

**SUPPLEMENTARY DOCUMENTS FOR
SCRUTINY COMMITTEE
Tuesday, 13 March 2018 at 7.30 pm
Council Chamber - Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda item to which the documents relate is noted below.

AGENDA

8. Review of Universal Credit in Harlow - Interviews with DWP and Claimants (Pages 2 - 9)

Responses from Support Organisations

Citizens Advice Bureau

1. What evidence is there to suggest that the transfer to UC has caused:

- Rent arrears, or increased rent arrears.

95% of cases reported rent arrears, or increased rent arrears of which 100% applied for Discretionary Housing Payments.

6 Cases reported Housing Element of UC only paid at 50% due to joint tenancy where one partner has left the property, despite being joint and severely liable for the whole of the rent. Client unable to afford rent leading to arrears.

Self-employed claimants reporting loss of HB and Tax Credit awards leading to 0 UC award, struggling to meet Housing Costs.

Clients failing the UC Habitual Residence test despite claiming Housing Benefit, Job Seekers Allowance, Income Support previously. Now not eligible for UC so no help with Housing costs leading to rent arrears and risk of Eviction.

- Debt issues for claimants .

The Debt Specialists report claimants are more likely to have no disposable income to offer creditors due to Advance payment's being deducted, pushing into negative income each month.

Any delay or gap in benefits causes immense problems as clients end up defaulting on payments. As benefits only cover the bare essentials many clients can never "catch up" and borrow themselves deeper and deeper.

Claimant's reported they are using credit to meet needs.

100% reported struggle to manage monthly payments and run out of money before their next payment date.

100% of clients referred to UC lead adviser for Personal Budgeting support had debt issues including rent arrears.

- Referrals to agencies such as the FoodBank / CAB, or an increase of referrals.

Our figures show an increase in FB Vouchers over the previous 6 months in comparison to the previous year.

- People to approach pay day loan type facilities to support themselves or their families?

The Debt Specialists report the majority of income and expenditure statements from our UC clients show they have negative income (their outgoings are more than their income).

Generally when clients do not have enough to live on until the end of the month they apply for any loan they find online that will take them, even if the interest and charges are really high.

They use Catalogue/store debts e.g. Argos, Very, JD Williams, Littlewoods as this enables them to replace goods and buy clothes.

Credit cards are also surprisingly common given that they must have a poor credit rating often under store names such as Tesco, Asda, Sainsburys but also Vanquis and Aqua.

Loans also from Provident (and similar) still common with a person who calls to collect repayments weekly.

2. What impact is the introduction of UC having on the rental/housing market?

If renting to a UC claimant will cause certain rent arrears then Landlords are likely to be less likely to rent to claimants. There are already a limited number of properties available to those in receipt of benefits; this is likely to reduce the availability further.

3. What is the impact of UC on your organisations resources?

Our statistics show that every client that presents with a UC issue has at least 2 issues (inc Debt, Housing, Financial Capability, Immigration, Utility issues).

Extra pressures on Specialists

- Benefit specialists not only dealing with a client's ESA appeal they are dealing with the same claimants UC issues (they are advised to claim UC despite appealing ESA decision)
 - Dealing with complex UC issues such as Income Taper for working claimants and Habitual Residence cases
- Housing Specialist increase in rent arrears, predominantly dealing with Possession cases or prevention of possession, negotiating with LL
 - No income during waiting period or because they are not eligible for UC means they are unable to keep to previous arrangements including Suspended Possession orders leading to Eviction
- Debt Specialists-dealing with priority and non-priority debts increasing as direct result of UC lowering income

Vulnerable claimants including clients with Physical, Mental and Learning disabilities unable to navigate UC process without significant assistance, leading to high demand

for frontline service. We have increased our number of volunteers to cope with demand.

57% of Council referrals for UC Personal Budgeting support had Disabilities/Long Term Health Problems with lack of Digital Capacity a prevalent issue.

4. Are there any requirements for the links between agencies to be strengthened and if so in what way?

Communication between CAB and Housing service in the prevention of homelessness, delay possession action if CAB are assisting client with Benefits/Debt and Housing Advice, especially in cases where there is a clear reason for the arrears which is being addressed.

The council are referring clients directly to CAB which is working well.

5. Are there any areas in which you believe Harlow Council can provide additional assistance to help in managing the challenges of Universal Credit?

There needs to be changes regarding Alternative Payment Arrangements. Where vulnerable claimants were having their Housing Benefit paid straight to their landlord, under UC the process is more complex and is time limited in (4 months). Local Authorities could continue to ask for changes to legislation to ensure claimants who are at risk of homelessness or are vulnerable can have ongoing APA's.

Continue to refer claimants to CAB for assistance with claiming UC.

Refer all claimants to CAB who need Personal Budgeting Support and Debt Advice

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Responses from DWP Representatives

1. What are the current numbers of Harlow people/households on UC?

2098 live claims as of w/c 05/03/2018

2. How many single people and families will be going on to UC and over what time scale?

Unfortunately we are unable to give any specific or accurate forecast in relation to this question. The aim is that all 6 benefits will be replaced by UC with the only exemptions being temporary housing (Post April), families with more than two children and couples where both parties are over pensionable age. However, the timescale of this change is yet to be finalised. We are currently in the process of transferring UCL customers over to UCFS and expect that to take approximately 3 months to complete.

