



ISLINGTON

# **Policy and Performance Scrutiny Review Committee**

## **REPORT OF THE POLICY AND PERFORMANCE SCRUTINY COMMITTEE UNIVERSAL CREDIT**

London Borough of Islington  
**June 2019**

## **CHAIR'S FOREWORD**

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**COUNCILLOR ROWENA CHAMPION  
CHAIR POLICY AND PERFORMANCE SCRUTINY COMMITTEE**

# Universal Credit Scrutiny Review

## Aim

## Evidence

The review ran from September 2018 until April 2019 and evidence was received from a variety of sources

1. **Presentations from Council officers** – Ian Adams, Robbie Rainbird, Lesley Seary, Hannah Bowman – Housing and Adult Social Services
2. **Presentations from outside organisations** – Eugene Nixon – L.B.Southwark, Devan Ghelani – Institute of Policy and Practice. Citizens Advice Bureau – Jean Daly-Matthias, Alison Lamb, Marcia Gay – Peabody Trust
3. **Documentary evidence** – The cumulative impact of Welfare Reform in Islington – Policy in Practice research report (November 2016), Written evidence submitted to the Work and Pensions Committee – Universal Credit update inquiry by the Islington Debt Coalition and the Islington Resident Support scheme (5 September 2017), Letter from Chief Executive Islington (on behalf of Chief Executives) to Neil Couling, Director of Universal Credit, Response from DWP to letter from Councillor Burgess on support for learning disabled
4. **Visits** – **Focus Group with UC claimants, Meeting with Key Support Services. Barnsbury Job Centre, Islington Learning Disability Partnership UC Task and Finish Group, Pillion Trust**

The scrutiny initiation document (SID) is attached - **Appendix A**

**Appendix B – Examples of cases of claimants**

**Appendix C - Claimant's Survey**

**Appendix D – update on changes to UC since October 2018 and further announcements in January 2019 -**

**Appendix E – Statistics UC Rent Data**

## Overall Aim/Objectives of the Review

The overall aims of the Review were as follows –

To review the roll out of Universal Credit in Islington, understand the impacts on residents and services, and ensure that measures are in place to address or mitigate any risks or challenges and

To facilitate an effective challenge to the Government where appropriate

The objectives of the review were as follows –

- To gain a good understanding of Universal Credit Full Service (UC), how it works, and the main changes it introduces to the welfare system
- To assess the impact of UC on Islington residents, the Council, and other local services
- To ensure that effective support is in place for residents who will struggle to make and manage a claim for UC, particularly those with language or literacy needs, learning disabilities, mental health issues, and those with complex needs
- To ensure that any risks to the Council are being actively addressed and managed

- To identify any issues related to UC policy or processes, and the impacts on residents and services that cannot be resolved locally, and require escalating to Government
- To maximise the opportunities that UC provides around making it easier to move into work – and ensure that those claimants furthest from the labour market are able to benefit and receive tailored support
- To help improve the UC experience and application locally

## RECOMMENDATIONS

The Committee wish to highlight that the introduction of Universal Credit is a Government Policy, and has not been introduced by Local Authorities, and furthermore is not welcomed by this Council

The Committee are of the view that Universal Credit is not working for many residents, often the most vulnerable residents, and therefore request the Government to abandon the introduction of Universal Credit in its entirety

The Committee also call on the Government to recognise that the introduction of Universal Credit has placed a significant financial burden on Local Authorities, and other social housing providers, in respect of rent arrears/housing issues. The Government should ensure that Local Authorities are funded adequately to compensate them in this regard, due to the introduction of Universal Credit

Given the above, and the fact that the Committee are of the view that the Government is not likely to halt the introduction of Universal Credit, the Executive be recommended to approve the following recommendations to be directed to Government, and for action by the Council

## GOVERNMENT

### Recommendations – Claimants/Job Centres/Landlords

- 1. That the Government should recognise that there are a significant number of people who will never realistically be able to access sustainable work, due to ill health, disabilities, or caring responsibilities. The Government should also recognise that a number of those people having to claim Universal Credit are the ‘working poor’, and ensure that the welfare system, through Universal Credit and other benefits, provides adequate funding to enable all these people to have a reasonable quality of life**

*(The Committee believes that reducing the taper amount for the benefit earned over the work allowance from £0.63 to £0.60 will provide much needed support for the working poor, those with children, or with limited capability for work. The Government should immediately compensate those severely disabled people that have lost out by moving onto UC, and losing their severe/enhanced disability premium. The Government should take immediate steps to include disability premiums into UC permanently beyond a transitional protection. This is vital for essential living and care costs. The lack of them is likely to hinder disabled people’s ability to complete basic daily tasks, adding a further burden to a social care system, already at breaking point)*

2. **That the Government should ultimately scrap single household payments, and make ‘split payments’ standard. In the meantime:**
  - (a) **In circumstance where there are dependent children, Universal Credit should be paid to the main carer of the children**
  - (b) **Effective measures should be put in place to cater for circumstances where single household payments may cause financial hardship/or put one partner at risk of abuse**

*(The Committee noted that those suffering domestic violence etc. are often reluctant to request ‘split payments’, due to the fear of their partner finding out. The position of the DVA sector is to scrap single household payments under UC, and make split payments for couples standard as part of a new Government Bill on domestic abuse)*

3. **That the Government should address the issue of childcare support for parents wishing to move back into work, and ensure that the childcare element of UC is paid immediately, rather than until they are able to submit receipts for child care**

*(The Committee noted the difficulties placed on parents, in that when claiming UC, they do not receive the childcare element until they can submit receipts for childcare. The flexible support scheme currently in place is discretionary, and can only be paid for a few weeks, therefore parents will have to pay child care costs before being reimbursed through UC. This is a disincentive to parents wishing to return to work, and should be addressed if the intention of the Government is to encourage people back into work)*

4. **That the Government should ensure that local DWP offices have access to, and are able to share, with the Local Authority and partners –**
  - **Numbers of claimants being referred to foodbanks**
  - **Number of hardship payments**
  - **Monetary amount of hardship payments, as an average**
  - **Number/% of claimants who do not receive their first payment in full on time (and data as to reasons why)**
  - **Failed claims where residents have not completed their claim, or are refused UC, and reasons why**

*(The Committee heard evidence that some of the most vulnerable members of the community were waiting longer than the initial 5 week assessment period to receive payment of UC. The Committee felt that lack of access to this information meant that claimants were not able to challenge the delays, and this led to hardship. The Committee also heard evidence that it is important for the Council/Partners to have data to enable them to assist claimants who are in hardship, and to analyse reasons why claims have been delayed or failed, in order for support to be provided in these areas for claimants)*

**5. That the Government should fund Citizens Advice properly, in order to provide the level of service needed to assist claimants with their UC claims**

(The Committee are concerned that Citizens Advice are having difficulty coping at present/will not be able to cope in future, with the level of assistance that claimants will need, especially when full migration takes place. Our view is that inadequate levels of funding have been allocated to Citizens Advice in this regard)

**6. That the Government should -**

- (i) Introduce a paper copy of the UC claim form, due to the difficulties that the learning disabled, those with mental health problems and carers, in particular, as well as those claimants who are unable to use/access a computer who are on low incomes, are facing in completing 'on line' forms**
- (ii) Introduce a more flexible approach to backdating of UC payments for those claimants who experience difficulties in claiming**
- (iii) Remove from the 'online' claim form the section that claimants have to complete, stating that they are available for work or make an alternative available**

(The Committee heard evidence that claimants/carers are often 'timed out', when completing the 'online' form, and this leads to frustration for carers and claimants, particularly those with disabilities. In addition, some claimants may never be able to work, or have limited work capability, but have to complete this part of the form. This question should be removed from the 'online' claim form, or an alternative made available, in order that claimants can complete the form with an option stating why they are not available for work/have limited work capability)

**7. That the Government should ensure that self- employed people receive the same amount of support through UC, as employed people. This can be achieved by removing the minimum income floor for self-employed people**

*(The Committee heard that self-employed people are amongst those that can lose up to £200 per month when transferring to UC. It can be difficult for those that are self-employed to budget with an irregular income. The minimum income floor makes an assumption of how much self-employed people will earn. If they actually earn less than their minimum income floor in a given month, this means that they will be treated less favourably than others on UC. The Committee believes that the minimum income floor should be removed, and that self-employed people should have their UC entitlement calculated on their actual income)*

**8. That the Government, should make it a statutory requirement for private sector landlords to provide tenants with information on their rent, in a timely manner, to support their UC claim. This will also assist with regard to the difficulties, in relation to the provision of some claimants of information to support their application for Universal Credit, e.g. information to support the Habitual Residency Test. The Government should also other introduce measures, in order to ensure claimants can more easily provide information on their status, in order to support any claim for UC**

- (The Committee heard evidence of residents struggling to provide the evidence to verify their claim or to meet the Habitual Residency Test to be eligible for UC. The Committee heard evidence of a teacher who had worked in Islington for many years, but on coming back from holiday found her UC claim had been rejected. Such problems lead to delays and hardship, and the need for claimants to seek legal advice through support partners)

**9. That the Government should ensure that Job Centre/Citizens Advice staff provide adequate information to claimants/Local Authority on the availability of food banks/offer advice on healthy eating. The Government should also provide data on the number of hardship payments made, the amount of such payments, claimants that do not receive their full entitlement, within the agreed timescale, and reasons for such late payment, together with the number of referrals made to Food Banks. This information should be provided on a regular basis**

(The Committee were concerned that there is a lack of information being made available by JCP and Citizens Advice staff not referring claimants to Food Banks. Given that the Government has admitted that the use of Food Banks has increased significantly since the introduction of UC, and often claimants are the 'working poor', (the group that UC claimed to have been introduced to assist) this information should be made available to claimants)

**10. That the Government should pay the Housing element of UC directly to social landlords, making the process more efficient. The Government should also accept rent figures provided by 'Trusted Partners,' and should allow them to enter annual rent charges on the Landlord Portal. This would assist in avoiding the need for large volumes of rent verification requests**

*(The Committee heard evidence that the 5 week assessment period is too long and leads to hardship, especially for vulnerable residents. This leads to a spiral of debt, and rent arrears for claimants, arrears for landlords, and reduces the amount of money available to claimants in the future, as the advance payment has to be repaid from future UC payments. The numbers of alternative payment arrangements and advance payments required confirm that these are not an exception, the system needs to be improved. Making the changes suggested will benefit all parties in the process, and make the process far more efficient)*

**11. That, whilst it is noted that claimants can request Alternative Payment Arrangements, there should be a simplified system for rent to be paid directly to Private Sector**



**Landlords, given that this is an area where evictions are more likely to occur, arising from rent arrears accruing, due to delays in UC payments to claimants. The Government should put in place measures to address this**

(Please note Committee's views on APA's outlined at recommendation 9 above. However, if APA's are to continue, the Committee noted that whilst there is a system in place for APA's to be made available to 'trusted providers', such as Local Authorities, this is not the case for private landlords, although a pilot has been introduced by the Government. The Committee are of the view that the Government should also accept rent figures quoted and accept referrals for APA's from 'trusted providers' without the need to check further. This will make the process more efficient)

**12. That the Government should protect the services currently offered to claimants by Job Centres, and that there should be no reduction of services. The Government should also ensure that 'work coaches' are at least retained at the current level, if not increased. Best practice should be 'rolled out' across all Job Centres, where there is a high satisfaction level amongst claimants**

(The Committee noted and welcomed that a recent limited survey of claimants had shown high levels of satisfaction with the service provided at the Barnsbury Job Centre. It is felt that where best practice has been identified this should be 'rolled out' across other Job Centres. The Committee are of the view that with cost pressures on the Government they will attempt to reduce staffing levels at Job Centres, and this should not happen, and current levels should be retained, or even increased)

**13. The Government should reduce the 5 week assessment period for UC, before the first payment is made. At the very most, the wait should be no longer than one month – the period a person in work might wait for their first salary. The period for repaying advance payments should be increased to at least 2 years, with provision for a longer period, if the claimant can demonstrate that the consequent reduction in their benefit would cause financial hardship. That increased period should be brought in immediately**

(Many claimants, particularly those transferring from 'legacy benefits' do not have the resources to meet the costs of rent, food, bills and childcare, whilst awaiting their first payment, and the situation can be exacerbated if there is an issue with their claim causing further delay. Advance payments are available, but these are loans, rather than grants, and must be paid back over 12 months (extended to 16 months from October 2021)

**14. That the Government should recognise that the introduction of Universal Credit has resulted in additional costs being placed on Local Authorities, at the same time as**

**Local Authority funding is being reduced generally. The Government should be requested to ensure that Local Authorities are funded adequately, to deal with these additional costs**

*(The Committee noted that the Housing Benefit Administration Grant and the Discretionary Housing Grant funding has been reduced severely in recent years, and there are increasing rent arrears as a result of the introduction of UC)*

## **COUNCIL**

### **Recommendations - Claimants/Information/Work with voluntary sector**

- 15. That the Council should continue to support the voluntary advice sector, and where possible, assist in increasing the capacity of specialist advice services. In addition, the Council should work in partnership with the voluntary sector, and other statutory partners, and support the establishment of a forum for agencies with an interest in Universal Credit, to share and collect information, including on the use of food banks, to provide to the Government as evidence for future changes to Universal Credit**

*(The Committee noted the good work undertaken by the voluntary advice sector, and statutory partners and supported the suggestion that a forum should be established)*

