



Work and Pensions Committee

Oral evidence: Universal Credit: the wait for a first payment, HC 204

Wednesday 24 June 2020

Ordered by the House of Commons to be published on 24 June 2020

[Watch the meeting](#)

Members present: Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Selaine Saxby; Dr Ben Spencer; Chris Stephens; Sir Desmond Swayne.

Questions 96 - 144

Witnesses

I: Councillor Muhammed Butt, Executive Member for Welfare, Empowerment and Inclusion, London Councils, Noel Duke, Neighbourhood Services Manager, Harrogate Borough Council, Sheila McKandie, Interim Head of Revenues and Customer Services, Highland Council, Jacqueline Hickmore, Inclusion Advisor Team Leader, Cornwall Housing, and Adam Smith, Benefits Coordinator, Kent County Council.

II: Hugh Owen, Director of Strategy and Public Affairs, Riverside Housing Group, Jeremy Hewer, Policy Lead, Scottish Federation of Housing, Laura Courtney, Policy and External Affairs Manager, Community Housing, Cymru, and Sue Ramsden, Policy Leader on Welfare Reform, National Housing Federation.

Written evidence from witnesses:

[London Councils](#)

[Kent County Council](#)

[Riverside Housing Group](#)

[Scottish Federation of Housing](#)

[Community Housing, Cymru](#)



Examination of witnesses

Witnesses: Councillor Muhammed Butt, Noel Duke, Sheila McKandie, Jacqueline Hickmore and Adam Smith.

Q96 **Chair:** Can I give everybody a very warm welcome to the meeting of the Select Committee and particularly welcome our five witnesses joining us for this first panel? Thank you all very much for being willing to join us and to help us out in this inquiry. First of all, I am going to ask each of you to very briefly introduce yourself. I will start with Muhammed Butt.

Councillor Butt: Good morning. I am Councillor Muhammed Butt. I am the executive member for London Councils for Welfare, Empowerment and Inclusion. I am here to give evidence in relation to London Councils' perspective.

Chair: Thank you very much indeed, welcome.

Noel Duke: Good morning, Chair, members of the Committee and fellow participants. I am Noel Duke, Neighbourhood Services Manager at Harrogate Borough Council, a stock-retaining local authority in North Yorkshire.

Sheila McKandie: Good morning, Chair, panel members and Committee. I am the Interim Head of Revenues and Customer Services at the Highland Council in the north of Scotland. I am responsible for local taxation and for welfare-related matters. I also led implementation of Universal Credit for the local authority. It was the first site in Scotland to go live with Universal Credit.

Jacqueline Hickmore: Hello, I am Jacqui Hickmore. I am a team leader for inclusion advisers based in Cornwall Housing. We manage the Cornwall Council's stock. We support tenants with Universal Credit benefits, so we talk to everybody who claims Universal Credit.

Adam Smith: Good morning, everyone. My name is Adam Smith. I work for Kent County Council in the 18-plus care leavers' team.

Q97 **Chair:** Thank you all very much for joining us. From the Committee's point of view, it is great to have such a widely spread set of witnesses from around the country. I am going to start with the first question. There was a report from Southwark Council called "Safe as Houses", which said that Universal Credit claimants are more likely to be in rent arrears than housing benefit claimants, those who are still claiming housing benefit. I would be interested to hear from each of you whether that is your experience and, if it is, to what extent you think that the five-week wait in Universal Credit is the reason for that. Can we start with Muhammed Butt?

Councillor Butt: First, thank you for that question. The five-week delay has impacted quite severely. In the report you mentioned that Southwark commissioned, 64% of the tenants who claimed Universal Credit did end up in arrears because of the delay. A further 12 councils have participated



in further research. In my own council, Brent, the continuation of that five-week delay has led to the delay being perpetuated because there are other factors in relation to it. When you end up waiting for five weeks, people end up asking for the loan, which further perpetuates the situation that people find themselves in. As soon as they make a claim, then they are applying for a loan and you end up with people being in debt from the very start, so it is not helpful to have that delay and then the loan being another issue.

Q98 **Chair:** Can I ask about the number there? You said 64% of tenants who were in receipt of Universal Credit were in arrears. Do you have the comparable figure for those who are on housing benefit?

Councillor Butt: I do not have it to hand, but I can provide that data. The legacy systems are slightly different, aren't they? If people are making new claims, you have the rolling up of the six benefits into one Universal Credit and people end up with no income. That is a slightly different scenario, where we end up with people who claimed the housing benefit and the other benefits. At least they had some form of income. On Universal Credit, everything stops, and you have to wait for the five-week delay.

Noel Duke: Our experience is that that would be the case. Universal Credit claimants are more likely to be in arrears than housing benefit claimants. That is down to the fact that when somebody claims Universal Credit, they will be in debt from the start, and once on Universal Credit they remain in debt. In the housing benefit situation, once the housing benefit is assessed, assuming everything necessary has been provided, any outstanding arrears debt will be cleared by the housing benefit. Just some figures: our experience at the moment, this week, is that 56% of our Universal Credit tenants are in arrears. The number for housing benefit claimants, legacy benefit claimants, is nearer to 30%.

Chair: That is an interesting figure. Thank you.

Noel Duke: The impact of the five-week wait, yes, that clearly has an impact because it only applies to Universal Credit and not to housing benefit.

Sheila McKandie: In Highland, we have 313 tenants in receipt of Universal Credit and about 800—almost 900—in receipt of housing benefit. Of those, 212 are in arrears because of Universal Credit and about 60 to 70 in arrears on housing benefit. We certainly have evidence of more arrears for those on Universal Credit, but we think there are a few different things at play. There is obviously the five-week wait, which we do not have for the housing benefit system, and that is certainly putting people into arrears. We do put people into discretionary housing payments when we are aware that they have a shortfall in their rent for housing benefit because we have that information and we can put that immediately into play. We do not receive from DWP information relating to Universal Credit claimants with regard to, for example, the benefit cap, so we cannot put a discretionary housing payment into payment immediately.



HOUSE OF COMMONS

We have to try to identify who these people are; we have to invite claims. We work very closely with our housing associations, which always put information out to their tenants to ensure that they do take up their entitlement to DHPs, but we think there is more scope for DWP to share details with local authorities to ensure that discretionary housing payments can be put into place when people are falling into arrears for various reasons. The five-week delay is part of it. I do not think it is the complete story.

Q99 **Chair:** On the figures you gave at the start, did I understand correctly that about two-thirds of your tenants who are in receipt of Universal Credit are in arrears? Is that right?

Sheila McKandie: Sorry, 45%.

Q100 **Chair:** In the case of your housing benefit recipients, what is the proportion in arrears?

Sheila McKandie: It is a much lower percentage. When we initially implemented Universal Credit, there was a significant gap between the arrears figures for Universal Credit and housing benefit. That has come down over time—they are beginning to merge—but there is still a difference between housing benefit and Universal Credit.

Chair: Thank you very much. Ms Hickmore.

Jacqueline Hickmore: We have a very similar situation to what everybody else is reporting. We have 2,217 of our tenants on Universal Credit. Of those, over 1,000 were never in arrears before, but now about 534 of those who were not in arrears when they first claimed Universal Credit are now in arrears. The five-week wait is difficult for a lot of people and taking an advance is putting them into debt as well as being in debt with the rent. Quite often people who have been in employment and had quite a good job may have bills and expenses that they could afford at the time, but of course they still have those bills and expenses so it does put people into difficulty.

Adam Smith: Most of our young people are in receipt of Universal Credit rather than housing benefit so I cannot compare the two. The vast majority are in receipt of Universal Credit. I would like to say though that the main reason I feel that most of our young people are in rent arrears with Universal Credit is the difficulty in getting housing costs paid direct to the landlord. The Committee is probably well aware that young people who are care leavers are one group that can get payments made direct to the landlord, but we still seem to have difficulty, certainly with the first payment. It often goes to the young people themselves. That ties in with if they have taken out their advance payment and their Universal Credit is reduced; it is a case of robbing Peter to pay Paul in lots of cases. They may have electricity bills to pay, gas or council tax, and then they do not pay the whole amount to the landlord. That is one of the problems that we have in particular: getting the direct payments from day one.



Q101 **Sir Desmond Swayne:** I was very interested in that comment, that the five-week wait might not be the whole story. Have your studies enabled you to drill down into the data to determine the extent to which arrears may be occasioned by the circumstance that led to the natural migration to Universal Credit or to the five-week wait, to what extent the different causes might contribute?

Chair: Who wants to start?

Sir Desmond Swayne: I will take that as a no. It would be very interesting to know what the balance was as to the extent. There are life-changing events that can lead you to move from legacy benefits to Universal Credit. What we need to know is to what extent the arrears are attributable to the life-changing event or to Universal Credit's five-week wait.

Chair: I thought I saw a hand up. Go ahead.

Noel Duke: We have not done the scientific research on this matter—we carry out the landlord function, my role and my team, not to deal with the revenue and benefits side of things—but anecdotally what we find, particularly with our new tenants, is that they already come to us with a series of life-changing issues. They may come to us because they have been made homeless; they may come to us with addictions to drugs or alcohol or with mental health problems, so the five-week wait for payment does not cause those problems; it does not cause the arrears. It adds to the problems and it makes those problems that they already carry far worse.

Q102 **Sir Desmond Swayne:** We are in want of some scientific study. Can I ask another question? To what extent are you maintaining data on new claimants, new to the benefit system, who have come straight on to Universal Credit? It would be very interesting to see how their performance in rent arrears compares with those moving via natural migration.

