadband coverage. Alternatives such as phone or face to face contact need to be more readily available.
- Verifying and paying housing costs much more quickly. This could be enabled by being clearer in the claim process about what housing costs include and when you are liable, and by setting up better communication channels between landlords and UC processors.
- Taking payments for temporary housing out of the monthly assessment process so that all costs can be met as they arise and paid promptly.
- Removing waiting days for all claimants - there is no evidence to suggest that these in any way assist people with finding work - on the contrary lack of money makes it virtually impossible to job seek effectively. Waiting days put people in debt right from the start - a position from which they may never recover and which is likely to exacerbate any health problems particularly mental health.
- Reinstating implicit consent for advisers so that problems can be resolved as quickly and effectively as possible. If caseworkers for MPs can be allowed to use implicit consent there is no reason why welfare rights advisers and social landlords should not also use it.