- 16. That it is noted, and welcomed, that the Council is taking all available opportunities to support residents with the introduction of UC, and that a number of initiatives are being taken by the Council, the voluntary sector and partners in order to assist residents, as outlined in the report. The Committee are of the view that there should however, be additional support provided for the most vulnerable residents, such as residents with mental health problems, learning difficulties, BME communities and the disabled**

*(The Committee were concerned that the most vulnerable residents were the most likely 'casualties' of the introduction of Universal Credit, and where possible additional support should be particularly aimed particularly at these group)*

- 17. That, whilst noting that information on support and advice to residents is available, it should be ensured that up to date information is provided in Council publications, online, in councillors' ward surgeries, self-help groups, GP surgeries, on electronic noticeboards on estates and by the organisation of workshops, where necessary. Consideration should also be given to a future communications strategy, once full migration takes place, to enable residents to have access to all necessary information, and support, to assist them with claiming UC at the most appropriate time**

*(The Committee were of the view that whilst information has been made available once full migration takes place a more detailed communications strategy should be looked at. In addition, given the ever changing nature of UC, as a result of changes to UC by the Government, updated information should continue to be provided to residents)*

- 18. That there should be a common approach established with social housing providers in the borough, for dealing with tenants, who may fall into arrears during the 5 week assessment period, as a result of claiming UC. The Committee are of the view that the Council should discuss this issue with other social housing providers in the borough, with a view to establishing a common policy/support framework to deal with such instances**

*(The Committee are of the view that all social housing providers in the borough should establish a common policy so that tenants know that all social housing providers are following the same procedures in respect of tenants in receipt of UC)*

- 19. That the Policy and Performance Scrutiny Committee should receive regular updates on performance data relating to UC**

*(The Committee were of the view that they should be updated by the Executive Member Policy, Performance and Community Safety of information relating to UC, including the level of rent arrears, in order that this can be monitored on a regular basis)*

## MAIN FINDINGS

**PLEASE NOTE THAT THE EVIDENCE DETAILED BELOW STATES THE SITUATION AT THE TIME THE EVIDENCE WAS TAKEN. AS THE GOVERNMENT HAS BEEN AMENDING THE REGULATIONS AROUND UNIVERSAL CREDIT DURING THE COURSE OF THE REVIEW AND SOME CHANGES HAVE BEEN ANNOUNCED THAT WILL TAKE PLACE OVER THE COURSE OF THE NEXT TWO YEARS – A SUMMARY OF THESE CHANGES IS ATTACHED AT APPENDIX D TO THIS REPORT**

### Background Evidence – September 2018

1. The Committee commenced the scrutiny in September 2018, with evidence on the introduction of Universal Credit (UC), from Robbie Rainbird, Head of Processing, Finance and Customer Services
2. The Committee were informed that since 2010, the Government has introduced significant reforms to the welfare system, aimed at encouraging people into work, and simplifying and restricting benefits and saving money. Some key changes include – restrictions of universal credit (non means tested) support e.g. child benefit, caps and freezes on welfare spend, changes to Local Housing Allowance, introduction of the Bedroom Tax, a benefit cap which was initially £26000 in London, (later reduced to £23000), and tougher requirements on Job Seekers Allowance (JSA), and requirements for long parents to find work
3. There were also changes to restricting benefits for EEA migrants, changes to sickness benefits, the replacement of Incapacity Benefit with Employment and Support Allowance (ESA), and the requirement to undergo a work capability assessment. In addition, there have been changes to disability benefits by the replacement of Disability Living Allowance (DLA), with Personal Independence Payments (PIP), and changes to Tax Credits and other family support
4. The proposed aim of the introduction of Universal Credit was to simplify the Benefits system, and there have been further changes since 2017. These include – support with childcare, tax free childcare has been introduced, - the Government contributes up to 20% of the first £10000 of costs per child per year, (up to a maximum of £2000 per child per year, for people with income around £15000 per annum, and not receiving child support, via tax credits. The free child care entitlement doubled from 15 hours to 30 hours per week for working parents of 3 and 4 year olds
5. In terms of benefit support for children, there is a 2 child limit support through tax credits, and the Universal Credit and Family Entitlement has been removed. People starting a family are no longer eligible for the Family Element in Tax Credits, or the First Child element in Universal Credit

6. There have also been further changes to ESA, and the work related activity component has been abolished. New claimants that are placed in the Work Activity Related Group (WRAG), now receive the same rate of payment as those claiming JSA or Universal Credit equivalent. The ESA permitted work limit has been removed, and claimants undertaking permitted work, and earning between £20-£120 per week, no longer have to stop work, or stop claiming after 52 weeks. ESA sanctions have been reduced, and claimants who are sanctioned now receive 80% of their benefits. This does not apply to those in WRAG, who will receive 60% of their benefits
7. The latest changes that have been introduced include a Universal Credit Youth Obligation, whereby 18-21 year olds who have been claiming UC for 6 months, now have to apply for training/apprenticeships through a work placement
8. In addition, Bereavement Support Payments have been introduced for all new claims from April 2017, and this replaces Bereavement Allowance, Bereavement Payment ,and Widowed Parents Allowance
9. The earnings threshold for Benefit Cap exemption has changed from a fixed rate of £430 per week, to the amount a claimant would earn if they were working 16 hours a week at the national minimum wage, so that most people have to earn more before they are exempted from the cap. In addition, support for mortgage interest is no longer available for new or existing claimants, and these people will now have to apply for a loan instead
10. There were also a number of changes announced and implemented in 2018, following feedback from Pilot areas, such as L.B.Southwark, where Universal Credit had been introduced. These include Advance Payments, the removal of the 7 day waiting period, a 2 week Housing Benefit 'run on', and making it easier for claimants and social landlords to have rent paid directly to the landlord
11. There are still further proposed changes to be introduced. Childcare support will be changed from Autumn 2018, and employer childcare vouchers will no longer be available to new claimants from October 2018. Existing claims will continue until the child is 15 (or 16 if disabled), or the claimant starts claiming under another scheme (as part of Working Tax Credit, Universal Credit, or Tax Free Childcare), whichever is the earliest
12. Self- employed people, from April 2019, will no longer pay Class 2 National Insurance contributions, which currently count towards contributory benefits e.g. new state pension. Clarification is still awaited on how Class 4 contributions will count towards benefit entitlement
13. In terms of the 'roll out' of UC, families with 3 or more children should be able to claim UC from February 2019 onwards. There will also be a transfer of the initial batch of Islington UC 'live service' claimants to full service from 5 September – November, numbering approximately 1700 residents. In addition, there will be migration of all existing benefit claimants, for all legacy

benefits from 2019-22, which number around 20,000 residents in Islington, dependent on how many residents are moved over earlier

- 14.** The Committee were informed that UC 'Full service' was introduced in Islington in June 2018. Most new claims, plus existing benefit claimants with a change of circumstances, will now claim UC, instead of the current legacy benefits. Exceptions are – Families with more than 2 children (this is temporary, as DWP aim to include these from this year), residents in supported housing or temporary accommodation can continue to claim housing benefit, and people of pension age, currently 65, and those on UC who reach 65, will be required to move back to housing benefit
- 15.** Existing UC claimants (the first batch that moved from November 2018), moved to UC full service from 5 September to November 2018. All remaining claimants not yet moved over will migrate between 2019-23, and as stated previously, Islington has at least 20,000 residents claiming housing benefit, and one or more out of work/in work benefits, so that UC will have a big impact on Islington residents
- 16.** The Committee noted, as stated earlier, that Universal Credit is the new means tested benefit, that has been introduced by the Government, for people of working age, which replaces six means tested benefits – Housing Benefit, Child Tax Credit, Income Support, Working Tax Credit, Income Based JSA, and Income related ESA. It is a single monthly payment to a household (a household counts as a single person or couple with any dependent children). Claimants receive a standard allowance plus extra money if they have children, a disability, or a health condition, care for somebody who does, or qualify for assistance with rent or other housing costs
- 17.** The Committee were of the view that residents should be made aware that the introduction of UC is not a Council initiative, but a Government one, and that a communications strategy should be put in place in future informing residents of this, and the assistance that the Council is offering to residents. This has been addressed in our recommendations
- 18.** There are various 'triggers' for a move to UC and these can include a change in family circumstances, or other changes. These include a move to working more than 16 hours, to less than 16 hours, a move from being out of work to being sick, or vice versa, a move from being sick to working more than 16 hours, or a move from in work to being sick. In addition, changes to family circumstances, including where a household becomes responsible for a child for the first time, change of address in the relevant postcode area that requires a new claim for housing benefit, where an out of work lone parent becomes part of a couple parent, where an out of work couple parent with a child under 5 becomes a lone parent, where a partner leaves/joins a household, where a claimant is within 11 weeks of the birth of a child, and where an out of work lone parent's child reaches the age of 5, can also trigger a change to UC. Other changes include a new/underlying entitlement to legacy benefit/s, attending Court of jury service, cessation of full time education, being remanded in custody, income/capital goes over the threshold, or taking on full time caring responsibilities, or where the claimant is no longer a full time carer

**19.** A claim for UC is made via the claimant making an online claim on the DWP website. The claim can be saved, however it is only valid when the claimant presses the 'submit' option. The claimant then receives a text or e mail, with a telephone number, in order to make an appointment with an allocated 'work coach' in the local job centre, and a failure to attend for interview could risk the claim being cancelled. The claimant has an initial meeting with the 'work coach', to clarify information relating to the claim, and a first payment will be received 5 weeks after this, subject to information being received. The rationale behind this is that as a claimants' application form is completed online, it would free the 'work coach' staff up to concentrate on assisting residents to find employment. There would also be Council staff, and other support staff present, to assist claimants. Actions are also then agreed to move towards work, and arrangements made as to how often the claimant should meet with the Job Centre 'work coach'

### **Key risks for Claimants/Support available**

- 20.** A major risk to the Council, and other housing providers is In relation to payment of rent, and the possible increase in arrears. In the case of Council tenants, the Housing Income Team, is notified of a UC claim via a landlord portal, and asked to verify the rent. Where the claimant is claiming housing benefit, the local authority is advised that the claimant has made a claim for housing benefit, so housing benefit will stop. The Housing Benefit team will, however, enable there to be a 2 week run on period, to cover rent for the next 2 weeks
- 21.** There are key risks and challenges with the introduction of UC. These include the fact that claims are made and managed online, so that claimants will need access to IT, and will require the digital and literacy skills to manage their claims. All contact is by e mail, text, or UC journal. There are no letters, and claimants will have to look regularly at their UC journal, and 'To Do list', and enter updates on activity. Claimants are expected to take more responsibility than previously
- 22.** Payments for UC are made monthly in arrears, and this will be a change for people on out of work benefits, who are at present paid weekly or fortnightly. Claimants will need now to budget monthly. Claims are not backdated, but paid from the day the claim is submitted, so it is important that claimants are advised, and supported, to submit their claim as soon as possible. There is a minimum 5 week waiting period, before the first payment is received. Housing costs are included in the payment, and residents will be responsible for ensuring that their rent is paid, unless Alternative Payment Arrangements (APA) are put in place. This is dealt with later in paragraph 24 below
- 23.** The positive changes are that it will be easier for residents to move in and out of work, as claimants no longer need to 'sign on or off', as they move in and out of work. Payments are based on earnings, not hours worked, and claimants no longer need to worry that their benefits

will stop if they work over 16 hours. UC will continue, but will be adjusted up and down, depending on earnings. Claimants have a personal allowance, and anything they earn above that is subject to a taper (37p is kept in the £), The DWP system accesses 'real time' information from HMRC for the previous month, and adjusts payments accordingly. There is no fortnightly 'signing on', so 'work coaches' can assist more people who want to work, and they will also have mixed caseloads, including those people previously in receipt of ESA. There is funding for training and Access to Work funding, in order to help claimants who need extra support to move into work

- 24.** The Alternative Payment Arrangements (APA's) are designed for those claimants who will struggle with the new monthly payment model. There are 3 options available. Rent can be paid directly to the landlord, claimants can request this, and social landlords can request APA's as trusted partners, however private landlords need the consent of the claimant. There can also be the option of more frequent payments – half monthly, where a claimant will struggle to budget monthly. The third option is splitting the payment to the household, such as where there is a risk of domestic violence, gambling etc.in the household
- 25.** The evidence from those areas, where full UC has been introduced, is that rent arrears have risen significantly. Rent arrears have also risen in Islington, since the limited introduction of UC in June. Islington however, is now taking a proactive approach, and is using APA's, where there is risk of tenants struggling to pay rent. The Council has adopted a two tier strategy of risk – Tier 1 factors - which indicate a highly likely/probable risk - include drug/alcohol and other addiction problems, learning difficulties (including problems with literacy and numeracy), severe/multiple debt problems, in temporary or supported housing, or are homeless or subject to domestic violence, or abuse. In addition, other tier one factors include mental health problems, if a tenant is currently in rent arrears, are at threat of eviction or repossession, or if a claimant is a young person 16/17 years old and/or a care leaver, or if they are a family with multiple and complex needs
- 26.** Tier 2 factors include - if a claimant has no bank account, third party deductions are in place, a claimant is a refugee or asylum seeker, there is a history of rent arrears, a claimant has been previously homeless and/or in supported accommodation, disability, recently left Prison or hospital, recently bereaved, lack of language skills, where English is not the first language, ex-service Personnel and NEET's
- 27.** Claimants who will struggle to cope during the 5 week waiting period can ask for an advance payment. This can be requested at the claimant's initial meeting with the 'work coach', or at any time before they are paid. This can be any amount up to 100% of their monthly payment, and it is then paid off over the following 12 months, (to be increased) deducted directly from their monthly payments. Evidence from other areas, where UC has been introduced, has shown that the waiting period for payment caused real financial hardship, and increased demand on Food Banks and Local Authority crisis schemes. Advance payments can be of real assistance,



however it means that households have less to live on over the next 12 month period. See Appendix D of the report for updated information