Chair: Is anyone able to help us on that?

Councillor Butt: If you take the data that has been provided by the DWP from 1 March to 10 May, I think, we have had over 400,000 new claimants claim Universal Credit. Out of that, over 230,000 were claimants in the outer London boroughs, such as Brent and Newham, which had the highest number of claimants. What we have found is that as soon as they have had those life-changing circumstances—people may have lost their jobs, those kinds of things, and have made new claims—because they do not have the requisite savings or perhaps have had the opportunity to serve out a notice period, because those individuals are new claimants, we can demonstrate that a lot of those individuals have ended up in debt quite quickly because of that five-week delay because they have had no income. The data is there, and we can provide the exact same data from the DWP that backs that up. People are ending up in debt in relation to new claims and the five-week wait and then perhaps taking on loans as well.

Q103 **Sir Desmond Swayne:** Can you provide us with that data?



HOUSE OF COMMONS

Councillor Butt: Yes. It has been provided to us by DWP, but we also have reports that we have commissioned from the Smith Institute. We can provide that data, no problem at all.

Q104 **Sir Desmond Swayne:** Thank you very much. The 400,000 figure is a London-wide figure, isn't it?

Councillor Butt: That is London-wide, across all London boroughs and the City of London. That is 401,000 from 1 March to 10 May and the 235,000 that make up almost 60% of the new claimants have been in the outer London boroughs. Places like Newham and Brent have seen some of the highest numbers of new claimants.

Q105 **Sir Desmond Swayne:** The Zacchaeus 2000 Trust has told us that the run-ons that are now available on a number of legacy benefits have not made any difference to the number of social tenants in arrears. Is that your experience or have the run-ons had some beneficial impact on arrears? Otherwise, what have they done with it?

Councillor Butt: The run-on payment exacerbates the situations people find themselves in because it is a loan. It is not a payment, so people are reluctant to take on the payments and take on the extra debt. If they still have to continue to pay the utility bills and pay for food, look after their household commitments and still continue to make payments to the rent, why would they take on more debt that would put them further down in the situation?

Chair: The run-ons are not—I think they are benefits, straightforward payments. They are not repayable, the run-ons.

Q106 **Sir Desmond Swayne:** I think you are confusing the run-ons with advances. Have the run-ons made a difference?

Chair: Apologies, yes.

Councillor Butt: They help in the short term for some individuals, yes.

Q107 **Sir Desmond Swayne:** Do we have figures to show that there was any impact when the run-ons were made available? Have they made any impact on the data?

Councillor Butt: I do not have the exact figures for every London borough, but that data can be provided, yes.

Chair: If there is anything that we can obtain, we would find it helpful.

Sheila McKandie: The HP run-ons have definitely helped with rent arrears. How you equate that to the reduction it has had is very difficult because what it is doing is paying two weeks' additional rent, so it must be contributing to a reduction in rent arrears. How you quite equate that to the level of reduction would be quite difficult because of course what the run-ons do not do is assist with daily living expenses. An individual who is receiving run-ons is still experiencing this shortfall, this drop in their



income during that five-week wait, and they are getting into debt or getting further into debt. It is very difficult.

While it is very helpful, I personally would like to see the HP run-ons—and maybe this is something Government can look at—cover that five-week waiting period so it is seamless for tenants because it is very difficult for people to manage when they are on very finite finances and they have no cushion in the bank for shock expenses that might come in and just for day-to-day living. That is where HP run-ons and other legacy benefit run-ons have some role to play, but I do think they should cover the five-week waiting period. That would be helpful for tenants.

Q108 Sir Desmond Swayne: I have a question about the Harrogate pilot. How many people have been transferred on to the pilot so far? Have you taken a view as to the extent to which the Department for Work and Pensions could provide more assistance to those tenants with managing their finances?

Noel Duke: I was expecting that question. The DWP is somewhat reluctant to release volume figures to us. We are aware that since July last year when we saw the suspension of the pilot, 11 of our tenants have been transferred, have been moved to Universal Credit from a legacy benefit. Neil Couling advised us in a letter in February that by Christmas last year there were 69 customers in total who would be in the pilot. I asked for an update ahead of this meeting and was referred to a Universal Credit Written Question HL457, tabled by Baroness Lister of Burtersett and responded to on 29 January, which basically just referred to the 69 people who were included in the pilot. The answer to the numbers question, Chair, is that we are aware of how many of our own tenants have been transferred—that is 11—but we are not aware of the bigger numbers more generally.

In terms of what else the DWP could do during that pilot through Jobcentre Plus, there is little else it could do that it was not already doing. It was doing a fantastic piece of work in terms of providing support to claimants, coming alongside claimants and helping them with their claims from the beginning to the end. It was also working with stakeholders. The communications with us, as a key stakeholder, were impressive. We were having regular meetings; we had agreed communications. I do not think there was any more it could do as far as the pilot went. It was a very positive experience in terms of the support that was given.

Sir Desmond Swayne: Thank you, that is very helpful.

Q109 Shaun Bailey: I want to touch a bit more on advance payments and the relation they have with housing. My first question of three is to what extent do you find that advance payments have helped address some of the problems that tenants are facing while they are in this five-week wait? Do you think that they help avoid rent arrears both on receipt of the advance payment and during the repayment period?

Chair: Shaun, I am going to suggest that before we go back to the witnesses, can you say what the three questions are, in the hope of saving



HOUSE OF COMMONS

a little bit of time?

Shaun Bailey: Of course, yes, Chair. Secondly, I was reading a report from Bright Blue from March 2019 that seemed to suggest that one of the issues around advance payments—and subsequent debt in particular—was around the fact that some people were under-claiming when they were putting in an application for an advance payment. I want to check whether that was the experience of the panel members and if they had any data on that. Also as a percentage, because it has been noted that the percentage repayments of some people with advance payments are really varied, what do those averages, particularly in the local authorities, look like?

Finally, to pick up on what Adam touched on, what are your views around whether UC should be paid directly to landlords and what impact that would have on those service providers?

Chair: Thank you. Let's try it in the other order this time. Mr Smith, do you have any comments on those points about advances?

Adam Smith: Direct payments to landlords: it is a big issue with care leavers. It is often that the first payment, despite the fact that we have applied for direct payments to landlords, will go through direct to young people themselves. When a person has limited income, they often will spend a certain amount of money trying to deal with all their debts. If the payment has gone to the young person rather than the landlord, it is quite common for that money not to be paid over to the landlord. All that does is create an area of dispute between the young person and the landlord. It does not necessarily always mean that the placement finishes, ends, but it is an area of dispute that we try to resolve.

The main problem is the fact that on the claim form for Universal Credit there is no question that asks if this person is a care leaver. The Department for Work and Pensions has no idea, unless that information is voluntarily given at the interview, that the young person is a care leaver. The advantages of being a care leaver—the direct payments, the exemption from the shared accommodation rate—does not come though until we can get involved and try to resolve the problem. Certainly in my experience, and I have been in post for about two years, that is the one big issue that we have with Universal Credit, payments to the landlord.

Jacqueline Hickmore: I agree. With the advance payments, it does have a big impact on tenants' affordability. Often there are other deductions that have to come out once they get their Universal Credit payments. I do speak to quite a lot of people who say, "No, I do not want to take the advance." They have had maybe a last pay of their wages and they want to try to not use the advance, if possible, or may just take a small amount. Another big problem is people who maybe have a history of having rent arrears. If they are paid the advance and it is the full amount and it includes a bit of housing, they do not then pay us. Again, I agree with Adam, we have the same situation where the first time we apply for an alternative payment arrangement, quite often the first payment goes to the tenant and they do not always pay that to us.



HOUSE OF COMMONS

The four-week payment run for us getting direct payments causes a lot of problems because when the tenant is paid their Universal Credit, if we are getting direct payments, it then gets sent to the UC payments centre and it can be three weeks later that we get our payment, which means sometimes the rent payments are coming to us up to eight weeks late. That can cause a big problem. This is causing a lot of stress for tenants as well because they are being told that their rent is being paid through Universal Credit and then they are getting letters saying the level of their arrears and it causes a lot of stress and worry. Trying to explain to people how the UC payment run works—when we get our payments, it is technically not arrears because it is late from Universal Credit—causes a lot of stress and worry to the tenants. On the whole, if people take out advances it is putting them in debt from the beginning, as well as possibly with rent arrears, and it is difficult to manage on such a low income. That is my bit.

Sheila McKandie: There is a certain reluctance to claim advance payments because of the debt that ensues and of course that debt follows you through until it is paid off. It is also contributing to in-work poverty because once people come off Universal Credit, they still have to pay back the advance payment. There is reluctance and we are finding that people are not opting for the advance payment and they are falling into arrears with their tenancies. As one of the other witnesses has alluded to, that creates difficulty between landlord and tenant and their relationship. One of the questions later on might be around landlords refusing to take Universal Credit payments. It influences the thinking of some landlords in terms of the payment patterns of some tenants.

Advance payment is perhaps something that could be looked at more closely to see how it could be better implemented and deducted going forward. It does have a disproportionate effect on families because they do not have elasticity in their finances. They find it even more difficult to pay it back than somebody who is perhaps salaried, who had taken out a loan for whatever purpose and is having to pay that back. It is more difficult for individuals on tighter incomes to do that.

Councillor Butt: A lot of the speakers have alluded to the fact that initially it can help, but the advance payments do not marry up with the way that the landlords work. They expect to have their payments in advance, where with Universal Credit some of the payments are in arrears so the time gap in between increases, increasing the pressure on the individuals making the claims, who do not want to fall further into debt. Yes, you can have the advance payment, but you still have to pay that back. There was a study, I think from the Resolution Foundation, that said about 38% of those who did not take the advance were unwilling to claim for fear of falling further into debt. That is one of biggest obstacles in the advance payments.