3. Are you able to provide a breakdown of claimants by housing tenure?

We have requested this information from our National UCFS team. However, due to the nature of the request and MI available we are still awaiting a response at this time. We have been informed that it would be very difficult to obtain this information from existing MI if even possible.

4. What support is being offered to claimants and how are claimants made aware of it?

We have made huge efforts to offer as much support as possible. Leading up to the launch of UCFS we held awareness sessions for all partners and providers, this included a large focus on Q&A. This event allowed us to share a lot of information and give practical demonstrations of how customers could make a claim to UCFS allowing the providers to see the UCFS system in action. We have continued to send regular updates to all the providers and partners who attended and have supported a closer working relationship by making direct links to staff within the jobcentre available for contact. We have informed providers that they can contact us locally to book interviews.

We operate from our site a Multi-Agency Centre (MAC) where we have anything between 12 to 15 partners and providers attend each fortnight to deliver a supportive drop-in surgery for our customers. This allows us to work together with our partners and providers to support and overcome customer barriers including such concerns as

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debt management and housing issues. The MAC is widely publicised via both physical means with posters in jobcentres, Doctors surgeries and via digital channels such as Twitter and Facebook. Local providers and partners have also been encouraged to promote as well. Our linked service centres in Bangor & Wrexham have also been provided with the details of the MAC so that they can promote it via the daily contact they have with our customers. Since the launch of UCFS we have also ensured that a UCFS Work Coach attends the MAC to deal with any UCFS queries that any customers or partners/providers may have.

We have computer support in place for all customers that require it when either making new claims or managing their required actions such as journal entries or reporting changes of circumstances. This is again promoted via the jobcentre and service centres at every customer contact.

5. How many and what percentage of claimants are requesting emergency loans or advance payments?

We offer the opportunity of an advance to every customer at the initial interview regardless of circumstances. We explain the full amount they can request but also focus on ensuring that they are also looking at how they budget and promote the Personal Budget Support. For example, if a customer could potentially be eligible to request an advance of £1500 we would talk to them about what they need to pay for essential living costs and how long they will need it to last (until 1st payment of UC). Once this is discussed the customer may only decide to request £200 knowing that they can return to us next week for a further amount if required. We try to minimise customers claiming the full amount but ensure that the full amount is available if required.

We have no official MI on advances at this point. However, from local discussions with our Work Coaches we believe that around 80% of our customers are requesting an advance with most of those accepting a 12 month repayment plan. I can also confirm that we have deferred repayments for some customers to allow them to focus on budgeting. This action is decided at a local level based on individual's circumstances.

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6. What is the most effective way for the Council to communicate with the DWP if claimants have any issues with UC payments?

We have a network of shared contacts between the local council and the local jobcentre. We are in contact with each other on a weekly basis to discuss and investigate more complex cases. This contact is mainly via telephone and email but we do organise face to face meetings as well.

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Responses from Claimants

1. When did you transfer to Universal Credit?

- June -1
- July -1
- Sep -5
- October-9
- Nov -2
- Dec -14

2. How many weeks did you have to wait for your first Universal Credit Payment?

- 6-8 weeks
- Average 8 weeks
- Longest 15 weeks

3. Has switching to Universal credit caused you more or less financial problems?

All responded more financial problems.

4. Has Universal Credit impacted on your rent payments, and if so, how?

All clients apart from one responded they accumulated arrears as a direct result of claiming UC.

One client said he did not fall into arrears but he had 0 money to pay for anything else including food.

6 Claimants reported they could not afford rent as only receiving 50% of housing element, ex-partner on tenancy even though not in occupation of the property.

Workers report they did receive Tax credits and some Housing Benefit, now they do not receive help with under UC (0 award).

5. When you were going through the process of switching to Universal Credit:

- What worked?

The Council referred me to the CAB who helped me with the claim.

- What didn't work?

-lack of clear communication.

-unable to complain to DWP by telephone.

-having to take time off work to go to JC.

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- Was seeking help and advice easy for you to access?
 - Job Centre staff not helpful.
 - not told by applying for UC would stop me going back onto ESA if won appeal.
 - Couldn't get through on phones.
 - Called helpline and told to go online.

 - What could have been done better and how?
 - Help with computers.
 - told what to expect.
 - someone to speak to my Landlord to tell him why I can't pay my rent.
 - told whether I would be worse off applying for UC than staying on the benefits I was on.

 - Is there anything that you feel Harlow Council could have done to assist you during this process?
 - Accessed help for me.
 - The council were helpful.
 - It would have been helpful to have my DHP application processed quicker to prevent rent arrears.

 - How did the on line claim process work for you especially with reference to ease of use and accessibility?
 - I couldn't claim as my partner did not have an email address.
 - I needed help but the helpline told me to go online.
 - I was unable to proceed with my claim so I was sanctioned.
 - I did not want an email account as I fled DV and worried my ex could find me
 - didn't understand what I needed to do to claim.
 - I couldn't use a PC.
 - I couldn't do it on my own but the CAB helped.
6. Are you aware that you can still claim for Council Tax Support from the Council?
- No and yes equal responses.