- 28.** In terms of Islington's Universal Credit offer, the Council's approach is that, whilst UC has been introduced by the Government, and is not a Council policy, the Council wants to help residents to be able to make and manage a UC claim, and ensure rent is paid. Staff should refer residents to DWP for issues with their claim. Advice Partners can also help, and Income Maximisation (IMAX) can assist residents to work out financial implications
- 29.** The Council will work to proactively encourage, and apply for Alternative Payment Arrangements, but also to adopt a cautious approach. Council Tax is not included in UC, however this needs to be notified as part of the UC claim, and Islington will take notification from DWP, as a trigger to offer Council Tax support. The Council's support offer also focuses on helping residents to adjust to the changes that UC brings, such as making and managing claims online, budgeting and ensuring rent is paid
- 30.** Digital support will be provided at a new Digital Zone in the Customer Care Centre at 222 Upper Street, and PC's and scanners will enable residents to self-serve. Citizens Advice volunteers will be on hand to support claimants to make and manage their claim. New UC supervisor/caseworkers will support volunteers on difficult cases. There will also be digital access in Libraries, and Library managers have all been UC trained, and this training will be cascaded to all Libraries staff. Computers will also be available in all Libraries for residents to make and manage UC claims. Staff will be on hand to give basic support to assist residents to go online, and if necessary, to refer residents to more UC specific support at 222 Upper Street
- 31.** There are a number of key messages that are important to convey. Not all residents will have been migrated to UC from 20 June 2018, this will be just new claimants, and also some residents with a change in circumstances. The resident is responsible for their claim, however there is a lot of support available to help with changes. UC claims are not backdated, and therefore a claim must be submitted as soon as possible, and it is important for residents to attend the interview with a 'work coach', as their claim may be cancelled if they do not. Council Tax support could be claimed, if a resident is eligible, however it should be noted that UC does not include Council Tax support, but does include a reminder on this for claimants
- 32.** Claimants can also be assisted through the Discretionary Housing Relief scheme, and we noted from the Press Release from the Executive Member Finance, Performance and Community Safety that the Council has assisted over 2000 residents to date through the 'one off' discretionary housing relief scheme up until April 2019. The Council aims to alleviate the pressures that the Government's welfare reforms are putting on households by automatically making this 'one off' payment to Council tenants in receipt of Universal Credit, regardless of when they transferred to it. This additional funding by the Council of £250000 is needed to assist residents, some of which are the most vulnerable members of the community

- 33.** The Committee also noted the recent statement from the Government in a parliamentary answer that they appreciated that Councils are experiencing budgeting challenges, but UC should not be contributing to them. New Burdens funding has been provided to cover additional costs associated with UC, and the Department for Work and Pensions will consider reimbursing Council's for any additional costs that are not already supported by New Burdens and UC support funding. The effect is that UC introduction should not leave Council's 'out of pocket'
- 34.** The Committee are of the view that whilst UC is a failed system, if it continues then additional support and funding should be provided to the Council
- 35.** Another emerging problematic area that has been notified to the Committee is the area of parents needing help with childcare costs. Parents moving into employment have to pay upfront childcare costs, but do not get the childcare element of UC until they submit receipts. This requires them to have available funds to pay for childcare, in order to start work. The Flexible Support Fund is discretionary, and can only be paid for a few weeks, but at some point the parent has to pay childcare costs before being reimbursed by UC. This is proving to be a real barrier for parents starting work. Although childcare support was intended to be more generous under UC, the process and payment system is making it more difficult for those parents who want to move into work. The Committee feel that this is another issue that needed to be addressed and have made a recommendation in this regard
- 36.** There is no universal information campaign from the Council about UC, and it should be noted that the bulk of claimants will not be switching to UC until planned migration, so any campaign at present may mean there is a risk of causing alarm, or confusion, at an early stage. Instead effort has focused on getting frontline staff across the Council, and partners, trained on UC, so that they are able to signpost and offer advice. Simple one page handouts have been produced for frontline staff to hand to residents, who need to claim UC. Housing staff will be writing to tenants when they make a claim, with information and advice on where to get help. Prompts have been added to the Home Connections site, to advise that moving home could trigger a move to UC. There is also an article in the UC resident's e bulletin in July, and in the Islington Life Autumn edition, together with a webpage on the LBI website
- 37.** Council staff are being prepared with briefings and training, and there is a comprehensive programme of training for frontline staff, together with a basic overview, with an option for detailed training on UC claims, for staff who need more in depth knowledge A staff information pack, which contains a UC factsheet, a summary of Islington's support offer, and a directory of support and advice will also be available. There has also been a briefing for elected Members
- 38.** In terms of monitoring the impact in relation to Governance and support, there is an UC Member Board, to look at the impacts of the first 3 months, and to address any emerging policy

or support issues. The UC officer group will continue to meet on a regular basis, and will monitor the situation, and escalate any issues to elected Members, and provide periodic updates

- 39.** There will also be day to day monitoring through the support services at 222 Upper Street, and Libraries will monitor demand and issues that arise. The local DWP leads have provided details of escalation routes, i.e. who to contact at the Job Centres, when there is an issue. The Council are also willing to raise any wider issues relating to UC claims on process, systems, or policy at departmental level. Frontline teams are advised to raise any emerging issues, either problems with UC claims, or with the wider support offer
- 40.** The Committee were informed that from 20 June 2018 onwards, (the introduction of full service UC) there have been around 1700 new claimants for UC, (as at 4 September), which equates to around 20 per day. DWP staff are aiming to offer clear assessment interviews, the day after a claim is made, but as numbers grow, this is likely to become more difficult. The aim is to focus on ensuring all new claimants are paid on time, and are receiving the correct amount of money
- 41.** Council/advice partner support is in place, but initially take up has been very low. The initial emerging issues are that claimants are completing their application on line, however they are not phoning the Job Centre to make an appointment. It should be reiterated that the UC claim will be cancelled if the claimant does not have an interview at the Job Centre. In terms of claims that require more intensive support at the Job Centre, e.g. those claimants with language needs, mental health or learning difficulties, whilst ‘work coaches’ have been trained in dealing with these claimants, it is being found that these and other vulnerable people’s claims are taking longer to process, which could become a problem, as larger numbers transition over to full UC
- 42.** There are challenges to specific groups, and feedback from services representing vulnerable residents is that their clients will really struggle with UC, and the local support offer may not be intensive enough to cope. The key groups who may struggle, as referred to previously, include people with mental health problems and learning difficulties, those with complex needs, people who are illiterate, or those for whom English is not their first language. In addition, private sector tenants who will be worse off under UC will face difficulties with less money to live on
- 43.** The Committee noted that UC would also place an additional administrative burden on Council staff, and that this needed to be recognised by the Government and DWP. In addition, the Committee expressed the view that the ‘work coaches’ should work with Council staff, in linking in employment programmes operated by the Council, as this may lead residents to find employment more speedily

It was also noted that the Job Centre ‘work coaches’ faced a heavy workload, given that reductions in DWP staff had taken place, as a result of the Government’s austerity programme
- 44.** The Council is also discussing with Housing Co-operatives, who collect rent on behalf of the Council, about the processes that they need to go through to verify rent and support their

tenants, and provide information to TMO's who do not collect rent, but to assist them to support their residents and direct them to appropriate support. In addition, the Council talks to DWP about issues that occur for the first time, such as rent increases, and where there are 53 week rent years

45. The Committee also received evidence that self-employed people are amongst those that can lose up to £200 per month when transferring to UC. It can be difficult for those who are self-employed, to budget with an irregular income. The minimum income floor makes an assumption of how much self-employed people will earn. If they actually earn less than their minimum income floor in a given month, this means that they will be treated less favourably than others on UC. The Committee believes that the minimum floor should be removed, and that self-employed people should have their UC entitlement calculated on their actual income. See our recommendation in this regard)
46. The Committee also received evidence in relation to Islington's response to the Work and Pensions Select Committee call for evidence. Islington's response highlighted that the groups of residents who stand to lose most from the introduction of Universal Credit are parents under 25 years, single parent families who are under real threat when they move onto Universal Credit, instances where there are two wages or statutory maternity payments in an assessment period, and alternative payment arrangements for benefit cap claimants which leads to full housing costs being paid to the landlord. In addition, there are problems with benefit cap payments and child benefit, couples where one is a pensioner and one is not, those who fail a work capability assessment, those with capital above the UC threshold who have no entitlement to UC, the first claim for UC not being eligible for Housing Benefit, disabled children allowance which is less under UC than legacy benefits, the habitual residency test, and victims of domestic violence making a separate claim. The Committee also considered the submission from London Councils in response to the Work and Pensions Committee call for evidence. A number of the issues highlighted are addressed in our recommendations
47. The Committee also received evidence in relation to the response from the DWP in response to Councillor Burgess, Executive Member Health and Social Care, concerns about the support available for UC claimants with learning disabilities. Whilst the Committee noted the response from the DWP, and the actions that had been put in place, we consider that more could be done and this is reflected in our recommendations

**Evidence from L.B.Southwark/Institute of Policy and Practice/Citizens  
Advice/L.B.Islington - October/December 2018**

48. The Committee at its meeting on 11 October 2018 received evidence from L.B.Southwark, who had implemented full UC in 2015, and that as a result of this introduction they had been able

with other boroughs, who had also piloted the implementation of UC, to present a case, based on their experiences, that led to the Government making positive changes to Universal Credit to assist claimants

- 49.** Members were informed that Southwark had over 20000 claimants, and around 7000 of these were Council tenants. There has been a significant impact on social housing tenants as a result of the introduction of UC, and around 42% of claimants in Southwark are social housing tenants. These tended to include more vulnerable residents, who had also been affected by previous Government welfare reforms
- 50.** The Committee were informed that the introduction of Universal Credit has led to higher rent arrears in Southwark, which is not only bad for the Council/social housing providers, but for tenants as well. Whilst the Government has been pressured into amending some elements of Universal Credit, too many residents were waiting too long for payment, and 1:6 residents were waiting more than 6 weeks for their first payment. In addition, too many claims were initially unsuccessful, as Universal Credit depended on a great deal of information being provided by the claimant
- 51.** The Committee noted that the introduction of Universal Credit for private sector rented tenants, whilst no doubt having an effect in L.B.Southwark, was not felt to be as detrimental as the introduction of the previous welfare reforms by the Government, and that these had probably had a more significant impact. There is at present, no provision, unlike Council/social housing tenants, for rent to be paid directly to private landlords, and this could lead to more problems with rent arrears for private sector tenants and possible eviction
- 52.** L.B.Southwark had made a decision not to take legal proceedings against tenants, who through no fault of their own, had fallen into arrears, as a result of the introduction of Universal Credit. Where a tenant falls into arrears in Council/social housing the provider can request the rent be paid directly to the landlord, and this is being used in 50% of cases in L.B. Southwark. There is also a facility for requesting arrears of rent to be deducted from a tenant's Universal Credit payment, however Southwark did not exercise this, as the provision is inflexible
- 53.** The Committee were informed that homelessness is rising in London, and that Government welfare reforms were a significant driver in this. Whilst it is felt that Universal Credit has not at present exacerbated the situation, it was badly designed for a number of groups, particularly those who are homeless or in temporary accommodation. Whilst there had been recent changes to ameliorate the situation for these groups, it was felt that this is only temporary, and the longer term funding arrangements are unsure
- 54.** Members also noted that, given that Universal Credit had taken longer to roll out than envisaged by the Government funding for Islington Council HB staff had been reduced from £3m to £1.6m, and this would mean that in future the Council would have to prioritise the support it can give to

residents. There is a realistic prospect that the HB service will cease to be viable before Universal Credit is fully introduced

- 55.** The Committee also noted that it was originally intended that Local Authorities would administer the support scheme for Universal Credit, however the Government had now stated that they proposed to contract Citizens Advice in this regard. The Committee received witness evidence from the Citizens Advice and this is reflected elsewhere in the report
- 56.** The Committee were informed that 50% of lone parents, and 66% of couples with children would lose up to £200 per month, as a result of transferring to Universal Credit. In addition, 50% of all families in work could be worse off under Universal Credit, and this included owner occupiers, lone parents and couples with 3 or more children, the disabled and the self-employed. Members noted that Universal Credit was likely to impact over 23000 residents in Islington, and on an initial analysis, one third of claimants would be worse off, one third better off, and the other third remaining the same
- 57.** Since full UC service was introduced in June 2018, there have been 2381 new UC claims at the Barnsbury Job Centre, and 1870 in the Finsbury Park Job Centre. Job Centres were seeing around 30-40 new claimants per day in October and November 2018, but it was anticipated that this may slow down now that full service claims had been migrated over
- 58.** The impact on Housing and Council tenants has resulted in around 1450 tenants (rent accounts), now being on UC, and 411 of these are on Alternative Payment Arrangements (APA).
- 59.** 76% of tenants in receipt of Universal Credit are in arrears, compared to 40% of tenants still on Housing Benefit. Total rent arrears across UC tenants is now almost £1.4m, four times as much as in June. This has moved in line with the increase in tenants moving onto UC
- 60.** Members noted that there has been an increased demand for crisis support through food banks, which have quadrupled since full service UC went live, and there has been an increase in crisis support. 44 payments had been made through the Resident Support scheme, as of 6 December, to support residents struggling as a result of UC. The Council has increased its allowance to 2 claims, rather than the 1 previously
- 61.** Advice partners have dealt with almost 1000 requests for debt support since June 2018, and a further 450 clients have needed advice on their UC claims
- 62.** Emerging issues for residents include – only around 87% of claimants have received their first payment on time, which means that 13% have not, or have only been partly paid or not paid their claim. This equates to over 460 residents, amongst which will be the most vulnerable in the community