Q110 **Dr Ben Spencer:** I want to explore two areas. To start off with, new burdens payments, and what I would like to try to dig down to—and I would be very grateful for the witnesses' help here—is the cost of welfare reform.



HOUSE OF COMMONS

With what we are looking at at the moment and some of the impacts you are talking about, how much is due to the fact that we are shifting the welfare system to Universal Credit and how much is there an intrinsic issue with UC and the five-week wait itself? I think we need to separate those two things a bit to understand what direct impact UC and the five-week wait is having.

Looking at new burdens payments, these are paid to local authorities to cover the costs of the implementation of welfare reform. In your experience, what are the payments being used for? How specifically do issues around the five-week wait feature in this? More broadly, how do you think we should measure or appraise the cost of the implementation of reforms and try to answer that question of understanding better the impact of change as opposed to policy itself?

The second area I want to probe a bit is this. The Child Poverty Action Group has said to us that private landlords are refusing to accept Universal Credit and there are concerns that councils are incentivising landlords to take this on. I think this was mentioned a bit earlier. Are you aware of this and what have you done about it? How does Universal Credit and the five-week wait specifically bite into this? Is this something that you saw before with people on legacy benefits or is this something that has changed following the implementation of UC?

Chair: Councillor Butt, are you able to start us off on those two questions?

Councillor Butt: If you take a look at what has happened since the introduction of the welfare reforms, almost £12 billion has been taken out from benefits and all the different systems, from the legacy systems, in relation to that. When you take that amount of money out from individuals in trying to support the systems and the processes that are supposed to give some kind of support and dignity to individuals, there will be a knock-on impact.

One of the things that we have had to do in relation to the second part of the question is work with landlords and give them incentive payments and guarantee the deposits so that they will take on individuals who are claiming benefits. Housing benefit used to be paid directly to the landlords. When it comes to Universal Credit, unless there are extenuating circumstances—and each case has to be done on a case-by-case basis—it becomes difficult for the landlords to have that trust and confidence that they will get their payments. One of the things that we in the councils have found is that on the legacy systems, we were able to support individuals because we were working with them.

As soon as people start going on to Universal Credit, it becomes online and they have to take the support of the Citizens Advice Bureau, for example, and then trying to get the information that relates to those individuals back from the DWP so we can put in holistic support becomes even harder. We are being forced to take a look at creating community hubs in our localities so that people can come to us and we can have those conversations and



work with key partners such as Crisis, Citizens Advice Bureau and others who can put those mechanisms in place to support individuals.

Noel Duke: To put this into some context from a Harrogate Borough Council perspective, in 2019-20 we received just over £1,200 for the transition to UC cases—it was part of the new burdens funding—and a further £17,000 to meet the costs of the UC burdens, such as management activities dealing with complex cases, migrating cases across. This year, 2020-21, that has been reduced to £788 and £6,900 respectively. In the scheme of things, it does not make a massive difference.

To the specific question, to what extent do the additional associated costs of UC result from the five-week wait, it is difficult to give any hard and fast figures in terms of additional administrative costs. Most of the welfare benefits and Universal Credit work that our revenues team do and the costs are related to the administration of documents, for example, to cancel claims, set up and reassess claims, award run-ons and provide data to the DWP. We also have to provide additional help to tenants who have complex Universal Credit claims to put in, so it is the costs associated with that.

But from a landlord's point of view, which is where I come in specifically—my team come in specifically—we work with our tenants, manage the tenants, and the extra costs of carrying out the landlord function are not accurately reflected at all in the new burdens funding. For example, because of the increased number of tenants in rent arrears we appointed a new housing officer, but with on-costs, those costs alone are in the region of £30,000. The new burdens funding does not touch the surface of that. In addition, we have rent loss, arrears, additional support, the cost of enforcement action, the knock-on effects, the knock-on costs of that enforcement action, leading to increasing homelessness, for example.

Is the new burdens funding enough to cover the costs associated with Universal Credit? I think it is fair to say that the answer is no, it is not. We would always like more money. The Committee would be aware that we would like additional funding to give that advice. We help tenants with work that perhaps Jobcentre Plus could be doing in terms of advice and again providing additional support, because we, as landlords, are trying to minimise both the impact on our arrears, which are bigger, but also the impact on our customer, who is a real person suffering, in some cases from multiple debts.

Moving on, how do we assess in a scientific way the financial impact of Universal Credit? It would be incredibly difficult to do that without having additional resource to sit down and add all the intricate figures together, so I do not think that is something that we are looking to do.

Q111 **Chair:** The point about private landlords: are you saying private landlords in Harrogate are refusing—

Noel Duke: No. In Harrogate we have not experienced much of this issue at all, in fact. If it happens, it tends to happen with our more challenging



HOUSE OF COMMONS

customers, so people who come through housing options, the homelessness route. Our housing options team provide rent bonds, use flexible homelessness grants and provide additional support to that one particular group. More generally, we have not encountered much of an issue.

Sheila McKandie: It is very difficult to identify and evidence costs that are directly attributable to Universal Credit. There are some, but to look at it in the round, it is very difficult to do because there are many variables at play in people's finances. For example, in Highland we had a £38,000 reduction in our new burdens funding so we get £24,000—that is for one year—and, as highlighted, that is to implement changes, not to mitigate the impacts of change, so two very different things are at play there.

We have had various impacts arising as a result of Universal Credit. We have had to increase our bad debt provision for the recovery of housing benefit overpayments because we no longer have that same mechanism and ability to recover overpayments from ongoing benefits. We now have to go through the Universal Credit system, which is temporarily suspended in terms of deductions, and that is £106,000 a year we have suspended, waiting for DWP to collect for us. The total percentage of recovery has dropped almost by 50% in terms of recovering overpaid housing benefit. That is just one example. There are many examples that we can give you.

In Highland, 27% of our workforce was furloughed, and UK-wide, it is about 24%, so we have a higher percentage in Highland. That will be at play. Could you attribute that to Universal Credit? Many of these people will be on Universal Credit. Is that a direct cost, attributable? It is a very difficult calculation to make and I do not think you will be able to say specifically that all of these factors are a result of Universal Credit, but I do think that there is certain evidence that we can use to pinpoint some of the costs arising from Universal Credit. We have presented some of those costs to the DWP. It has not materialised into further payments, but we are having ongoing discussions with DWP about that.

Q112 **Chair:** Are you seeing landlords refusing tenants on Universal Credit?

Sheila McKandie: That is not something that is prevalent in Highland. What we have been doing is working hard with our landlords and our tenants to ensure that there is a good understanding of Universal Credit and to support claimants to ensure they get the maximum under Universal Credit. For example, we invest £1.4 million in our advice services. That is money coming out of our general funds that could be used for other purposes if we did not have to mitigate the impacts of the benefit system and just sheer welfare state.

Jacqueline Hickmore: I am not in a position to comment about the burdens funding because, as Cornwall Housing, we are an arm's length management organisation and the burdens funding goes to Cornwall Council. However, with the landlord situation, Cornwall Housing's housing options people do find that private landlords are refusing people on



HOUSE OF COMMONS

Universal Credit. They offer help. They can sometimes, depending on circumstances, get funding through homelessness intervention funds, Crisis and Care. They also offer deposit bonds and try to support and work with landlords on tenants' behalf. But as far as burdens funding goes, I do not have enough knowledge to be able to answer that question.

Chair: Mr Smith, anything to contribute on this one?

Adam Smith: Nothing in relation to the new burdens payments, but if I may make a couple of comments on private landlords refusing Universal Credit payments: I am not aware of that particularly, but we work quite closely with landlords. We have an accommodation team to help care leavers work with private landlords. We can provide a deposit; we can provide the first month's rent and also, in certain instances, can act as guarantor. In those cases, of course the landlord would be more inclined to rent to our cohort, our care leavers.

The increase in the local housing allowance rate of course has helped. Generally, I agree with the last speaker, that I am not aware of any specific problems where Universal Credit is affecting private landlords. You often get private landlords saying "no benefits" but we have had that for years. I am not aware of any huge increase in that.

Q113 **Debbie Abrahams:** Can I explore in a bit more detail the new burdens payments? As I understand it, that was introduced to encompass discretionary housing payments. I think it was Sheila who was saying that the new burdens payment was meant to be for implementation, not so much mitigation. Do DHP and applications for DHP still apply? Is it a uniform process or are there some variations, as we found previously? Is it being topped up by local authorities? Does anyone have any information about that?

Chair: Debbie, is what being topped up by the authorities? What was that point?

Debbie Abrahams: Is the new burdens payment being topped up by local authorities? It is a tiny, tiny sum. What happened in the past with DHPs, often local authorities topped them up because demand exceeded what they were allocated by the Government. I want to understand that with this new type of payment.

Chair: That is about discretionary housing payments, if that is being topped up out of the council's funding? Is that right?

Debbie Abrahams: It has been in the past. As I understand it, the new burdens payments include and incorporate DHP.

Chair: Ms McKandie, you picked up a little bit of this earlier on. Are you able to give us any answer on those points?

Sheila McKandie: Happy to do so, Chair. It is slightly different in Scotland because discretionary housing payments are of course devolved to Scotland, so we no longer receive that as part of our new burdens funding. The new burdens funding covers things like IT costs and policy costs. To



HOUSE OF COMMONS

answer the question, it does not cover the actual mitigation. Councils are using their general funds to mitigate against the impacts of Universal Credit. I cited the £1.4 million for our advice services, for example. There are many other costs that local authorities are absorbing as a result of Universal Credit. That is just one example. I hope that answers the question.

