

## Responses from Support Organisations

### Family Mosaic

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

- Rent arrears, or increased rent arrears.

Unless the customer is engaging with an agency this is where the notices are being served as the communication between the landlord and tenant is non-existent, in my experience when customers are claiming UC for the first time it would appear that advice given may be incorrect about their housing costs. They are not being advised that they can have direct payments to the landlords. A big concern is that when the customers are paid the entitlements which includes their housing costs they are not paying the rent, they then fall into rent arrears and this in turn causes problems.

- Debt issues for claimants.

The period that they have to wait for six weeks for their first payments, they are offered a loan that they have to pay back but from my experience they do not budget correctly and end up running out of money a lot sooner than the first payment date and then the debts accumulate.

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

I have seen a great deal more attending the food bank due to being paid once a month and the customers find it hard to manage their money for the entire month (budgeting).

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

None identified at present.

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

It is very hard to private rent within the Harlow area. Estate agents require six to twelve months rent up front and a £408 holding fee which is non-refundable whilst checks are being processed. This is very hard for customers to achieve, they do not have that amount of money, a DHP can be applied for but this could take anywhere from 24 hours to 3 weeks to be agreed and in the meantime a customer will become homeless.

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

No impact at present, staff have regular fresher training provided by Gill Close from the DWP.

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

Regular meetings if needed, sharing agreements to enhance communication.

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

No, 1<sup>st</sup> point of call including duty are fantastic, cannot fault the team.

## **Harlow Save (Credit Union)**

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

- Rent arrears, or increased rent arrears

We don't deal with rent arrears.

- Debt issues for claimants

Harlow advice centre deal with this.

- Referrals to agencies such as the Food Bank/CAB, or an increase of referrals.
- People to approach pay day loan type facilities to support themselves or their families?

We are not getting any referrals to us.

2. Harlowsave are getting a few people who haven't got a bank account coming into open an account with us to get their benefits or UC paid into us.

## Harlow Advice Centre

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

- Rent arrears, or increased rent arrears?
- Debt issues for claimants?
- Referrals to agencies such as the Food Bank/CAB, or an increase of referrals?
- People to approach pay day loan type facilities to support themselves or their families?

### Response

A significant number of local residents who have sought assistance from Harlow Advice Centre with universal credit have rent arrears or increased rent arrears as a direct result of the way universal credit works. Please see attached example. The main problem is the change from fortnightly to monthly payments. Whilst it is possible for some claimants to obtain more frequent payments this is not open to everyone.

Many claimants are forced to make applications for advance payments because of the long wait between application and payment. This solves the immediate problem but creates a debt which has to be repaid. Claimants who reach the maximum possible under the advance payment system are often tempted to take out expensive debt elsewhere including pay day loans.

Since the introduction of full service UC Harlow Advice Centre has experienced a 43.5% increase in food bank referrals. This is from a fairly low base but does illustrate the impact on local residents forced to wait for long periods between claim and payment.

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

### Response

It is difficult for Harlow Advice Centre to comment on this. Local residents who have experienced difficulties, letting agencies, and agencies assisting local residents on UC to obtain accommodation are best placed to answer this question.

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

### Response

The introduction of UC has resulted in additional training costs and increased demand.

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

### Response

The Welfare Reform Network hosted by the Council, the Job Centre's Multi-Agency Centre, and Frontline referral system work well but there is always room for improvement.

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

### Response

The Council could work with the Job Centre and other agencies to ensure that all tenants experiencing financial difficulties are made aware of the availability of Discretionary Housing Payments and are provided with assistance to complete the relevant claim form.