- 63.** The Committee were informed that there are some key issues for Job Centre staff that are resulting in delayed claims, such as failure to make or attend an appointment with a 'work coach' to verify ID, incorrect rent details entered on a claim, which then needs to be verified by the landlord, and agreed with the tenant, where there is inconsistency. Some landlords, not the Council, are taking time to verify rent amounts, and there are often difficulties in providing relevant evidence to satisfy the Habitual Residency test
- 64.** Members also noted that there have been difficulties in claimants being able to access the DWP UC helpline to resolve issues with a claim, however some improvements had recently been made, and the system can now recognise a claimant's phone number, and passport this through to the relevant UC team in Belfast. A new telephone service has been established in Glasgow to enable vulnerable claimants to make a claim by telephone. There are also verification issues with ID, for residents who had moved to the UK some years ago, but had no formal ID
- 65.** Both the Council and partners are experiencing increasing rent arrears, and front line services and partners are facing increased demand for crisis support. However, there is limited data available on UC claimants, which makes this difficult for the Council, and partners, to proactively target support. There is no definitive number of tenants on UC that can be accessed. There is also no clear role for Local Authorities, or resources being made available to them, however the Council will still be expected to feel the impact on demand for services and will need to support residents. There has been an additional administrative burden on HB staff, with diminishing resources
- 66.** There is support for residents moving onto UC, which builds on the successful USDL/DWP pilot, by providing digital support, at 22 Upper Street provided by the CAB, personal budgeting support delivered by the Citizens Advice, co-located in the Barnsbury and Finsbury Job Centres, advice for Council tenants provided by housing income officers in both job centres, information on benefit entitlement and better off calculations provided by I Max and SHINE. In addition there is support in helping residents to find employment through Islington Working, with initial triage by the iWork team, independent advice and advocacy provided by Advice partners with over £1 million funding from the Council, crisis support through the Resident Support Scheme, and referrals to food banks and soup kitchens
- 67.** Members also noted that the DWP funding to provide support to claimants on making and managing a claim, might not be enough to cope with demand at a local level. Evidence has been received from the Citizens Advice who had been funded by the Government, from April 2019 to support claimants. They will support claimants, through every step of making a claim, including assisting them to manage their money when it arrives. £12m is being provided to set up the new service by April 2019, and a further £39m is being paid from April 2019 onwards, and the main focus will be on budgeting digital (as under the current offer)

- 68.** Members were informed Citizens Advice were assisting claimants at the moment in respect of personal budgeting, and noted that from their experience the delays in processing claims and the impact was having an effect on their mental health. In addition, claimants can spend a lot of time trying to telephone DWP. There is a high level of debt amongst these claimants, and CA staff were having to allocate significant resources to train staff on UC, despite support being available from the Council and partners
- 69.** Members expressed concern that there was a lack of data sharing by the DWP, and that it would be useful if Citizens Advice could gather data on how many claimants were being referred to food banks etc. and that this could then be presented to the Government, in order to recommend any necessary changes. It was noted that the CA envisaged that there would be more difficulties, than at present, once more claimants came onto UC, however at present they did not want to upskill staff in areas that they did not feel was necessary
- 70.** The Committee also received written evidence, from Citizens Advice, in relation to a frequent problem that is occurring regarding the housing element of UC being paid late following the initial assessment period. Those tenants housed through Partners for Islington, are anecdotally seeing delays in the housing element being paid, and this appears to be an issue with the landlord portal. Moreover, the Housing element frequently falls short of the claimants actual liability, largely because the claimant is given incorrect figures regarding their rent liability. Initially payments are being reduced considerably due to advance payments, third party deductions in respect of rent arrears, past housing benefit etc. overpayments. Discretionary Housing payment applications for tenants to cover the non-dependent deduction, bedroom tax shortfalls etc. have risen. Citizens Advice have noticed a considerable number of social tenants previously in receipt of HB, are having their claims reduced on a technicality..Those claimants that migrate naturally, because of a change in circumstances, other than failing the work capability assessment, are finding that the move to UC triggers a review of their work capability assessment. This should not happen
- 71.** Draconian sanctions are still an issue, despite the recent DWP 'u turn' on 3 year sanctions
- 72.** Citizens Advice are also finding difficulties with EEA nationals, who are often losing the ESA award after failing work capability assessment. Because they have no other right to reside in the UK, other than as a qualified person, their claim for UC is unsuccessful, as there is no capacity for EEA nationals to claim UC as a jobseeker. Consequently they are unable to meet their rent liability, and eviction is a real problem for this group. There are also problems with claimants having a lack of understanding and lack of digital skills, in relation to many people with ongoing claims needing help on how to manage their claim
- 73.** Evidence from Citizens Advice has highlighted that there are still problems with deductions from UC payments, the waiting period of 5 weeks, and with clients who are on ESA, who appear to



be routinely treated as able to work when they claim UC, or required to complete a new work capability assessment. A number of the concerns expressed by Citizens Advice are addressed in our recommendations

- 74.** Members were informed that with regard to communication with residents, it has been agreed that there should not be a mass UC campaign for residents undertaken, and that routine communications such as articles in Islington Life, such be used to gradually raise awareness of UC, and in addition rent statements are amended to clearly set out the rent figure, following feedback that residents are not entering the correct figure on their UC claim. The website has also been updated with a dedicated page on UC, and there have been over 2,000 hits since June 2018. Customer information leaflets are to be handed out by frontline services, one is an overview of UC and the other a checklist of what to do/provide to make a successful claim. A letter is also being drafted for housing staff to send out to (as referred to above – the Policy in Practice dashboard) to provide the Council with better numbers and information on who will be impacted by UC, which will enable the Council to target support in limited circumstances. Contact is also made with HB claimants whose youngest child is approaching 5 years of age. DWP escalation routes have also been circulated to staff, which includes names, contact details of key staff in local job centres, and in the Belfast processing centre, which will enable staff to directly talk to someone on behalf of a client
- 75.** Within the Council there are a number of groups monitoring the impact of UC and addressing the issues raised, and there are regular meetings with partners. In addition, the Council has made a number of submissions to Parliament on the issue of UC
- 76.** In terms of support for staff and partners training sessions had been delivered in partnership with DWP to over 60 teams and services, within the Council and VCS providers. More bespoke training is also taking place for family support services, including Bright Start teams, who are increasingly seeing parents struggling with UC, and in real hardship, but do not feel empowered to help
- 77.** In addition, UC training materials are available on Izzi, and are also circulated to partners. Maps/addresses/opening times of food banks, and soup kitchens are circulated to front line teams. Engagement with Islington food banks is also taking places, in order to identify/sign up frontline services is planned
- 78.** Advice services have also held UC related training session for the voluntary, and the community sector, on a range of advice issues, and have planned some full day UC advice training sessions in the New Year. A VCS conference was held in September 2018, and attracted 140 organisations and included a number of speakers including Emily Thornberry MP.

79. The Committee also received a presentation from the Institute of Policy and Practice detailing the analytical search engine and database that was available to assist Local Authorities in relation to Universal Credit, together with a HB/Council Tax and budgeting calculator

**Announcements in the Budget October 2018 relating to UC (Further changes are outlined at Appendix D to the report)**

80. The Government announced in the October 2018 budget a number of changes to UC, as a result of the problems that had been raised in relation to its implementation. These included a £1000 annual increase to the work allowance from April 2019, a 2 week run on to support transition to UC from the income related elements of JSA, ESA and Income Support from July 2020, and a reduction in the maximum debt reduction rate from 40% to 30% of the standard allowance from October 2019. In addition, the 12 month grace period for the self-employed to fully implement the proposal is to be extended from July 2019 to September 2020. It also has been agreed that the period over which advances can be recovered from claimants, has been extended from 12 to 16 months from October 2021. The surplus earnings policy will be temporarily reduced, but will continue to affect earnings spikes above £2500 until April 2020, when it will revert to affecting earnings spikes of £300
81. Since the Budget a further delay the roll-out of Universal Credit has been announced in January 2019, which will lead to a delay of 3 million claimants being transferred onto Universal Credit
82. The Government will not extend the 2 child limit on UC for children born before April 2017, when the policy came into effect, benefitting around 15000 families, and this took effect from 1 February 2019
83. From July 2019 a pilot to support 10000 people from legacy benefits on to UC, in a test and learn approach. Pilot schemes to provide more frequent payments for new claimants, a new online system for private landlords and a more flexible approach to child care provision
84. The High Court has also recently found the DWP has wrongly been interpreting UC regulations, which has affected claimants, and caused severe cash flow problems for claimants living on low incomes, with no or little savings
85. There have also been changes to those in receipt of severe disability premium, and from January 2019, existing claimants will be entitled to an award of an existing benefit that includes the severe disability premium, and are prevented from naturally migrating to UC following a change in circumstances. Those claimants will continue to receive the relevant legacy benefit(s) appropriate to their change in circumstances and will only move to UC, via managed migration and will therefore, at that time be eligible for transitional protections: safeguarding their existing benefit entitlement

- 86.** There are also changes to mixed age couples from May 2019 and from 15 May mixed age couples, where one partner is on working age and the other is on State Pension Age, will no longer be entitled to put in a new claim for Pension Credit. Mixed age couples could potentially lose up to £7,000 per year because they will have to claim working age benefits. The average age gap for mixed-age couples is 2.6 years, meaning the cash loss incurred before the younger partner becomes old enough to claim pension credit could be over £18,000. Where the gap is greater the potential total lost will be more
- 87.** Further additional changes have also recently been announced. These include the Government not extending the 2 child limit on Universal Credit, born before April 2017, when the policy came into effect, benefitting around 15000 families. This was due to take effect in February 2019. From July 2019, a pilot will also take place to support 10000 people moving from legacy benefits onto Universal Credit in a test and learn approach
- 88.** Pilot schemes to provide more frequent payments for new claimants, a new online system for private landlords, an a more flexible approach for childcare provision. A recent high court case has also found that the DWP has been wrongly interpreting the UC regulations
- 89.** There have also been changes to UC for those who are in receipt of an existing benefit, which includes the Severe Disability Premium, and these claimants are prevented from naturally migrating to UC following a change in circumstances. These claimants will continue to receive the relevant legacy benefit/s appropriate to their change in circumstances, and will only move to UC via managed migration, and will therefore at that time be eligible for transitional protection, safeguarding their existing benefit entitlement
- 90.** There will also be a change for mixed age couples, from May 2019 mixed age couples, where one partner is above the state pension age, and will no longer be entitled to put in a new claim for Pension Credit. Mixed age couples could potentially lose out on up to £7000 per year, because they will have to claim UC. The average age group difference for mixed age couples is 2.6 years, meaning that the cash loss incurred before the younger partner becomes old enough to claim pension credit could be over £18000. Where the gap is greater, the potential total loss will be more

## **Visit to Barnsbury Job Centre – November 2018**

- 91.** Members noted that the UC full service roll out had commenced in June 2018, and that about two thirds of claimants were out of work, or those who were able to were required to look for work, as under the current legacy benefits
- 92.** These claimants were seen more frequently by DWP Job Centre Plus work coaches, either weekly or fortnightly. The JCP stated that they felt that the best delivery method is by working closely with partners, and colleagues in the community. The UC model is constantly developing, due to changes, some of which were announced in the October budget and Government policy, and that this was a different approach to which the DWP was used to in the past. The introduction of UC is a cultural shift for staff, and a challenge to develop the expertise to deal with this. However, JCP staff felt that it empowered them to deliver for clients, and to get a more personalised relationship with them. Staff could offer support and provide the best help available to enable claimants to work flexibly, based on claimants needs. The previous legacy benefits system, was in the view of JCP staff, restricting them as to the help that could be offered and was sanctions based, but UC enabled staff to assist claimants in moving closer to the labour market. The Job Centre has assisted 400 people into work since UC was introduced
- 93.** In addition, it was stated that when a claim is submitted on line, the work coaches could check with the claimants the information that had/needed to be supplied, and there could be an assessment of the claimant's vulnerability, health, and ability to check the rent that the claimant had put on the claim form is correct
- 94.** JCP staff felt that UC is not sanctions based, and that they did not have any sanctions targets or other targets to meet. Claimant sanctions had reduced significantly over the last 3 years. North London has the lowest sanctions rate in England
- 95.** JCP were also working in partnership with the Council, and it was noted that the Citizens Advice and housing staff were based in the Job Centre, as well as other partners who could offer support. If there were gaps that were found in the service, then projects could be looked at for co-funding, such as the development of a Hub for BME clients. There are also translation facilities available for claimants, whose first language is not English
- 96.** There is a close work with Council staff undertaken on awareness training, and regular meetings are held with partners and strong relationships are being developed. Barnsbury Job Centre has 25 work coaches working on UC, however it was felt that greater automation of the process in the future, would free up more time for staff to be available for claimants, as more migration to UC takes place. In addition, the DWP are currently looking at a strategy for recruitment from the period 2020 onwards