Chair: Are any of the other witnesses able to comment on that?

Noel Duke: Certainly. As far as I am concerned, DHP falls outside the new burdens payments because when you look at the payments we receive, it is just over £7,500 that we received the other day for new burdens funding. The DHP is not part of that. We have received additional DHP funding to top up the DHP. We have received an increase and we feel that is sufficient.

However, I think we all must top up the other new burdens funding by the back door. We just do the work that is needed and we fund it from existing resources. We are not identifying chunks of money and paying that in. We are just doing the job, doing the work that needs to be done to provide the additional support that is needed, partly as a result of the changes in Universal Credit.

Debbie Abrahams: Councillor Butt, do you want to add to that?

Councillor Butt: We have to remember that the new burdens payment was only for the administrative costs associated with transferring a person from housing benefit to Universal Credit. Obviously, the DWP refuse to recognise any of the other costs that we face in relation to supporting individuals. For example, when people come to us, we have had to increase the support to Citizens Advice Bureau because there has been a corresponding increase of people coming to them as well. We have had to increase support within the council as well because people come to us as a first port of call, and we have had to put extra computers in our customer services and in our libraries. We have given extra support to make sure people can access wi-fi and these kinds of things that people may not otherwise have access to. These are the kinds of costs that are not picked up.

Q114 **Debbie Abrahams:** Is there any wider analysis by the LGA on the changes and the costs that councils are incurring as a result of not just the change to Universal Credit, but also in terms of the impact of the wait on discretionary housing payments? Does anybody know of that? It seems to be an area that seems to be missing in the analysis.

Chair: Can anyone point us to some analysis on that? No.

Councillor Butt: Not really. I know that each London council can demonstrate the impact on them because we are slightly different to some of the other councils and representatives here. The cost pressures within London are slightly different. Somebody mentioned the local housing allowance. People tend to forget that the local housing allowance was frozen for nearly four years and that has meant that it has not kept pace



with inflation or anything else. There are so many different other pressures that need to be accounted for in order to give you that whole picture.

Q115 **Nigel Mills:** Can I ask the panel whether they think the basic UC structure of one fixed monthly payment helps this situation or exacerbates it and whether they think allowing more flexible numbers of payments a month, perhaps weekly or fortnightly, would help the situation?

Chair: Who would like to start on that one?

Adam Smith: Our care leavers, they are one of the exceptions of people who can apply for fortnightly, or twice monthly payments, as they call them. We find that is extremely helpful. In a lot of our cases, because our care leavers obviously lack the role models for financial stability, what we are finding with monthly payments is that they are often blown in the space of the following weekend. There is a difficulty with budgeting issues when it is monthly payments. We are finding that if our young person wants to apply for fortnightly payments, it has always been agreed. There is not a problem with that. It has always been agreed and is very helpful.

I understand why monthly payments were introduced. It is to mirror the world of work but a lot of our young people, when they work, tend to be in weekly paid jobs so it does not quite mirror that for them. I would have hoped that a more frequent—fortnightly, even weekly—payment system would be beneficial.

Q116 **Chair:** Do any other witnesses want to comment on that point?

Councillor Butt: We do need to have a lot more flexibility, as the last speaker said. Universal Credit payments were more aligned to salaried staff. The system does not take into account individuals who may be casual workers, people who work in the gig economy, zero-hour contracts and self-employed individuals. There are a host of individuals who work quite differently. For them, to go on to a monthly payment does cause them hardship. Being able to mirror some of the life experiences of those individuals, where they have been paid weekly or fortnightly, would help support those individuals to budget their lives a lot better.

Q117 **Nigel Mills:** Can I ask a slightly different question? It seems to me that the situation here is that the claimant eventually gets the housing element to Universal Credit; it is just maybe slower that we would like it to be. Is there any experience of landlords and housing associations trying to match when the rent payment is due to when the UC receipt is due and have the direct debit go out the next day or something? Rather than creating arrears, at least on paper, you try to line up when the rent is paid to when the claimant gets the money coming in to try to avoid this timing issue.

Sheila McKandie: That would be a very difficult thing to do because, as we know, the payment date for each individual payment is different because it is determined by the date that they make their claim. For any landlord to try to align their collection dates and their rent arrears policies with the payment date of Universal Credit, they would have different



HOUSE OF COMMONS

policies for different tenants in terms of the dates they were executing those policies. It is not like legacy benefits whereby people, the same group of claimants, are paid on the same date. While I think it is an admirable option to look at, it is just not practical for landlords to do that. It is very difficult for landlords.

Talking about landlords, they are not identified under Universal Credit as affected persons. Under housing benefit, they are identified as affected persons. Therefore, if there is a change in a claimant's housing benefit, their landlord is notified, with a direct payment to the landlord. Under Universal Credit, where there is a direct payment to the landlord, the landlord is not recognised as an affected person and therefore is not notified of those changes. That is also feeding into this issue about trying to collect the rent and manage the rent. If you have multiple tenants, it is very difficult for landlords.

Q118 Nigel Mills: Would it help if the claimant could choose what day they wanted their Universal Credit paid so they could have it set at a month end or the first day of a month so there was more predictability and consistency in that, so you could then line up the rent payments perhaps more consistently across a group of tenants?

Sheila McKandie: It would be more helpful if it could be pegged to the tenancy agreement. As part of claiming your Universal Credit, you had to evidence your tenancy and landlords can do that through the portal if they are signed up to the landlord portal. If the date that the rent was due was shared at that point and then the UC payments fixed to that date, that would help address the rent arrears issues that is prevalent within Universal Credit, in my view.

Chair: Interesting. Is that okay, Nigel?

Nigel Mills: That is fine, yes.

Q119 Selaine Saxby: This is a specific question for Cornwall. Jacqui, this one is for you. I am particularly interested at a personal level, as I am the MP for North Devon, so I think share a lot of your experiences in Cornwall. There has been a report from the Resolution Foundation, which has shown that people in coastal areas are particularly impacted by the current job crisis from the coronavirus. What are your views on how well the five-week wait and then monthly assessments will work for people by the coast, specifically in those seasonal tourism sectors? I am also interested in how that compares between people coming on to this now for the first time versus those people who had perhaps been with the benefit for a while.

Jacqueline Hickmore: We have seen, after lockdown, a big increase in Universal Credit claimants. I have the figures here. We had on average 16 new Universal Credit tenants a week before this all happened. During the three weeks after lockdown, that went up to 75 new claimants a week on average in that three-week period. We talk to everybody who claims Universal Credit to offer support and advice, if need be, and a lot of people were in hospitality, the restaurant trade, those sorts of areas of work.



HOUSE OF COMMONS

Generally, with seasonal work, there are a lot of people in Cornwall—and it may be the same in Devon—that are in seasonal employment like hospitality, and quite often Universal Credit does not mirror how they may have been paid, weekly or fortnightly. Having to wait five weeks if you are used to having your money weekly is very tricky for people to budget.

On a general matter, if people are in seasonal employment, which we find obviously a lot down here, Universal Credit can be quite good for people because if they are okay with managing on a monthly payment, then obviously when their hours start to go down as the season ends, or before the season begins if their hours are low, then they will get more of a top-up. Then when they start getting more hours during the seasonal period, they will obviously get less of a top-up or get a nil award if they do too many hours. However, one of the big problems we find down here is if people are self-employed and in seasonal work. Because of the minimum income floor, it is assumed they are earning.

Obviously, this is not the case at the moment because this has been put on hold during the current crisis. If people are seasonal, self-employed, then as their hours drop, it is still assumed they are working say 37 hours a week at minimum wage and they may not be able to get the top-up that they need from Universal Credit. Yes, we have seen a big increase in Universal Credit claimants since the current crisis and we have had quite a few people who are really struggling, having to rely on food vouchers. They are taking the advance and they are getting into difficulties with their rent.

Q120 Selaine Saxby: I guess the only other little bit, Jacqui, is if you could identify any differences between those people who have come on now for the first time versus those people who have perhaps historically been on the benefit with regards to the five-week wait. Do you think this particular cohort with the five-week wait has been any different compared to previous people who have moved on to the benefit?

Jacqueline Hickmore: I think the five-week wait is different for different people. I cannot see any major differences between say talking to someone six months ago who has made a new claim for Universal Credit and who has made a new claim since this current crisis. People are very different. Sometimes people do not take the advance because they have had some wages and they want to manage and they will make payments on to their rent. Other people really struggle and will rely on food vouchers. There is no major difference between. You always get that mix of how people cope with the five-week wait. There is not a major difference between them since the current crisis and maybe last year. Does that make sense?

Chair: Yes, it does. Thank you.

Q121 Steve McCabe: I want to ask about care leavers and what happens when they turn 18. I got most of this from Kent, so maybe I should start there. I had three specific questions. First, I think it is Kent that says you have countless examples of young people taking advances and getting into debt. I wonder if you know the figures. What proportion of your care leavers do



HOUSE OF COMMONS

take advances and get into debt and is there anything different about them from the other ones?

Secondly, you say that there is no real advantage in backdated payments because all your care leavers get help to make timely claims. Is that the same for all local authorities?

Finally, Kent mentioned that a lot of the care leavers lack budgeting skills. I am not sure that is unique to Universal Credit. Do local authorities prepare care leavers by giving them budgeting skills in preparation for leaving care?

