

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