- 97.** JCP informed us that they had projections as to the number of claimants, as a result of full migration of UC in Islington, and the number of work coaches that would be needed
- 98.** JCP staff stated that the Job Centre did endeavour to ensure that claimants saw the same work coach when they visited the Job Centre, and contact could be maintained through a telephone call, or their journal. Most of the work coaches had been in post for at least one to two years
- 99.** Members noted that there is a visiting team that could go into client's homes and assist them with claims, and this can usually take place within three to four days of notification of a claim. The team can also assist with attendance allowance claims
- 100.** Discussion took place as to the Alternative Payments Arrangements, as referred to earlier in the report, and it was stated that there is provision for rent to be paid to 'trusted providers', and that the JCP would discuss personal budgeting with clients, if necessary. We also noted that as payments may fluctuate, due to real time adjustments in salary, claimants may have difficulty in budgeting
- 101.** Members were informed that there is a 5 week assessment period for claimants when applying for UC, however a 100% advance payment can be made, which can be repaid over a period of 12 months.(To be raised to 16 months in October 2022).. About 50% of claimants took up this option. There is also the option to delay repayment for a period of up to 3 months. Whilst 88% of claimants had their payments paid after 5 weeks, there were a significant number of claimants, often the most vulnerable, who did not, and concern was expressed at how this group could be better supported
- 102.** The Committee were concerned at the fact that the lack of data analysis at JCP is a concern, and that it was worrying that JCP could only identify the number of claim outcomes, and could not identify at a local level the number of failed UC claims
- 103.** One of the main reasons for delays in making full payments was that claimants failed to make or turn up to an appointment with their work coaches, to verify their ID. This is required before the claim can be progressed. Another reason was that there are inconsistencies with the amount of rent entered by the claimant, and the sum provided by landlords. In theory, the claimant needed to agree the landlord's figure before the claim be made. However, Belfast were taking a more pragmatic approach and were accepting L.B.Islington figures as correct, given that the Council is deemed a 'trusted partner'
- 104.** JCP stated that there is no evidence, at present, that the JCP has seen an increase in evictions in the private rented sector, as a result of UC. The Committee noted that L.B.Islington calculations had shown that 48% of claimants would be worse off under UC, whereas only 38% would be better off. If families had less money, it was inevitable there would be increased use of

food banks, and families would get into debt. This has shown to be the experience so far in Islington

- 105.** The main issues that claimants face in verifying a claim are identification issues, clarification of earnings and Habitual Residency Tests. Cases however, were regularly reviewed to see if improvements can be made. Where it is difficult to engage claimants, work is taking place with organisations, such as Help on Your Doorstep, to improve engagement with these claimants
- 106.** JCP stated that they did issue food bank vouchers, and Members were of the view that more information is required to assess the impact of UC on food banks and soup kitchens. Evidence has shown that the use of food banks has increased by 40% since UC has been introduced and that rent arrears has risen amongst Islington tenants. It was noted that JCP staff, when issuing food vouchers, took the opportunity to have a discussion with the claimant to ascertain their situation, and find out if there are any underlying problems that they could be supported with. During our investigation it was interesting to note that the Government has finally admitted that the introduction of Universal Credit has increased demand at food banks, something which they had previously denies.
- 107.** Members were informed that from 1 February 2019, families with more than 2 children who make a claim for benefits, would need to claim UC (currently exempt from full service), All existing claimants who have not transitioned onto UC through natural migration, would be subject to managed migration onto UC from 2019 onwards. There would be a pilot starting in July to test how this could work
- 108.** Details of transitional protection for those moving onto UC is currently being considered in Parliament, and what support can be made available to ease the transition for disabled claimants and others who will be impacted by the move to UC. However, these claimants will have to stay on legacy benefits at present
- 109.** JCP stated that they recognised that the original intention of UC was to save money, however staff felt that they were better able, under UC, to get claimants the benefits the benefits that they were entitled to. Claimants were better able to stay on the system and had benefits adjusted in real time, rather than dropping off the system. This enabled work coaches to better support claimants into work.
- 110.** Members were also informed that a telephony service is located in the Belfast office, and that this could handle telephone calls in relation to claims and this would assist claimants. In addition, there is a new dedicated team in Glasgow, who were able to take UC claims over the phone, for those who are unable to go online
- 111.** Members were of the view that the regular changes to UC for the employed could be a disincentive for work, and it was noted that the system could not cope with two payments of salary in a month, or a lump sum payment, such as a tax refund. We also noted that for

some claimants it was acknowledged that work would not be an option, and it was also difficult to get an employer to take on certain claimants, such as those with mental health issues

- 112. JCP staff informed us that there is a great deal of work being carried out to upskill staff on mental health awareness, and claimants would not be forced into work that are not ready for work. Work is carried out with partners to support claimants, and there is also a Disability Adviser based in the Job Centre, as well as mental health specialists, and this service will continue to be developed
- 113. The Committee were pleased to note that in a rent claimants survey, Barnsbury Job Centre satisfaction levels were higher than other Job Centres across London. We are of the view that 'best practice' from the Barnsbury Job Centre should be adopted, and implemented, across other Job Centres in London. The Committee are also of the view that the current level of work coaches should be retained, or even increased, to be able to cope with full migration when this takes place

#### **Visit to Islington Learning Disability Partnership – January 2019**

- 114. Members of the Committee also visited the Islington Learning Disability Partnership and met representatives of organisations assisting the disabled, family carers and the Disability champion
- 115. Members were informed of the difficulties faced by disabled claimants, and that additional training needed to take place to support organisations who are assisting the disabled. In addition, we are of the view that a paper form should be available, as often claimants are 'timed out' of the 'on line application', leading to frustration and anxiety. It was felt that if a paper copy of the form was available this would enable claimants to save the information, rather than this being lost, if they were 'timed out on their claim'
- 116. Claimants will need ongoing support to manage tasks associated with maintaining their payments, and this is not in the capacity of existing services. Citizens Advice are available for managing the application once it is completed
- 117. There is no enhanced disability premium, nor a severe disability premium under Universal Credit, which is likely to make claimants with disabilities worse off. This cohort is exempt from natural migration, and will only move to managed migration, and this has been delayed for a year. In addition, the UC claim form states that you must be available for work, even if you are not, which needed to be looked at to avoid claimants submitting erroneous information

118. Issues of budgeting were also raised, and that claimants will have to pay their rent, and care contributions, out of their UC payment. This will be a significant challenge to those who struggle to understand budgeting and significantly increases the chance of them getting into debt. Most supported housing is classified as exempt accommodation, but not some of the schemes for claimants with lower support needs, and not anybody in an LBI tenancy
119. It was noted that DWP staff on occasions did visit claimants in hospital, and that this added to the stress that claimants were under whilst in hospital. It was also noted that the DWP visiting team would only visit claimants on an occasional basis, and that they tried to be as supportive as possible, to assist them with claims
120. Members also noted that in terms of how often a person is assessed, if they had a lifelong disability, the DWP stated that once a claim form is completed, there may be a need for a 'face to face' meeting with the claimant, or a written medical report may be requested. The claim would then be referred to an independent decision maker. In terms of Personal Independence Payments, a lifelong award could be made, however a 'light touch' review may be made at some point
121. A number of issues were identified by the Single Homelessness Project, such as setting up direct deductions via UC, assessing ID, as many claimants did not have the required forms of ID, setting up on line accounts for claimants who are not IT literate, and in arranging face to face appointments
122. It was noted that each Job Centre has its own specialist Disability Employment Adviser, who is able to support work coaches link in with other networks. There are also school advisors who can aid the transition from school to work

### **Meeting with Pillion Trust – Food Bank – January 2019**

123. Members also visited Ringcross Community Centre to meet Pillion Trust, who ran a food bank and provided support to claimants. Islington Peoples Rights, the iMAX team and Libraries staff were also present
124. Members heard of the excellent work that the Trust were doing in providing food and support for members of the community, and that the iMAX and SHINE teams also assisted users of the food bank, and to assist them with fuel poverty, as many did not have the money for gas/electric to cook meals. The food bank has a number of suppliers that provided food and that there is increasingly a supply of healthier options, such as fruit and vegetables. The Trust saw on average 19/24 families a day, an increase since UC had been introduced



125. The Trust stated that many of those attending the food bank found it deeply humiliating. It was noted that many were not able to cook, and it was felt that more cookery classes could be made available, especially for hard to reach groups. Many claimants also needed to be taught how to cook more healthily
126. The majority of food bank users were the 'working poor', and families with 3 or more children could now be over £60 per week worse off under UC, than they were before. Some of the biggest issues facing users of the food bank, is that they have no money at all, especially single people living in rented accommodation, and these are sometimes one of the hardest groups to reach. As stated earlier the Government has now admitted that the introduction of UC has led to an increase in the use of food banks
127. The Committee also received evidence from Councillor Debono concerning the Islington Food Bank, and that the numbers using Food Banks had increased substantially in the past 7 years from 383 to 3688 users, and that is felt to be caused by the Government's welfare reforms, austerity and the introduction of Universal Credit
128. Members were informed that some of the users of the food bank had experienced difficulties, in that they had been rehoused by the Council or Housing Association, without being aware of the implications of higher rent payments, meaning that they had less money to live on under UC. Often these claimants had stated that they wished they had not moved. Members are of the view that there needs to be a more holistic approach to information given to tenants by housing providers, as how accepting a new property can affect their UC payments
129. Islington's Peoples Rights stated that they dealt with a number of vulnerable clients, and were concerned that a number of these have had problems with providing medical evidence to support their claims, and were often charged a fee by their Doctor for providing this information, and also providing proof of the Habitual Residency Test. The Committee heard evidence in relation to a claimant returning from holiday who had difficulties with providing information for the Habitual Residency Test, despite being a teacher for many years

### **Meeting with Universal Credit Claimants – January 2019**

130. Members visited the Customer Care Centre at 222 Upper Street, in order to view the facilities on offer to claimants in completing their online UC claim forms. At the Customer Care Centre claimants can scan documents, print them off and get assistance with claims.

The Customer Care Centre can also assist claimants with the issuing of food vouchers, and assist them under the Resident support scheme

- 131.** Members heard further evidence that claimants were having difficulty in completing on line claims, and often claimants were given very little notice of attending an interview with a work coach, which could result in a sanction. Text messages were often sent to claimants, however there was no way to reply to state that you could not attend or make another appointment. In addition, if the claimant has trouble completing the form or needs to ask questions there are sometimes problems being able to talk to someone, who can assist them. If the wrong information is put on the online claim, this can affect the award that a claimant receives. There are also problems with verifying ID online, and documents do not always scan properly
- 132.** Budgeting was another major issue that was raised, together with the 5 week wait period to receive money, and this just exacerbated the problems for claimants, and many got into debt
- 133.** There is an increasing burden on carers by the changing benefits scheme, and carers may end up having to complete multiple claims both for themselves, and the person they are caring for, with no guarantee of approval of the claims, and this is stressful to the carer and the claimant. It has to be recognised, regrettably, that it was the intention of the Government, apart from a few limited exceptions, to force claimants to fill in claims on line and whilst the Job Centre were trying to be as flexible as possible, sanctions rates nationally were increasing again
- 134.** Rent arrears are increasing as a result of UC, and private landlords are more likely to evict a tenant who has not paid their rent, as a result of a delay in UC. Social landlords are likely to wait until a tenant starts receiving their UC payment
- 135.** The Committee were of the view that there should be discussions with Housing Co-ops and Housing Associations, with a view to achieving a common position with regard to dealing with rent arrears, as a result of the introduction of UC. In addition, we noted that at present there is no landlord portal between Partners and DWP for direct rent payments and, this should be investigated and one made available
- 136.** Council tenants, who were in arrears as a result of transferring to UC, leading to delays in payment, are given additional support by the Housing Income Team, to arrange for their rent to be paid, and to agree a plan for repaying any arrears. Housing will not start chasing recovery of arrears until the tenant receives the first UC payment. However, tenants who are receiving their UC payment, and fall into arrears, will be subject to the recovery process like other tenants
- 137.** Concern was expressed that claimants were finding it difficult to contact the Citizens Advice, and the phone lines were constantly engaged. We were informed that, whilst Citizens

Advice recognised the problem, they did not receive adequate funding to support residents adequately, and that all support, and advice agencies were experiencing similar problems. ( See our recommendation in this regard)

138. Reference was made to the fact that if there is financial or domestic abuse in the family this can present difficulties, and evidence will be needed by the Job Centre from a relevant agency to support a redirection of payment. In addition, advance payments had to be repaid, so in future claimants would have less money available
139. Members noted that the DWP will not pick up all vulnerable claimants, as they are less likely to confide in authority, and may be more willing to go to Citizens Advice for debt advice
140. Some claimants may never be able to work full time, even though on the UC claim form they have to state they are available to do so. In these cases discretionary support, through the Resident Support scheme, will not resolve this longer term issue
141. The Committee heard that there is a claimant's survey taking place, and the result of this is attached at **Appendix 2 to the report**

#### **Evidence from Lesley Seary – LBI Chief Executive/Local Authority representative on Universal Programming Board – January 2019**

142. The Committee received evidence from Lesley Seary, who informed us that she is the Local Government representative on the UC Programming Board.
143. The Committee noted that she had argued, on Local Government's behalf, for a number of changes in UC, including lobbying for the Government to pay redundancy payments to HB staff, made redundant as a result of the introduction of UC, budgeting advances, temporary accommodation and UC, and submissions in respect of a number of issues had also been submitted to the Select Committee for Work and Pensions
144. The Committee raised a number of issues, which they wished to be taken up through the Universal Programming Board, including hard copies of forms being made available, for those with family carers experiencing difficulties completing the forms online in the allocated time, the increased use of food bank since the introduction of UC, the number of food bank vouchers that can be issued, concerns around Citizens Advice not being funded sufficiently to assist claimants, and also that claimants needed to state their availability for work when completing their on line claim, even though they may have a disability that precludes this.