Adam Smith: First of all, the debt issue. A month before the young person reaches 18, we start the claim for Universal Credit. We do an advance claim. It is always the social worker or the personal adviser that helps them with the advance claim. About backdating, first of all, it is not an issue because generally the claim is done at the correct time, so backdating is not an issue particularly. Once the claim has been submitted on their 18th birthday, we basically have two choices, either they can go for an advance payment, which is obviously what we have talked about, or the other option is that Kent County Council pays something called an essential living allowance.

Steve McCabe: Yes, we got that.

Adam Smith: This is a payment that is linked to the Jobseeker's Allowance rate, so it is slightly less than Universal Credit. We are at the moment looking at a process now of either insisting on one or the other. At the moment, it is a mish-mash. Some people go for advance payments; some people go for essential living allowance. The essential living allowance, because it pays at the rate of £58.90 a week, has a huge impact on our budget, on our finances, because we have about 1,700 care leavers in Kent, the majority of whom are in receipt of Universal Credit. It has a big impact if we do these essential living allowance payments. The third question you asked, I think, was about budgeting skills.

Q122 **Steve McCabe:** No. The two I am anxious for you to answer are you say you have countless examples of young people. Do you know what proportion of care leavers take advances and get into debt and do you provide budgeting skills as preparation for leaving care?

Adam Smith: I would not be able to tell you the figures, no. I would not know how many, but I have the—

Steve McCabe: You do not know?

Adam Smith: No, I would not be able to tell you the figures.

Q123 **Steve McCabe:** Listen, I am not trying to be argumentative, but how do you know you have countless examples if you do not know what proportion?

Adam Smith: I can give you various examples of our young people who are in debt. It tends to be with things like council tax, because they do not consider that as an essential debt. Gas, electric, phone bills, things like



HOUSE OF COMMONS

that are essential. Council tax is something they can put off for another day. We had one person who, because their Universal Credit was reduced by £40 a month, ended up not paying his landlord the top-up. That then created a problem with access that led to—

Q124 **Steve McCabe:** Yes. Listen, we are short of time. I am not trying to be rude, but I am sure there are lots of examples. I was interested in the numbers, but you do not have that information.

Adam Smith: No, I do not have that.

Q125 **Steve McCabe:** Do you provide budgeting preparation skills for care leavers?

Adam Smith: Our social workers, when they are rising 18, and our personal advisers, when they turn 18, will do some household skill tests, yes. We do some.

Q126 **Steve McCabe:** Thank you. Is it the same for the other local authorities?

Noel Duke: In terms of the figures, we do not deal with the care leavers, I am afraid. That is dealt with by our county council colleagues who have social care responsibility. I am aware that they do provide it. The social worker who comes alongside the young person does provide budgeting advice. If they are housed in our stock, my team, my housing option colleagues, will come alongside and provide additional support to recognise individual needs.

Asked for the statistic, I am afraid that is not something we would hold. That would be our colleagues at North Yorkshire, the county—

Chair: Does any other witness want to comment on this? I do not see any hands.

Steve McCabe: Should I move on then?

Chair: Do, Steve, yes.

Q127 **Steve McCabe:** I want to ask one other thing about the question of direct payments, the housing payments, to landlords. I think both Tower Hamlets and the Child Poverty Action Group said in evidence to us that they thought it would be helpful if there was a named contact or adviser at DWP who could assist councils with housing issues. I wondered what benefit you thought you would derive from that if you agreed with it.

Secondly, I think it was Child Poverty Action that said that it would be more helpful to notify when direct payments have been paid, as opposed to when they have been authorised. I wondered who would be the main beneficiary of this. Is this so that the council would be able to better manage its finances?

Chair: Can anyone comment about the relationship with DWP on this kind of information?



HOUSE OF COMMONS

Councillor Butt: Steve, thank you for that. At the moment when somebody comes through the council and they get that support, they do have a named individual they can come to who can support, and you are talking about the care leavers as well. The same principle applies to some of those care leavers as well. They have that tailored support that goes forward.

We do not have that kind of relationship with the DWP. It seems to go into an abyss, as such. Then trying to pin someone down to find out the information that we need becomes really difficult because they are less willing to provide us a lot of information anyway, whether it is just about the direct payments. It is just about the sharing of information so that first we can support those individuals in a holistic manner.

Secondly, we also have pressures within the council. People have alluded to the fact that we are using some of our general funds and reserves and everything else in order to make some of those support packages available. If we had the support, a named individual or perhaps even a team that enabled us to have that relationship to find out when these payments were made, then we could speak to the individuals and make sure that they are prioritising first the rents, the council tax, the bills and everything else, giving them that support they need. People do find themselves with a lot of issues and problems.

Noel Duke: One thing we learnt as part of the pilot was how effective joint working could be and having a named contact at all times. That was particularly effective and particularly improved communications. It made a huge difference.

We have been involved in three pilots now. We were involved in the original pilot; we were involved in the digital roll-out pilot in June 2016; we were the national pilot until it was put on hold because of Covid. As part of those pilots, we have learnt quite a lot. We have learnt probably more in the short term on the national pilot of the move from legacy benefits in terms of how beneficial communication can be, because we lost that with the move to UC at the beginning. With housing benefits, we always had that two-way communication because they were part of the same authority. We had access to the same systems, so we always knew what was going on. What we found with Universal Credit was that we lost that and that was the biggest loss. We regained some of that with the pilot.

If you look at the national roll out of the move to UC, that will be difficult for DWP to continue because of the resource implications of it. It was a small pilot in a small local authority and resources were brought into Harrogate from outlying ends, from Leeds, for example. The creative team in Harrogate put a lot of work in to make the pilot work and it was working. Apart from the numbers we looked at earlier, our experience as a landlord was that it was working.

Sheila McKandie: In the very early days of Universal Credit, we stumbled across this as well in terms of communication. DWP was absolutely



tremendous and put arrangements in place where we did not so much have a named contact, a named individual, but we had a specific call centre, service centre, which was servicing us. That was a great help. I do not think we particularly need a named contact within DWP, but it could just improve some of the mechanisms that it already has.

The landlord portal is a great tool, but it does need a lot more development to make it more of a two-way tool. At the moment it is a very one-sided tool for DWP and we can feed into it, but we cannot use that to clarify any queries. If that could be developed to have a web chat facility on it for landlords and for local authorities, that would be very helpful.

To ask DWP to give named contacts to individual local authorities would be very challenging. I am not sure how reasonable a request that would be. Of course the downside of that is when people leave, trying to manage cases and as cases are growing. Our caseload in Highland has grown by 73% since March. Mirror that across the country: if you have one named individual, that becomes very difficult. I am not sure that was a reasonable ask, but it could develop its systems and it is developing its systems. That is a real positive and we need to give DWP credit for that.

Steve McCabe: That is very helpful, thanks.

Q128 **Chair:** Our time is pretty much up. Ms Hickmore, do you want to comment briefly on this?

Jacqueline Hickmore: Yes, please. I wanted to say that sometimes with the communication with Universal Credit we get notifications that direct payments have been agreed. However, sometimes they do not always get paid to us the first time. Having confirmation that they have been paid would be, as Steve suggested, really useful. Luckily, in Cornwall we have good partnership managers so that we can talk to them, but we cannot support tenants unless we can get hold of them, because we are not able to get information like we used to be able to under housing benefit.

Adam Smith: Very briefly, we have a single point of contact at each Jobcentre in Kent who is the contact that we use for any benefit problem in relation to Universal Credit, not specifically housing costs, just any issue with Universal Credit.

Chair: Can I thank you all very much indeed for your help in that session? You have given us lots of very valuable information and we are grateful to you for giving us your time this morning. Thank you all very much indeed.

Examination of witnesses

Witnesses: Hugh Owen, Jeremy Hewer, Laura Courtney and Sue Ramsden.

Q129 **Chair:** Can I now welcome our second panel of representatives from housing associations? Let me first thank all of you for joining us and helping us out with this inquiry. I am going to ask each of you to introduce yourselves very briefly one by one so the whole Committee knows who



HOUSE OF COMMONS

everybody is, starting with Hugh Owen.

Hugh Owen: Good morning, Committee members. My name is Hugh Owen. I am Director of Strategy for Riverside. We are a national housing association. We are based in the north of England, but we have stock throughout England and part of Scotland as well.

Jeremy Hewer: Good morning, Chair. My name is Jeremy Hewer. I am policy lead on social security issues for the Scottish Federation of Housing Associations, which is a member body for housing associations across Scotland.

Laura Courtney: Good morning. I am Laura Courtney, Welfare Policy Lead at Community Housing Cymru, which is the representative body for housing associations and community mutuals in Wales.

Sue Ramsden: Good morning. I am Sue Ramsden from the National Housing Federation, and we represent housing associations in England.

Chair: Thank you all very much indeed.

Q130 **Selaine Saxby:** Thank you and good morning. I wanted to ask about the impact of the five-week wait on hardship levels. Roughly how many of your tenants who move on to Universal Credit have existing savings to support them up until the first payment? I would be interested in hearing whether that does differ between the current cohort as a result of Covid versus your experiences prior to this time.

Hugh Owen: In our experience, very few of our customers moving on to Universal Credit have savings to fall back on. In fact, it is more of a story of debt than savings, in truth. We undertook a very significant survey last year of Universal Credit claimants and 78% of claimants told us that they had either applied for or accepted an advance to help cover the five-week wait, and 63% of those said that the repayments would cause them financial hardship. A very similar proportion also said that in addition to the advance they had had to rely on loans from family, friends or indeed a loan company as a result of claiming UC. Certainly, in our experience, savings are few and far between.

I had a chat in preparation for this session with a couple of our money advisers who are at the front line in terms of advising our claimants and our new claimants. They did not quite laugh at me, but they suggested that encountering clients with savings was something that was very rare indeed. They also did suggest, in terms of the second part of the question, that there is a suggestion—this is anecdotal—that this could be intensifying post Covid, with new claimants coming out of employment, but particularly coming out of self-employment. They highlighted that as a particular issue, particularly some who have not been able to benefit from Government support because of the length of time that they had been running businesses. They had lost their income and they were clearly having to make lifestyle adjustments and were clearly struggling. There is no hard



HOUSE OF COMMONS

evidence in terms of the last couple of months, but a suggestion that, if anything, it is possibly getting worse.

Jeremy Hewer: I would say that there is no real evidence of new claimants having existing savings. Indeed, looking at the Scottish household surveys, the first three deciles have no wealth at all. If they go on to Universal Credit, they are likely to have nothing to fall back on at all.

I know you asked particularly about the impact of Covid-19. I am aware that there was a report by the Resolution Foundation that seemed to imply that new claimants coming on as a result of Covid-19 may have been better resourced, but looking at the figures that the DWP released yesterday, comparing the numbers of applicants for Universal Credit and the number of advances made, during the peak levels it was reaching about 80% in the really fraught weeks at the end of March and beginning of April, whereas before the number of households making claims and the number of advances made was around the 40% mark. It reached about 80% at the peak.

The other thing to bear in mind also post Covid is that perhaps there had been people who had been in steady jobs, may have a few savings and things, but they also may have expenses that are very hard to suddenly stop with the loss of work because they had the overheads that they used to.

Laura Courtney: We would absolutely agree with what Jeremy has said there. The evidence that I am mostly talking about today is a study that we published in September 2019 on the impact of Universal Credit on rent arrears in Wales. The findings showed that often those who were claiming housing benefit previously had already had rent arrears, although at a much lower level than those of Universal Credit. Then during that five-week wait and beyond, those rent arrears spiked to about 84% of tenants. It would be very unlikely for those tenants to have savings, and we can see from the spike in rent arrears that that has really impacted upon them. Yes, our understanding in terms of post Covid is still emerging, but, as I say, we would definitely concur with what Jeremy was saying.

Sue Ramsden: Just to add in terms of the experience in England, it is a very similar experience. From the survey that a small group of housing associations did last year that we shared with the Committee last week, the results of that survey of over 3,000 tenants in England showed that 84% of people said that they did not have the equivalent of a month's wages to tide them over the five-week period. There were quite significant levels of hardship in terms of people reporting struggling to pay for essentials: 55% were struggling to pay for food, gas and electricity; 27% were accessing food banks. That is a very strong indication that people do not have anything to fall back on in terms of their ability to manage across those five weeks without borrowing, so very high instances of borrowing, particularly people borrowing from friends and family. Obviously, that has a wider impact across a community.



Just to add on the question around the particular impact of Covid-19 on arrears, we do survey our members on a monthly basis now, just a high-level survey around arrears levels. That survey has shown that arrears levels have increased, but that is what you would expect when you see the numbers of people that we have seen over the past few months moving on to Universal Credit. It is worth mentioning that our survey shows—and this is certainly what housing associations have reported back—that the Universal Credit has coped well with the number of claims, and all credit to DWP for shifting staff over and managing those claims. Certainly, the system has coped, but within the system there is an issue around arrears and that is the same issue that was there six months ago. We just have far more people on Universal Credit.

Q131 Selaine Saxby: Just following up, are there any other costs for your organisations that you have not already highlighted when working with people in this period before they get their first UC payment?

Chair: Sorry, Selaine. I did not completely catch that. Could you just say the question again?

Selaine Saxby: Sorry, did I break up? What costs that we have not already spoken about did your organisations encounter when working with claimants regarding this period before they receive their first Universal Credit payment with the five-week wait?

Chair: The cost to the organisations, yes. Would any of the witnesses like to comment on that?

Hugh Owen: There are two types of costs. One is the cost of carrying the increased arrears, which we probably alluded to already. The other is I guess our overhead costs. If I look at our organisation, we spend about £1.6 million a year on a range of advice services, principally money advice and employment advice, some of which existed before Universal Credit and welfare reform. Without Universal Credit, we would certainly have some of those services.

We also have small grant funds for tenants, about £280,000 per year, which are available for things such as food vouchers, energy top-ups, those sorts of things. They have swung massively to Universal Credit claimants and I think a lot of it is around the five-week wait. I cannot give you a very definitive answer on that. Adding those costs together, I think it would be fair to say possibly around half of those are to do with Universal Credit and the increased burden in terms of the advice and the support that we need to provide very quickly to tenants, which is focused on the first few months of their lives on Universal Credit.

That is when it goes wrong, in our experience, and then it takes some time to put right. Our experience tells us that we can eventually get there, but there is a steep rise in arrears and then a very slow recovery time. Our efforts are very much focused within those first couple of months.



HOUSE OF COMMONS

Laura Courtney: Just to echo the fact that a range of support services have been put in place. Our housing associations in the survey I referred to told us that supporting tenants who are claiming Universal Credit is more resource-intensive and complex for them. Four in five of those housing associations said that their staff typically spend between about two and four hours supporting each UC claim, and the remaining four all felt that each claim typically required at least six hours of staff support. That was in terms of the increased complexity that Hugh was talking about.

Jeremy Hewer: Just adding to what Laura was saying, I think there has been an additional cost or an additional challenge for housing associations in the Covid times because much of the support that was provided to tenant claimants was provided face-to-face. Obviously, there have been restrictions with the lockdown and particularly welfare rights workers and welfare benefits advisers have not been able to work as closely with tenants and engage with the DWP because of the lack of implicit consent.

Also in terms of the assistance that we do have in support, particularly the existing payments system, there is a huge administrative overhead on the finance sections of housing associations as they try to unravel the bulk payment.

Sue Ramsden: On the issue of additional costs, social landlords have always been there to support tenants through whatever benefits system is in place. What is different about Universal Credit is worth picking out. The problems that people have are in terms of some of the inefficiencies in the system that Jeremy has just mentioned, the problems that people have, in that they are often advising tenants in the dark. There is not very much data sharing, so a lot of staff time is just spent on trying to work out what is happening. It would be really useful if we had some more triggers in place when certain things happen in the claim. That would certainly ease the process of giving support.

The other big difference that is there within Universal Credit is that five-week wait for the money and the fact that it is a single payment all rolled up into one. The question is how you support people over that length of time who are struggling to find the money to live day-to-day.

Q132 **Debbie Abrahams:** Thank you. I am fully unmuted now. Good morning, everyone. Thanks for providing evidence to us. I have two questions, one specifically on supported housing, so people who are maybe homeless, sick and disabled people, older people who need extra support and of course people who are fleeing domestic violence. We have known that these tenants and providers of supported housing have had concerns about Universal Credit for a while. For example, Policy in Practice and Mind raised issues about the lack of recognition of the role of support workers and the Mayor and St Mungo's have raised viability issues.

Could you explain your wider experience of how the wait for a first payment in particular impacts on both claimants and providers of supported housing?



HOUSE OF COMMONS

Chair: Who can start us off on that, the five-week wait in supported housing?

Hugh Owen: We have a significant number of supported housing savings. The difference with supported housing is that for the vast majority of people living in supported housing, their housing costs are still being paid through housing benefit, but clearly living costs are being paid through Universal Credit. Some of the problems that we have already probably discussed and alluded to and some of the figures that I quoted, which were not from our supported housing tenants, are almost certainly magnified. Certainly, anecdotally I hear things from colleagues that would suggest that is the case.

Given the complexity of people's lives and their lack of access to digital services—we do provide that within our schemes and there can be literacy issues, there can be language issues, there are a whole host of additional complexities in people's lives—support workers need to be put in a position, and are not currently in a position, where they can very easily deal with DWP staff and escalate concerns. We have raised that with them. We have done some work with Policy in Practice some time ago, a couple of years back, where we have specifically raised this and said there almost needs to be a slightly separate system for supported housing.

We have something at the moment called trusted partner status, which works really well. It is limited, but it works well. It provides us with some access, limited access, to DWP and the information that it has. We felt that it might be appropriate to explore a parallel system for supported housing that basically puts support workers in a position where they are far more able to represent the people that they are working with who have complex problems and escalate issues quickly to be able to act with implicit consent rather than explicit consent all the time and just have a slightly different status and a different relationship. We sense that they could be hugely helpful to the DWP in sorting problems out.

Sue Ramsden: Hugh is absolutely right in terms of the potential role that support workers could have in helping people and easing some of the problems within the system, if we just had a bit more data-sharing between DWP and housing associations and recognition of the status of support workers.

Just to add on to some of the problems between Universal Credit and supported housing, it is the case that sometimes the housing costs can fall down the middle between Universal Credit and housing benefits. There is a problem particularly in terms of communication between the DWP and the local authority in terms of making sure that the claim is paid.

We should recognise that at a local level Jobcentres now have leads around homelessness and vulnerable people and domestic violence, and certainly we have seen relationships improve at a local level and partnerships building around making sure that people do get the support to make the claims that they need. I am hoping that the DWP has learnt from some of



HOUSE OF COMMONS

the experiences of this crisis around how it has relaxed certain rules around conditionality and how it deals with people as individuals, and we can learn from that as we go on in terms of how we can better support vulnerable people.