However, the Committee has made recommendations elsewhere in the report concerning these areas

**Evidence in relation to the effects of Universal Credit on the Private sector /Peabody Trust/ Hannah Bowman – L.B. Housing– February 2019**

145. The Committee considered evidence from Hannah Bowman, Housing and Adult Socials Services concerning the effects of Universal Credit on private sector landlords and tenants
146. The Committee noted that it is more challenging to monitor the effects of Universal Credit in the private sector. About 2300 residents claim Housing Benefit or UC, and live in private sector rented accommodation in Islington. The private rented sector is high cost, and in high demand, so less landlords are reliant on letting properties to residents who need them and claim benefits
147. Homelessness in the private sector accommodation has been the third most common reason for homelessness in approaching the Council, because they are at risk of homelessness, and UC is becoming a factor in this category of homelessness
148. The Housing Advice Team are finding low levels of understanding about UC amongst those whose homelessness may have been affected by UC, and private sector tenants are generally not seeking help at an early stage when moving onto UC. This means it is often too late for the housing advice team to work with them, and the landlord to resolve the arrears
149. The work to date has included discussing concerns about UC with private landlords, and also to work with private landlords to find alternative accommodation in the private sector. However, this has proved easier to implement in other boroughs, due to private sector rented accommodation being more affordable than in Islington. Landlords in Islington are less reliant on letting properties to those residents in receipt of benefits, and it is becoming increasingly more challenging to find accommodation for single people under 35
150. Where private sector tenants are threatened with homelessness, and are benefit capped, they are referred to the iMAX team, for support and discretionary housing payments can be arranged to support these landlords. We noted that accessing residents to give them advice at an earlier stage, would enable more prevention work to take place with landlords, however these households tend to be less engaged with the Council
151. The Committee also heard evidence from Peabody Trust Housing Association, that they were experiencing similar difficulties to the Council in relation to the impact of UC.

- 152.** Peabody Trust informed the Committee that they are using intelligent data, in order to identify tenants, and had a landlord portal system to text residents to give them information on UC, and to offer assistance. Where Peabody Trust applied for Alternative Payment Arrangements, they would also give budgeting advice, however there had been a low take up of this
- 153.** Peabody stated that their level of rent arrears is similar to the Council, and the main reason appeared to be the fact that arrears built up from the 5 weeks delay in the payment for receiving UC. The level of rent arrears for Islington tenants is comparable to other Peabody Trust properties across London

#### **Evidence from Islington Strategic Advice Partnership - April 2019**

- 154.** The Committee considered evidence from the Islington Strategic Advice Partnership (ISAP) which comprises Citizens Advice Islington, Islington Law Centre, Islington's Peoples Rights, Help on your Doorstep, Islington BAMER Advice Alliance, which includes Evelyn Oldfield Unit, Eritrean Community in the UK, Islington Bangladeshi Association, IMECE, Islington Somali Community and Kurdish and Middle Eastern Women's organisation. The organisations meet regularly, together with the Council. And are also involved in various local service partnerships. ISAP was very aware of the impact that UC was having where it was rolled out elsewhere, and has taken a number of actions to try to prepare for the impact, and to assist people to mitigate the likely hardship and to highlight policy issues
- 155.** A number of specific activities have taken place such as a community conference, a research project, a community survey to gather feedback from a wide range of local front line organisations, promoting and participating in Know Your Rights group, which meets monthly and provides peer support for claimants
- 156.** In addition, training for community groups has been organised, and applications made to lever in additional funds for a year from Central Government, to increase the level of help to claimants making and maintaining claims, and this help will be located in Job Centres. The Law Centre and Islington People's Rights have been awarded funding by City Bridge Trust to increase capacity for specialist casework, as well as support to community groups
- 157.** The ISAP partners are regularly sharing data with each other and the Council to ensure there is a good understanding of the impact and emerging trends, and the partnership is committed to working together to ensure that there is a co-ordinated response
- 158.** All the advice agencies have a client group which reflects the diversity of the borough, and many clients will have multiple issues, which impact on their need for support. Clients often

present with more than one issue, and the advice systems try to capture this where systems allow. Whilst the borough has a well networked sector and ISAP partners have worked hard to bring in additional resources, the demand for assistance with social security appeals is higher than can currently be met, with clients not always able to get an appointment/representation. This has a particularly detrimental effect on disabled people. Disabled residents may face a very difficult decision if they are turned down for disability benefits, following a work capability assessment, as if they claim UC, they cannot go back onto a legacy benefit, even if they subsequently win their appeal. If they are eligible for Personal Independence Payment, they may get the Severe Disability Premium of over £64 per week additional income, but this is not payable under UC, which could mean a potential loss of over £3300 per annum, to some of the residents in the greatest need. However, it is uncertain how long an appeal may take and claimants may not know how they could manage in the interim. Specialist advice on the options open to a claimant is crucial, as each client will have different circumstances, and need to weigh different factors. Once a mandatory reconsideration has been considered, clients can then claim ESA in the interim, whilst they wait for their appeal, and that is often in their best interests

- 159.** The Committee also noted evidence with regard to difficulties in providing information to support a claim for UC, particularly in relation to the Habitual Residency Test. One example was a teacher who had worked in Islington for many years, and had gone on holiday, only to find on her return her claim had been rejected
- 160.** The Specialist advice partners are increasingly seeing people once they have already been advised to claim UC, (often incorrectly by DWP), which reduces the potential income to them. There is an implication for the number of people who can be assisted by the advice agencies, as disabled claimants who move from ESA onto UC, and then will then be subject to a further work capability assessment. This can give rise to the situation whereby an advice agency supports a client with an initial appeal and wins, but then has to start all over again a few weeks later, as the first appeal is against a decision in relation to ESA, and the second decision is in relation to a separate claim for UC, and the Tribunal will need to consider both as separate appeals. This will mean that the same client requires double the amount of support and casework assistance, simply to remain on the benefits they are entitled to, but at a lower level of income
- 161.** The Committee welcomed the fact that the Housing Benefit team at the Council are generally being helpful in identifying what people's income is, and ensuring that HB remains in payment, and where appropriate whilst people appeal, so that claimants are not forced onto UC, purely in order to ensure that their rent is paid
- 162.** Other groups have been identified who face particular challenges include older people, whose work history has meant that they are not confident in the use of IT, people who are not confident in written English, people with learning difficulties, people who have mental

health issues, households with one adult, and women experiencing domestic violence/gender based abuse

**163.** The Advice Partners also informed us that they had identified a wider range of common issues affecting local residents, which include –

- Difficulty making a claim, due to both lack of confidence in IT skills, issues around literacy, and lack of access to IT. It can take several hours to make a claim and so both time and equipment are factors
- Difficulty maintaining claims due to claimant commitment requirements and digital access
- Inaccurate advice and information from DWP e.g. being advised by DWP to move onto UC, when it may not be in the claimant's best interests, or necessary
- Immense difficulty getting through to the DWP, both for claimants and advisors – it can often take 45 minutes to get through to the DWP, which represents most of a single advice appointment. The systems are fragmented at the DWP's end, and so it is sometimes necessary to speak to 2 or 3 different people
- Poor decision making by the DWP, including on the Habitual Residency Test
- Difficulty getting access to specialist advice early enough to get the best outcomes, especially for disabled people, and those with complex conditions
- Difficulty understanding both processes and awards
- Payments going to one adult, with particular concerns about increased financial abuse and coercive control
- Difficulty managing variable income, especially for self-employed people, and those in irregular work
- Frequent changes in circumstances being hard to manage, and may affect BAME communities to a greater level
- Difficulty in managing payments in arrears, even when an advance payment has been applied for
- Childcare costs and severe hardship payments for families with children, leading to a worsening of child poverty
- Complexity of issues, making it difficult for people to know where to start in seeking assistance
- Housing element being included so that if there is any problem with the claim, rent arrears build up immediately
- Increased need for emergency help, e.g. foodbank, help to maintain utilities, RSS, small grants etc.
- Difficulty getting early specialist help to ensure clients can get the best long term outcome
- Often significant psychological distress as a result, not only of the hardship, but of the difficulty in being able to resolve issues with the DWP, and the unpredictability of the procedures

- 164.** The Advice agencies provide a range of services, which include Form Filling, detailed triage and support, one off advice, casework and representation. Many advice clients have health conditions and or/disabilities and it is thought that there will be a knock on effect for GP's, and other health providers, as their patient's experience both the practical impact of UC, and the psychological impact
- 165.** Between them, IPR, Islington Law Centre and Citizens Advice has advised 1,932 on issues relating to housing, debt and welfare benefits between October and February. However, the level of need is high and the complexity of people's situations is increasing. It is the experience of all the agencies that it is taking longer to assist people to obtain sustainable improvements in their situation, as average case length shows
- 166.** The Advice Agencies have drawn together some recommendations for the future and the current community survey being carried out and will be assessing needs amongst frontline groups, which will be included in the research report being prepared
- 167.** There is a need expressed by community groups for improved access to specialist advice for claimants, as well as to clear locally relevant information, and it is intended to seek resources to increase capacity
- 168.** The roll out of UC, within a context in which both the low paid and those on out of work benefits have seen their incomes drop in real terms over the last 10 years. There are major pressures on both local authorities and health services, and funding within the voluntary sector is very stretched
- 169.** The cuts to legal aid in 2013 removed funding for most social security and debt work, which has affected the major advice agencies, and meant that local private practice is unable to take the cases that it would previously have done. Nonetheless advice provision has a major impact, both for individuals in terms of ensuring that people's legal rights are upheld, and in terms of the local economy, for example Islington Law Centre welfare benefits team brought in over £2m for local claimants, and Islington People's Rights over £1.6m. This is money that will be directed to some of the poorest residents and their families
- 170.** The Committee did welcome the fact that there are some positives in relation to the situation in Islington, as against other areas, which include -
- The survey of claimants has indicated that there are higher levels of satisfaction with the services provided by Job Centres in the borough than across London, especially Barnsbury Job Centre
  - The Council has retained a commitment to the RSS and there are various other schemes for residents



- There is effective joint work between the Council, local funders and the not for profit sector and a genuine commitment to innovation and partnership
- The advice sector has worked hard and been successful in attracting in additional resource to assist local residents
- Suggestions for how to build on the successes to date and address the challenges posed by UC include – continued work to increase the capacity of the specialist advice services, as well as to maintain general help, with a focus on early appointments, a package of support for community groups, including well-designed leaflets, ongoing training, outreach, second tier advice and improved ability to make referrals. In addition, continued partnership work with the Council, and other statutory partners, to both prevent issues arising and to mitigate the impact where people are experiencing difficulties, a forum for agencies with an interest in UC to share information and to collect evidence to support campaigning and advocacy work, and an anti-poverty alliance at a strategic and cross sectoral level, which both develops actions and campaigns for improvements in the system, looking at Equalities Impact Assessment, and future partnership and funding with the Council

## CONCLUSION

The Committee has undertaken a wide ranging investigation into the Government's introduction of Universal Credit, and has made a number of recommendations thereon, which we hope will ameliorate this, even though we feel that the Universal Credit process is unfair, complex and will work to the disadvantage of claimants. UC was supposed to make work pay, however many of those claimants who are in financial hardship as a result of UC, are actually the working poor

The introduction on UC by the Government, as part of the austerity programme to reduce the benefits bill, was designed to save money in the welfare budget, so it unsurprising that many claimants are financially worse off as a result

Since we commenced the review we have been informed of a number of changes, that have had to be introduced by Government, which have arisen as a result of the experiences of claimants in making claims and for Local Authorities, DWP and support agencies in administering and assisting with claims. Our view is that these changes have resulted from the introduction of a poorly designed system, one that makes claiming difficult for many people, a system that penalises some of the most vulnerable members of our community, and imposed a great deal of financial hardship on a great number of claimants. Particular problems around those that are not fit for work, still having to complete on line claims, exacerbate this situation

The Committee have heard evidence that the use of food banks has substantially increased since Universal Credit has been introduced, and it should be recognised that support agencies and Local Government are having to provide 'wrap around' care to protect as much as possible the most vulnerable residents, whilst getting little/no additional funding to provide support

The Committee have been particularly concerned that applications, which have to be completed on line, present difficulties for many members of the community, particularly those with mental health or learning disabilities, BME communities and family carers. One of our recommendations seeks to address this by asking for a hard copy of the online form to be made available

Whilst our recommendations may assist in making it easier for some residents to be supported in order to claim UC, it is recognised that this flawed system will impact adversely on residents, and those that are the most vulnerable will suffer the most and the Committee are of the view that given the problems with UC it should now be scrapped

## **MEMBERSHIP OF THE POLICY AND PERFORMANCE SCRUTINY COMMITTEE – 2018/19**

### **COUNCILLORS:**

**Una O'Halloran – Chair - ceased to be Member February 2019/Rowena Champion – Chair from February 2019**

**Troy Gallagher – Vice Chair**

**Gary Heather**

**Osh Gantly**

**Theresa Debono**

**Rowena Champion**

**Mick O'Sullivan**

**Santiago Bell-Bradford**

**Sheila Chapman**

**Jilani Chowdhury**

**Clare Jeapes**

**Anjna Khurana**

**Kadeema Woodbyrne**

**Marian Spall**

**Nick Wayne**

### **Substitutes:**

**Alice Clarke-Perry**

**Satnam Gill**

**Mouna Hamitouche**

**Sara Hyde**

**Martin Klute**

**Sue Lukes**

**Matt Nathan**

**Angela Picknell**

**Paul Smith**

### **Membership 2019/2020**

### **COUNCILLORS:**

#### **Councillors:**

**Rowena Champion – Chair**

**Troy Gallagher – Vice Chair**

**Santiago Bell – Bradford**

**Sheila Chapman**

**Jilani Chowdhury**

**Vivien Cutler**

**Osh Gantly**

**Gary Heather**

**Sara Hyde**

**Clare Jeapes**

**Anjna Khurana**

**Matt Nathan**

**Mick O'Sullivan**

**Dave Poyser**

**Caroline Russell**  
**Nick Wayne**

**Substitutes:**  
**Mouna Hamitouche**  
**Roulin Khondoker**  
**Satnam Gill**  
**Nurullah Turan**

*Acknowledgements: The Committee would like to thank all the witnesses who gave evidence to the review.*

*Officer Support:*

*Peter Moore – Democratic Services*

*Lead Officers: Ian Adams – Director of Financial Operations and Customer Services, Annette Hobart, Strategy and Change Manager, Robbie Rainbird, Head of Processing*

## APPENDIX A – SCRUTINY INITIATION DOCUMENT

<b>SCRUTINY REVIEW INITIATION DOCUMENT (SID)</b>
<b>Review: Universal Credit</b>
<b>Scrutiny Committee: Policy &amp; Performance Scrutiny Committee</b>
<b>Director leading the review: Ian Adams, Director of Financial Operations and Customer Services</b>
<b>Lead Officer: Annette Hobart</b>
<b>Overall aim:</b> <ul style="list-style-type: none"><li>• To review the roll out of Universal Credit in Islington, understand the impacts on residents and services, and ensure that measures are in place to address or mitigate any risks or challenges</li><li>• To facilitate an effective challenge to the government where appropriate and communicate to residents</li></ul>
<b>Objectives of the review:</b> <ul style="list-style-type: none"><li>• To gain a good understanding of Universal Credit Full Service (UC), how it works, and the main changes it introduces to the welfare system</li><li>• To assess the impact of UC on Islington residents, the council and other local services</li><li>• To ensure that effective support is in place for residents who will struggle to make and manage a claim for UC, particularly those with language or literacy needs, learning disabilities, mental health issues and those with complex needs</li><li>• To ensure that any risks to the council are being actively addressed and managed</li><li>• To identify any issues related to UC policy or processes, or impacts on residents and services, that cannot be resolved locally and require escalating to government</li><li>• To maximise the opportunities that UC provides around making it easier to move into work – and ensure that those claimants furthest from the labour market are able to benefit and receive tailored support</li><li>• To help improve the UC experience and application locally</li></ul>
<b>Scope of the review:</b> <ul style="list-style-type: none"><li>• To look at policy and process around UC, including the claims and assessment processes, how payments are made, and the role of DWP work coaches at a local level around providing employment support</li><li>• To hear from elsewhere on the impacts of UC to date – on councils, housing providers, VCS – and what measures have been taken</li><li>• To look at early evidence of the impact of UC here in Islington since Full Service was introduced in June 2018, particularly in relation to:<ul style="list-style-type: none"><li>○ Housing (council, housing associations and private landlords) – extent of rent arrears and risk of homelessness</li><li>○ Housing Benefit and Housing Income teams – day to day engagement with DWP around new claims</li></ul></li></ul>

- Advice – demand on IMAX, Advice partners, wider VCS
- Crisis support e.g. through Resident Support Scheme, food banks and soup kitchens
- To review what's being done locally – through DWP, the Council, Advice providers and others – to support Islington residents moving to UC, assess how effective the support offer is, and any gaps in support or things that need to be done differently
- To identify issues or concerns related to UC that cannot be addressed locally or are of such importance that they require escalating or challenging at national level

**Types of evidence:**

The Committee will:

- Be briefed on the background to welfare reforms, particularly policy and process around UC, and receive written reports on impacts nationally and locally
- Hear witness evidence from DWP on how UC is rolling out nationally and locally, and what they are doing to support claimants
- Hear witness evidence from other local authorities and national organisations on the impact of UC
- Hear witness evidence from our own council services and partners on the early impacts of UC in Islington
- Speak to UC claimants of their experience of UC, and to service users (and their support services) whose circumstances may present challenges to claiming UC (e.g. people with LD, mental health issues, complex needs) – this could be via visits or focus groups

It is proposed that witness evidence is taken from:

- Local DWP representatives – Paula Heffernan and Ian Smith
- Robbie Rainbird, Head of Processing (including Housing Benefit)
- Representatives from other councils (e.g. Southwark or Croydon) where UC has already been rolled out
- Policy in Practice – a policy and analytics organisation specialising in the welfare system
- Adam Jenner – Head of Income Collection, Homes & Communities
- Representative from Peabody –social landlord in Islington and other London boroughs
- Representative from Landlords Forum – private sector landlords
- Advice partners: Islington Citizens' Advice, Islington Law Centre, Islington People's Rights
- UC claimants and service users / support services with complex needs
- Lesley Seary – Universal Credit Programming Board/Chief Executive L.B.Islington
- Representative of Government – if possible

Potential Visits or focus groups – to be confirmed:

- Visit to Barnsbury or Finsbury Park jobcentres, and to new Digital Zone at 222
- Focus Group at Elfrida (learning disabilities)
- Focus group in jobcentre (UC claimants)
- Meeting with representatives from support services e.g. PAUSE, Single Homeless Project, IMAX, libraries

Written evidence will include:

- 'The Cumulative Impact of Welfare Reform in Islington': Policy in Practice research report (November 2016)
- Written evidence submitted to the Work and Pensions Committee - Universal Credit update inquiry by the Islington Debt Coalition and the Islington Resident Support Scheme (5 September 2017)
- Letter from Chief Executive LB Islington (on behalf of Chief Executives) to Neil Couling, Director of Universal Credit

Additional information:

In carrying out the review the committee will consider equalities implications and resident impacts identified by witnesses. The Executive is required to have due regard to these, and any other relevant implications, when responding to the review recommendations.

### **Witness Evidence Plan**

<b>Committee Meeting – Tuesday 4 September 2018</b>	
<b>Who / What</b>	<b>Area of focus – Introductory Information</b>
<ul style="list-style-type: none"> <li>• Scrutiny Initiation Document</li> </ul>	For the Committee to agree the aim, objectives and scope of the review.
<ul style="list-style-type: none"> <li>• Ian Adams, Director of Financial Operations and Customer Service, lead officer for Welfare Reform</li> </ul>	Introductory presentation setting out background and context to Welfare Reforms, including Universal Credit, and the Council's work to prepare for UC

<b>September</b>	
<b>Who / What</b>	<b>Area of focus – Background Information</b>
<ul style="list-style-type: none"> <li>• Written Evidence</li> </ul>	Written evidence will be circulated to members in September after the scope of the review has been agreed, including detailed research on the impact of Universal Credit in Islington undertaken by Policy in Practice

<b>Committee Meeting – Thursday 11 October 2018</b>	
<b>Who / What</b>	<b>Area of focus – evidence from elsewhere – impacts of UC</b>
<ul style="list-style-type: none"> <li>• Representative from Southwark or Croydon (amongst first areas to pilot UC Full Service)</li> </ul>	Impacts on local authority – outline issues and impacts, and measures taken to support residents and minimise impacts on council
<ul style="list-style-type: none"> <li>• Representative from Policy in Practice</li> </ul>	Analytical research – in Islington and elsewhere – on the impacts of welfare reforms and UC in particular
<ul style="list-style-type: none"> <li>• Background Report</li> </ul>	Impact of UC at national level – evidence and experiences of councils, landlords, charities

<b>Committee Meeting – Thursday 13 December 2018</b>	
<b>Who / What</b>	<b>Area of focus – DWP and local support offer</b>
<ul style="list-style-type: none"> <li>Paula Heffernan / Ian Smith</li> </ul>	Role of DWP, and partnership working Supporting people towards employment
<ul style="list-style-type: none"> <li>Ian Adams / Robbie Rainbird</li> </ul>	Council's support offer – including feedback on take up of offer and main issues raised

<b>Scrutiny Visits – January – March 2019</b>	
<b>Who / What</b>	<b>Area of focus – The resident experience</b>
<ul style="list-style-type: none"> <li>Focus group with UC claimants</li> </ul>	Hearing from Islington residents who have already moved to UC
<ul style="list-style-type: none"> <li>Talking to service users /support services for people</li> </ul>	Visit to Elfrida, Centre, 404 or PAUSE project
<ul style="list-style-type: none"> <li>Meeting with key support services</li> </ul>	Bringing together representatives from in-house and commissioned support services to share impacts and concerns for their service users

<b>Committee Meeting – Thursday 24 January 2019</b>	
<b>Who / What</b>	<b>Area of focus – Impacts in Islington - Housing</b>
<ul style="list-style-type: none"> <li>Adam Jenner</li> </ul>	Impact on Housing: housing need, homelessness, council tenants, rent arrears
<ul style="list-style-type: none"> <li>Representative from Peabody</li> </ul>	Impact / experience of social landlords – in Islington and other boroughs
<ul style="list-style-type: none"> <li>Representative from Landlords' Forum</li> </ul>	Impact on private sector

<b>Committee Meeting – Thursday 14 February 2019</b>	
<b>Who / What</b>	<b>Area of focus – Impacts in Islington – feedback from frontline services</b>
<ul style="list-style-type: none"> <li>Representatives from Islington Advice Partners</li> </ul>	What's happening on the ground - demand for advice and emerging issues in Islington
<ul style="list-style-type: none"> <li>Written report - UC update</li> </ul>	Latest data and feedback – on UC claimants, take up of support, and emerging issues – to inform final report
<ul style="list-style-type: none"> <li>Government representative ??</li> </ul>	

<b>Committee Meeting – Thursday 4 April 2019</b>	
<b>Who / What</b>	<b>Area of focus – Recommendations</b>



**Committee Meeting – Thursday 4 April 2019**

<b>Who / What</b>	<b>Area of focus – Recommendations</b>
<ul style="list-style-type: none"><li>Final Report</li></ul>	To agree the final report, summarising all of the evidence received, and explaining the reasons for the recommendations. The report will then be submitted to the Executive.

## **APPENDIX B – EXPERIENCES OF CLAIMANTS**

**Feedback from BAME Communities in Islington:**

*"Hi everyone, I live in Islington, I would like to talk about Universal Credit, how it \*\*\*\*\* us, it takes a long time to process, nearly 5 weeks, we've got children, we need to pay the rent, everything, it has been very, very hard UC... we need support from the government to stop these problems"*

*"Hello my name is [...], I am a mother of two kids, single mother, I am a Islington resident and the thing is I, being on Universal Credit is really hard for me, having to support my family, as well as having to live in a private accommodation and paying for the rent and bills is really hard, and sometimes I had to go to a foodbank in order to feed my kids, and I feel like this new system is really hard for me to cope with. It's not actually working for me"*

*"Universal Credit, I'm talking Universal Credit, Universal Credit is very hard, Universal Credit has cut my money, before I [was] paid £370, now I [get paid] £150. I am very sad, I am not happy, the Universal Credit [is] very very very hard. I don't want UC, before I am good, my money good, my life was good. Not UC has cut money. I am not happy, UC is hard, UC I hate, my house is expensive,[...] change Universal Credit"*

*"Universal Credit, I've been with them quite long time now, basically, they are very very hard people to deal with them. Very stressful, especially, like everything is online. You need to keep checking, Sometimes, if you need help, some of the words you don't understand, like I for a few days they close down the website, you have to start again, if you are basically waiting for your rent money, its going to be like gone, so you have to wait for another month, its going to be two months, very stressful, very headache, I'm not happy with them, I hope they change in the future"*

*"I got sanctioned which affected my rent, debts, stress. My work coach didn't always follow things or remember the things I asked her. She didn't speak English well, so didn't always understand me, never helped me search jobs. At one point she didn't upload on the system that I attended the appointment which led to a late payment and a lot of difficulties"*

## **Appendix C**

### **LUS CLAIMANTS SURVEY 2018 - COMMENTS GLOSSARY - ISLINGTON**

#### **2) AT THE JOBCENTRE and ONLINE:**

##### **a) Treatment: respect, politeness, helpfulness etc.**

- *'OK but patronising - not treated as an adult'*
- *'They need training in customer service to treat people with more respect'*
- *'David (job coach for 2 years) is fantastic - caring and helpful'*
- Very good
- *'My new advisor is nice. In the past most of my experiences have been incredibly negative. I've had an advisor criticise and victimise me.'*
- *'Very bad service and nobody cares about you'*
- Very good staff
- *'I was treated very well with respect'*
- *'Sometimes they're hard and I have to push back to get respect'*
- *'Staff are brilliant but pushed for time and have to follow restrictive rules'*
- *'Always nice and polite'*