Laura Courtney: Just to say not in relation to supported housing, but in terms of the alternative payment arrangements that exist, which can be very helpful in terms of making sure that vulnerable people avoid the kinds of rent arrears that we are talking about, making that system work as effectively as possible is important for the vulnerable people as much as for the landlords. There are issues with it at the moment. A new system has been created that better aligns the systems of landlords with the DWP, which we are hoping can be brought through as soon as possible.

This choice to have an alternative payment arrangement, while it is not necessarily for everyone, can be helpful in terms of people in vulnerable and complex positions.

Chair: Thank you. Was there another point you wanted to pick up, Debbie?

Q133 **Debbie Abrahams:** There was, if I may, and this is a more general point about local housing associations. My own housing association, my Key Housing Association, has indicated that UC arrears affect its ability to build more social homes. I wondered what the evidence for this was more widely, and in particular how again the impact of the wait for the first payment and the arrears related to that has that knock-on effect.

Sue Ramsden: Obviously, arrears have an impact on the overall financial health of a housing association. Housing associations can invest in and build new properties alongside some capital investment from the Government, but also using their own funds and their own ability to borrow money. That is the housing association model. A combination of arrears and the cost of rent collection takes away from that ability to build at a global level.

As we heard from the witnesses that you heard earlier, the actual picture on arrears is complicated, and then the particular impact of the five-week wait upon arrears is complicated. There is a pattern that in some instances a problem occurs before the claim is made and that is something that we need to understand better. Is that a problem of people not claiming on time? The backdating rules within Universal Credit are very tight. It is very difficult to get a claim backdated.

The DWP has undertaken some quite extensive research to better understand the relationship between Universal Credit and arrears, matching the DWP data and the housing associations' data in terms of arrears levels. We are still waiting for that to be published. One thing I would perhaps urge the Committee to take up with DWP is the importance of that work being published. It is potentially a very rich source of understanding in more detail this problem. Certainly, arrears for people on Universal Credit are a symptom of some kind of problem, and we all need



to learn from the data in terms of understanding what the solutions to that problem are.

Q134 **Chair:** Has publication been delayed on that?

Sue Ramsden: Certainly, I know the work has been delayed because of the crisis.

Hugh Owen: If I could just add to that, as Sue said, the cost of carrying significant arrears adds to the series of financial burdens that housing associations—in England, anyway—have been through, four years' worth of rent cuts. The costs of doing a lot of things, including building houses, has risen quite significantly. We are all trying to stretch ourselves to help the country get to the target of 300,000 new homes per annum, and we are woefully short of that. The additional costs, the costs that I described, but also the costs of rent arrears certainly do not help. If we did not have that, we would be able to stretch ourselves further. We have a finite capacity. Our lenders keep a very close eye on us. Predominantly our funding does come from lenders. We do get some Government grant, but it predominantly comes from lenders and so our viability is absolutely critical.

Just to give you a sense of the scale, at Riverside, while Universal Credit claimants represent around 30% of our social housing tenants, they account for 60% of arrears now, which totals £6.29 million as of last week. We are carrying significant arrears. Some of those would have been there anyway because, prior to people moving on to Universal Credit, our housing benefit claimants had arrears, too, but they are significantly higher—140% higher on average than for those on housing benefits.

There is absolutely an impact on financial capacity. I mentioned the additional administrative costs, which are estimated probably at around £1 million per year. If we could use that to repay additional borrowing and lending, we would be able to build significant additional homes. There is no doubt about that. No, I think it is an issue and it is right to raise it.

Q135 **Chris Stephens:** My questions are for Jeremy in the Scottish Federation of Housing Associations. Jeremy, thanks for joining us. Jeremy, you will be aware of the debate that is going on about whether there should be a cap on the level of advance payments, and obviously I am aware that the Scottish Federation of Housing Associations has a view that there should be a cap. Could you just explain the thinking behind that? Is there any particular level at which you think the cap should apply?

Jeremy Hewer: Our concern about the advance payments is it usually includes the housing costs. Our members have found quite often those advance payments are not used to pay the rent, the housing cost element. There are a couple of things here. One is that the advance payments are made very early in the claim, in fact before all the verification procedures are going through, so somebody can ask for an advance payment and say, "These are our costs," and then you found out subsequently that their costs



HOUSE OF COMMONS

were not anywhere near that. They have taken out the loan; it has to be repaid; and they are saddled with a debt.

Also because of the quick—quite understandable—desire of the DWP to get advance payments so people are not in difficulty, there is no opportunity for the housing associations to engage with the individual to discuss with them their budgeting responsibilities and what they need to do in terms of paying their rent. In fact, if you excluded the housing costs from an advance payment, the housing association may still not get the money, but at least they have an opportunity to talk to the tenant and hope that when they get their first payment after five weeks, the housing cost element will be used to pay the rent. There is that.

Also in terms of the tenants who have migrated from legacy benefits, at the moment you have the two-week housing benefit run-on, and from July I believe you are also going to get basic allowances for JSA and ESA, a two-week run-on as well. They do help. I would say that the housing benefit run-on has helped, but that only helps people who are migrating from legacy benefits to Universal Credit. I think a lot of new claimants, particularly now, will have been in a difficult financial situation that they do not have the savings and they do not have the resources and they could also do with a two-week run-on.

My suggestion would be that if you had an advance that was say 50% of their monthly personal allowance, rather than that being an advance, ideally if it was an initial grant in the same way that you have the run-on, which is in fact a non-repayable grant. People who have probably gone through a fairly traumatic experience in having to apply for Universal Credit because of some crisis in their lives, whether they have lost their jobs, they have had a bereavement, a relationship break-up, that would at least help them make the transition.

Q136 Chris Stephens: Thanks, Jeremy. I know that there are others that want in, but I wonder if I can continue with Jeremy just now because there are some Scottish-specific things as well. You talked about a non-repayable grant at some point in the process. Is there a particular period that you think that should apply to? Should it be when someone is eligible or should it apply to someone who has had to wait more than five weeks because, for example, they are waiting for a work capability assessment or something like that? Is there a fixed view from the Scottish Federation?

Jeremy Hewer: No. We were just thinking from the perspective of if the Universal Credit claim went through normally. At the end of the five weeks, they would get their money in full. If there are problems or hitches, then there have to be other mitigation measures in place as well.

Jeremy Hewer: Could you repeat the question? I think there was a bit more.

Q137 Chris Stephens: No, it is fine. No, you have answered it, and I am sure other colleagues will come in. Obviously, Scotland has the option of the



HOUSE OF COMMONS

fortnightly payment, Jeremy. If you could explain to Committee members, how is that assisting claimants in managing the rent money?

Jeremy Hewer: The twice-monthly payment, about 27% of Universal Credit claimants in social housing use it in Scotland at the moment. I do not think it has achieved its full potential yet because of the payment system that we have. What we were desperately hoping for—and I think it is the same for the rest of Great Britain—was the roll out of the new payment system that would align the Universal Credit rent payments, the managed payments to landlords, with the date that the claimant got their own money, because everybody would be in a far better position to understand where they stood. If you got that, I think there would be a lot of interest in having twice-monthly payments.

The other disadvantage is that the twice-monthly payments are only offered in the claimant's journal after their first payment, so they have already, if you like, endured the first five-week wait before they get that money. It may not be that attractive. Particularly with the onset of managed migration, if that twice-weekly payment were asked for from the get-go, it would smooth the process for many claimants who would be among the most vulnerable.

Q138 **Chris Stephens:** Turning now to the alternative payment arrangements and the experience of the Scottish Federation of Housing Associations, how long is that taking and what problems can that cause for both the claimant and/or the housing associations that you represent?

Jeremy Hewer: It is patchy, I would have to say. It is not a consistent service. Sometimes it is very good. I asked members what their experience was. If they are on the landlord portal and they are a trusted partner and they have applied for the alternative payment arrangements, it is assumed that they have it. In terms of being notified if an alternative payment arrangement is stopped for some reason, it can be much further down the line before they are advised, if they are advised at all by the DWP. Sometimes they do get a notification.

We still have the issue about split payments in alternative payment arrangements. They are still not done and there seem to be a pitifully small number across the country of split payments. I cannot believe that there is not a greater need for that anyway. The Scottish Government are still in negotiation with the DWP about having split payment as a matter of choice.

Q139 **Chris Stephens:** I think the issue of a separate agreement is something the Committee will look at again in the future. I am just curious about one of your answers there. You had said "those in the online portal," so maybe just for the benefit of the Committee, do you have members who are not yet on your online portal and do you have a particular percentage in this case?

Jeremy Hewer: Most are. I think there may have been one or two who thought it was not worth going on for the number of Universal Credit claimants that they had, small co-ops. By and large, all social landlords are



now on the landlord portal. To echo what Sheila McKandie was saying earlier, it has been a very positive move, although it is still a bit of a one-way traffic in terms of the information exchange between the DWP and landlords. The new advance payment system will be such a game-changer, I believe. It has been piloted in some associations, I think mostly in England, and the feedback has been very positive. It would completely change the relationship that landlords can have with individual tenants.

Chris Stephens: Thanks very much, Jeremy. Chair, I think I saw some hands up to answer some questions, but I am conscious of time, so I will leave it with you.

Chair: We need to move on. There may well be other opportunities in a moment for the witnesses to make the points they wanted to make.

Q140 **Nigel Mills:** I know we have discussed some of this before, but does the panel have any views on any of the mitigations that the Department had put in place previously, perhaps those that have been more effective and perhaps those have not been effective, and maybe any ideas the panel would have to fix this problem if the Department is not keen to abandon the five-week wait completely?