##### **b) Help to find work/suitable courses etc.**

- *'Was just told to go on a website'*
- *'Zero help so far'*
- *'I get help elsewhere – no expert advice here'*
- *'Approachable – goes the extra mile (David)'*
- Sent on CV writing course (helpful)
- Efficient
- Expected to take just what's available – no relation to previous work experience.
- *'Never got a job via the Jobcentre -only positions I found for myself'*
- Service has deteriorated since UC
- *'Staff are helpful'*
- *'Ingeus course ok. A4E course useless and repetitive'*
- *'No they are not helpful'*
- *'Not enough help'*
- *'No help or support to improve skills'*
- *'Not enough training in my field (construction/engineering)'*

##### **c) Pressure to go on unsuitable courses or jobs**

- *'Training for Youth Offending work but pushed to work in burger shop'*
- *'No pressure so far'*

- *'No pressure but they do not help either'*
- *'They push you onto any course or job. You may have dreams but they ignore your ambitions'*
- *'Pressured to the extent where I was sanctioned'*
- Coach makes suggestions but not pushy
- *'I have more potential than what is offered to me'*
- Mother forced into job during a stressful period in her life
- *'Down to me to resist – lots of options that were unsuitable'*
- Big pressure on JSA – ok now on ESA
- *'Just being pushed into any old job'*

**d) Help filling in journal, job applications etc. using a computer**

- *'I was criticised for not filling in things correctly – no help – caused stress and humiliation'*
- *'Full support filling in journal online'*
- *'I don't get any help'*
- *'Helpful'*
- *'Start-up help but NO MORE – my son has to help now'*
- *'They let me still do things by hand'*
- Help is available
- Very good - coach helped
- *'Not enough is explained about how to use the journal'*
- *'They do help but it's antiquated tech'*
- *'Help at the start, then you're on your own. Form-filling difficult if not up with literacy'*

**3) CONSULTATION AND COMPLAINTS**

**a) A proper say re content of Claimant Commitment**

- *'Pushed into agreeing things - mild threats'*
- *'No great pressure'*
- *'They tell you what should go into it'*
- *'Went through it with job coach - very thorough, very fair'(David)*
- *'Coach helping but it's horrible - too complex'*
- *'I feel able to push back when I need to'*
- *'Not at all - you're led down an alley'*
- *'Coach pushes things on me'*

**b) Proper consultation about concerns and needs**

- *'Early days but could be better esp. re accommodation support. More information about my rights needed'*
- *'NO - not consulted or bothered about you - just a numbers game'*

- *'I had to find out for myself about things - e.g. half-price travel, foodbanks etc.'*
- *'Their way or no way'*
- *'They should inform you of your rights more and ask you what you need'*
- *'It depends on who you speak to'*
- *'I am told what my needs are'*
- *'Staff could do more to help'*
- *'Nobody listens to you'*

**c) Confidence in complaining about a JCP staff member**

- *'I felt too scared to complain in case of the come-back. Several people I wanted to complain about but scared of the repercussions'*
- *'I would def complain if any big problems'*
- *'Waste of time complaining – goes nowhere'*
- *'I have complained about disrespectful treatment to manager – they changed my adviser'*
- *'No – fear of sanctions. Might be labelled as a troublemaker'*
- *'I don't trust them, you'll likely end up sanctioned'*
- *'The Jobcentre are not interested in hearing about complaints'*
- *'I stand up for myself'*

**d) Confidence in complaining to DWP about claim issues etc**

- *'Yes - def would complain'*
- *'Useless (complaining)...they lost my ESA claim - dragged on for three months - had to resubmit claim'*
- *'Too demoralised - no energy''*
- *'I doubt whether they would listen' (had delays in payments but did not complain)*
- *'Fear of reprisals - might make it worse'*
- *'It takes a long time to get through to them and then they rush you on the phone'*
- *'A bureaucratic and confusing process - took 3 months of complaining to get HB sorted'*

**MISC COMMENTS**

- *'The system makes a person more ill physically and mentally due to stress and worry from one session to the next. My sleep and appetite got worse and I used to cry a lot'*
- *'Since Universal Credit a lot worse getting payments....arrears piling up as payments severely delayed on rent'*
- *'Treated good till now – some useful information. But today came several miles for appointment but coach was on training and no-one else there to help me'*
- *'We should all get Universal Basic Income - the system spends a lot on trying to control us so that could go instead on UBI'*
- *'David is fantastic!'*
- *'Should have got more points for WCA.'*
- **Need more I.T. and literacy courses for UC claimants**
- *Thanks to JCP - They sent me on a college course (3 days p.w.) for Literacy/Numeracy etc. to Level 4*

- *‘New UC system is horrible. You cannot speak to them, it all has to be written online which is hard. Big delays dealing with complaints’*
- *‘STAFF NEED TO BE TRAINED TO EXPLAIN UC, how to use the online journal, what benefits you are entitled to’*
- *‘UNIVERSAL CREDIT WILL CAUSE CRIME EPIDEMIC!’*
- *‘I have to visit a foodbank today and I will be in rent arrears as I won’t be paid for several weeks’*
- *‘Some barriers (to work) can be personal and don’t want to discuss with job coach’*
- *‘lack of help for online claiming process. If no computer you’re stuck’*
- *‘Advance payments too much to repay over 12 months – had to borrow off friends and family’*
- *‘Long waiting times’*
- *‘Reduction in income with move from ESA to UC affecting me negatively’*
- *‘Age is a problem – no suitable jobs or courses for people over 55’*

### Budget announcements October 2018

Several changes affecting Universal Credit were announced by the Chancellor in his October 2018 Budget:

1. Changes to the work allowance for households with children and people with disabilities will be increased by £1,000 per annum from April 2019.
2. From October 2019, the maximum rate at which deductions can be made from a Universal Credit award are to be reduced from 40% to 30% of the standard allowance and from October 2021, the period over which advances will be recovered will be increased from 12 to 16 months.
3. The temporary de minimis which currently applies in the surplus earnings rules of £2,500 will change from 1 April 2020 when it will revert to £300, as originally intended. Previously this was due to revert in April 2019.
4. From July 2020, Income Support, Jobseeker's Allowance (Income-Based), and Employment Support Allowance (Income-Related) claimants will continue to receive support for a fortnight during their transition to UC.
5. The minimum income floor will apply to all gainfully self-employed UC claimants after a 12-month grace period. This measure will be effective from July 2019 for those who are 'managed migrated' to UC by DWP and from September 2020 for claimants joining UC as a result of a change of circumstance. Currently, the MIF applies to all new UC claimants unless they are within the first 12 months' start-up period of their business.
6. The timetable for transferring rent support, for those who have reached their qualifying age for state pension credit, from Housing Benefit to Pension Credit has been revised. The transfer of rent support from Housing Benefit to Pension Credit will be delayed by three years, to October 2023.
7. The schedule for managed migration (the process by which the DWP will move people to UC from legacy benefits) is updated. The Government announced that the managed migration exercise will start in July 2019, with completion by December 2023. The Office for Budget Responsibility (OBR) have built in a 6-month contingency to this schedule for the purpose of costing and so quote start date of January 2020, with completion by June 2024.
8. Increase the period over which advance payments can be recovered from 12 to 16 months from October 2021

### Changes announced January 2019

#### Restrictions on UC claims from people in receipt of Severe Disability Premium

The Universal Credit (Transitional Provisions) (SDP Gateway) (Amendment) Regulations (Northern Ireland) 2019 came into effect on 16 January 2019. These regulations prevent benefit claimants who are currently in receipt of a Severe Disability Premium from migrating to Universal Credit due to a change in circumstances. Claimants whose benefit award has ended within the last month, but who continue to satisfy the conditions for eligibility for an SDP will also be prevented from claiming Universal Credit. For the purposes of this instrument, a Severe Disability Premium includes the equivalent premium under ESA, Income Support, old-style JSA or Housing Benefit.

Claimants who are restricted from claiming UC due to this change will, instead, be directed to claim legacy benefits. As there is currently no equivalent to the SDP in UC, claimants will be better off under the legacy system.

The DWP has issued guidance to decision makers in local authorities confirming that housing benefit awards should continue, despite a stop notice being issued, if a claimant affected by this change makes a universal credit claim in error. Similar guidance has not yet been issued in Northern Ireland.

#### Changes to two-child limit

The Universal Credit (Restriction on Amounts for Children and Qualifying Young Persons) (Transitional Provisions) (Amendment) Regulations (Northern Ireland) 2019 come into effect on 1 February 2019.

These regulations amend the Universal Credit Regulations (NI) 2016 to allow families with more than two children to claim Universal Credit, and to ensure that a child element will be payable in respect of all children born before 1 April 2017.



Until 1 February 2019, a household comprised of more than 2 children which needs to claim social security assistance will be directed to claim legacy benefits and tax credits. If you are advising people in this situation, an urgent better-off calculation is advisable to check if the household will receive more assistance under the legacy system. If so, clients should be advised to make the claim for benefits as quickly as possible before access to the legacy system ends on 1 February.

#### Preventing access to pension credit and Housing Benefit for mixed-age couples

The Welfare Reform (Northern Ireland) Order 3026 (Commencement No. 13 and Savings and Transitional Provisions and Commencement No. 8 and Transitional and Transitory Provisions) (Amendment) Order 2019 prevents a couple from receiving pension credit where one member of the couple is of working-age. This change comes into effect on 15 May 2019.

The Savings Provisions in the Order allow a mixed-age couple to make a new claim for either Housing Benefit or Pension Credit as long as they were entitled to receive either benefit on 14 May 2019. This means that a mixed-age couple who, for example, move from owner occupier accommodation to rented accommodation after the legislation takes effect and who had been received State Pension Credit since at least 14 May 2019 will be entitled to claim Housing Benefit to help with the rent, and will not be directed to Universal Credit.

## APPENDIX E

### Universal Credit analysis of rent data

This report seeks to analyse rent data from council tenants who are currently receiving Universal Credit. This data is based on the position at 1 March 2019.

#### 1. Current position

	<b>On UC</b>	<b>Total debt when claimed</b>	<b>Current debt</b>	<b>Avg balance</b>
<b>Credit</b>	516	-£40,497	-£144,742	-£281
<b>Arrears</b>	1460	£1,255,211	£1,849,265	£1,266
<b>Total</b>	1976	£1,214,723	£1,704,522	£614

Of the total number of council tenants on Universal Credit, 74% are in arrears with their rent with an average debt of £1,266. This compares to an average debt of £402 for those in arrears on Housing Benefit.

The figures clearly show that those in arrears at the point of claim continue to accrue significant debts. Interestingly those who are currently in credit have been able to increase their credit levels since claiming. Further analysis of this cohort is required to understand how this has occurred, however it has already been established that some claimants are better off under Universal Credit.

The above figures don't show how many tenants moved from credit to arrears due to Universal Credit; this is 254 out of 579 (44% of those on credit at claim date).

## 2. Change in rent balance since UC claim

Arrears	On UC	Arrears since UC	Avg change	No in credit	No in arrears
<b>Reduction</b>	680	-£285,481	-£420	357	323
<b>Increase</b>	1296	£775,281	£598	159	1137
<b>Total</b>	1976	£489,800	£248		

This focuses on the change in rent balances since the UC claim was made. It shows that 680 tenants have reduced their arrears, although only 357 of these are in credit. The majority (66%) have increased their arrears, by an average of £598.

In total, we can attribute nearly £0.5 million in arrears to Universal Credit.

## 3. Focus on those in arrears

	On UC	Arrears since UC	Avg change
<b>Total</b>	1460	£594,043	£406
<b>Those on UC from 20/06/18</b>	1173	£422,926	£377
<b>As above excluding less than 35 days</b>	994	£413,875	£416

Looking at those currently in arrears, they have incurred an average of £406 in rent arrears since moving to Universal Credit. This is slightly less if we remove those tenants who were part of Live Service and claimed Universal Credit prior to Full Service roll out on 20 June 2018.

Removing tenants who have recently made a claim for Universal Credit and focusing on those in arrears who should be receiving their benefits, the average debt increase rises to £416.

## 4. UC arrears journey

Time since claim	No	Arrears since UC	Avg change	Monthly change
<b>0-35 days</b>	191	£34,822	£182	-
<b>Month 1</b>	112	£32,470	£289	£107
<b>Month 2</b>	141	£48,025	£340	£51
<b>Month 3</b>	175	£68,117	£389	£49
<b>Month 4</b>	169	£68,629	£406	£17
<b>Month 5</b>	154	£64,512	£418	£12
<b>Month 6</b>	108	£57,853	£535	£117
<b>Month 7</b>	110	£49,591	£450	-£85

Looking at the arrears journey since the introduction of Full Service, we can see that arrears continue to rise until seven months after receiving their first payment (based on the first payment 35 days after making a claim).

There is a period where they seem to stabilise around months four and five. It is clear that once arrears are incurred it is difficult for tenants to repay these debts. The cases at month 6 require further investigation to understand why debts have increased by such a high amount.

## **5. Information on stats**

As with all figures, there are caveats:

- These figures are taken at a set period in time. Tenants may have just paid their rent or may be about to pay it. Using averages should negate this but because UC is paid at different times in the month, there is no clear date to report from in terms of month end.
- Our data is still very new. The UC arrears journey should be viewed with scrutiny, given the length of time it takes to apply for an APA and receive payments (typically the DWP doesn't send us the first month's APA).
- Further analysis is possible by looking at previous monthly arrears reports and building a true journey for each claimant. This would make the arrears journey more meaningful and we would be able to spot trends, indicating where we need to provide additional focus and support.
- There should be further analysis of those in credit, to understand how they are managing their finances.