Laura Courtney: The learning from our research and our ongoing work with members is that the five-week wait under Universal Credit results in an increase in rent arrears for tenants and that repayment of advances makes it much more difficult for Universal Credit claimants to bring down the rent arrears.

We are also told that one of the mitigations that has been most helpful, which was coming through towards the end of our research period, was the two-week housing benefit run-on. As we know, there are further run-ons that are yet to be introduced, but only for those who go through under managed migration. There is no such protection for those who go through what they term natural migration, so through a change of circumstances or for new claimants. This tells us that it would be easier for all these claimants to achieve financial stability under Universal Credit if the DWP was to be able to provide the same kind of non-repayable payment during the first five weeks of the Universal Credit claim.

We see that this has been recognised for those who are going through that managed process, so there is an inequity there with those who are going through in different circumstances. We do not suggest very specific ways in which this should work, because that has to work across more than the housing sector, but what we do say is that the run-ons that have been introduced of legacy benefits only for those who are going through managed migration obviously recognise that initial financial difficulty and the likelihood of falling into debt, which does not help Universal Credit to achieve its aims. Therefore, a similar kind of non-repayable payment at some point during that first five weeks would be the most effective mitigation of that.

Q141 **Chair:** Laura, before bringing in other witnesses, can I ask you to confirm



HOUSE OF COMMONS

this: is it correct that your report showed or found that the average rent arrears for housing association tenants in Wales who claimed Universal Credit were more than double the amount for those who claimed housing benefit? Is that correct?

Laura Courtney: Yes, absolutely. As you say, it was a much higher level of rent arrears as well as more of the Universal Credit claimants being in rent arrears. We did qualitative research around that as well with in-depth interview participants, with those who work very closely with tenants in the welfare teams. They attributed this high level of rent arrears to the five-week wait, particularly for those who are used to the weekly schedule, either being paid weekly or the weekly schedule of housing benefit. They also said that the fact that the advance payments result in a debt and a deduction from the level of housing benefit—which has been determined that tenants need to pay their rent and live on—that makes it much more difficult to bring the level of arrears down.

Chair: Do any other witnesses want to comment on mitigations? You are muted.

Hugh Owen: Apologies. Thank you, Chair. Our view would be clearly the ones that put cash in the pocket of the claimant have been the most effective mitigations. Other colleagues have mentioned the benefit run-ons and we would agree with that. We see in fact that the increase in arrears of our existing tenants who move on to Universal Credit is significantly lower than the increase in arrears experienced by new claimants. They are new arrears, in fact. I think that is partly as a result of benefit run-ons.

The other one we should mention, although it is not specifically in mitigation around the five-week wait, is the additional standard allowance that is being paid under Universal Credit as part of the package of measures to deal with the current pandemic. Obviously, that puts people in a better position to repay the advance payments that they have had. They have roughly £20 a week more added to their standard allowance. That is going to come to an end in March, so we are going to face a bit of a cliff-edge there.

Certainly, something that we have said—and this goes to probably the least effective of the mitigations that have been offered—is the whole advance system as it currently stands and is currently designed. One of our money advisers described it to me as a very irresponsible form of lending, the likes of which a bank would never get away with, because there is no real consideration of the ability of the person who is taking out that loan, and that is what it is, to repay.

We think there are a number of things that can be done about that. A colleague from Scotland mentioned—and I think this is absolutely critical—taking the housing cost element out of that. Our view is that if someone applies for an advance, that is very clear evidence of financial distress, and the DWP could easily take the view that that should trigger an alternative payment to the landlord immediately, the housing cost element.



HOUSE OF COMMONS

Unfortunately, too often, the experience has been that people have been paid the money—and again another colleague has mentioned that that money gets paid really quickly—there is no notification to the landlord and often it is gone. It is gone on real, essential living costs. Sadly, that often is not the rent, in our experience, and we have a lot of empathy and sympathy for tenants, but ultimately the rent is due.

If the rental element were taken out of that, first, it would reduce the level of the advance payment and therefore the repayment schedule and the burden of repayment. Secondly, it would ensure that the rent is paid, or at the very least, even if that is not paid directly and automatically by DWP, the easy thing for it to do would be to inform the landlord immediately, so a landlord can put an APA in place. Again, referring to a comment that has already been made, we are certainly in a position—we are a trusted partner, we are using the portal—where we can get an APA in place really quickly. If we know very early on in the claim that an advance payment has been requested, we could get an APA in place quickly and effectively get that first payment made and set the journey off in terms of rental payments positively.

Chair: Nigel, I think Ms Ramsden would like to come in and Mr Hewer as well. Can we take those two comments very quickly and then come back to Nigel?

Sue Ramsden: On measures that would mitigate the impact, I do think we need to look at backdating claims. If somebody does not make a claim on time straight away, then the five-week wait is extended beyond five weeks. Certainly, I think it could be a bit more flexible about backdating claims. If people have an awful lot of things going on, they are not necessarily completely clued up about making the Universal Credit claim and they need to make it immediately.

Jeremy Hewer: I was going to mention backdating claims as well—that is quite important—but also implicit consent, particularly in the lockdown period. It would make a great help for claimants.

The other thing, Hugh mentioned the additional money that has gone on Universal Credit. I would just point out that those who are on legacy benefits have not had that benefit of additional money. Particularly if you have people who are disabled and may be on legacy benefits, they are not going to get that help that they may well need just as much.

Chair: Yes, a point the Committee itself has made in our report earlier this week. Nigel, did you want to come back?

Q142 **Nigel Mills:** Yes, back to perhaps some of the questions I asked the previous panel. Aside from not making the claim as soon as perhaps people could do, this is a timing question. People get the benefit to pay their rent. Is there any way of housing providers lining up when the rent is due to be paid to when Universal Credit is paid to try to avoid triggering arrears and the tenant then has to worry about a prolonged time or is that just not



practical?

Sue Ramsden: Lots of landlords have introduced, as a result of Universal Credit, much more flexible expectations around when rent will be paid and have developed quite sophisticated forms of IT to track these payments on a daily basis. Obviously, people are receiving a monthly amount. How that interacts with a weekly rent and when that rent is due is never going to be perfect. The question about that flexibility and overall how it contributes to arrears, you still need to remember that sometimes the Universal Credit payment does not cover the rent. There are shortfalls because of the benefit cap perhaps or because of the spare room subsidy.

Also there are the huge problems that Jeremy has already alluded to in terms of the system by which the landlord receives the money, where the money is being paid direct to the landlord. The tenant thinks the money has been deducted from their benefit. That money could take seven weeks to arrive on the tenant's account and the landlord has no security assurance that that money will come in, so the landlord will continue to chase the tenant. That wastes an awful lot of people's time and causes an awful lot of distress. It is important that that is taken out of the system as soon as possible by introducing this new system that is already there. It is designed; it is tested. It just needs to be rolled out.

Q143 **Chair:** Are there any other comments on alignment from any of the other witnesses?

Hugh Owen: Something that would be helpful and sounds very simple is to let the landlord know through the portal about the date on which the tenant is being paid. We do not know that, so we have to guess it. If we know the date that the tenant is being paid, that helps us in terms of the proactive management of the relationship that we have with the tenant and knowing when to call them or when to text them or when to intervene. Just that one simple piece of information. If we know that the rent is coming in, the fact that it is paid monthly is something we can live with. To a certain degree, we have had to live with it under housing benefit, albeit for shorter periods. In a sense, the fact that the rent is due and it is going to be paid, if we know when it is coming in, that really helps and makes a big difference.

Jeremy Hewer: I would just say that Universal Credit was seen to help the tenants get used to the world of work. It would be nice if Universal Credit mirrored the world of work and it was the one that was aligned to the first of the month. Ideally, if you had a system where somebody claimed during the course of the month and they got a pro rata amount for the end of the month and they were on a monthly payment, that would reflect the world of work, particularly in respect of the recent Court of Appeal judgment that came out recently, if you could design it better.

Q144 **Chair:** That pretty much completes our questions. Can I just put one question to Ms Ramsden before we finish? The National Housing Federation has raised the problem of the 53-week rent year with the DWP. Can you



HOUSE OF COMMONS

just explain to us how that affects some Universal Credit claimants?

Sue Ramsden: Obviously, there are not 53 weeks in a year, but in some years, every four or five years, there will be 53 Mondays, which is often when rent is charged. This is a basic problem of the failure of the Universal Credit regulations to address the mismatch between weekly rents and monthly charges. What we have are a set of regulations that allow a calculation by up to 52 weeks, so you have the weekly rent multiplied by 52 and divided by 12 to produce your monthly Universal Credit entitlement to housing costs. Obviously, there are some months in which there will be five rent charges—say if you have a weekly rent charge—and there will be some months in which you have four. That monthly amount will slightly overpay in some months and underpay in other months.

The problem in a year in which there are 53 charges is that the regulations do not allow a weekly amount to be multiplied by 53. It is capped at 52. That means that over that year the tenant will receive the equivalent of a week's rent short in their Universal Credit entitlement. The solution to this is to allow a calculation by up to 53 weeks and that would slightly increase people's entitlements each month over a year with 53 rent charges or to move to a daily rate and slightly increase people's entitlement, which would then average itself out over a five-year period.

Chair: Fine, thank you for explaining that. Thank you, all of you, for being willing to spare your time and give us the benefit of your expertise in our meeting today. It has been extremely helpful. We are very grateful to all of you. If there are any other points you would like to make to us, please do e-mail them in. We will be keen to receive those. Thank you all. That concludes our meeting.