

Work and Pensions Committee: Universal Credit - the wait for the first payment

About Parkinson's UK

1. Every hour, two people in the UK are told they have Parkinson's - a brain condition that turns lives upside down, leaving a future full of uncertainty.
2. Parkinson's UK is here to make sure people have whatever they need to take back control – from information to inspiration.
3. We want everyone to get the best health and social care. So, we bring professionals together to drive improvements that enable people to live life to the full.

About Parkinson's

4. There are over 40 symptoms of Parkinson's and these can include freezing, tremor, painful muscle cramps, difficulties speaking and swallowing, anxiety, depression, dementia and hallucinations.
5. Currently 145,000 people in the UK are living with the condition¹. With population growth and ageing, we estimate this will increase by nearly a fifth to 172,000 by 2030. Parkinson's not only affects those with the condition but also has a significant impact on family, friends and carers.
6. While the majority of people develop symptoms after the age of 65, thousands of working age people are also affected².
7. We welcome the committee's inquiry into the wait for the first payment of Universal Credit and have sought advice from our specialist benefits staff who provide advice and support to people with the condition and their families and carers.
8. A summary of our points are:
 - o The mitigations introduced so far haven't had a great impact for people with Parkinson's. They don't cover their bills and there are real concerns about taking large advanced payments that are repayable over 12 months.
 - o We believe the 5 week wait needs to be reduced to 3 weeks to stop people falling into a cycle of debt.
 - o We think the 7 day waiting period should be scrapped and the 1 month backdating should be increased to include more situations.

To what extent have the mitigations the Government has introduced so far (e.g. Advance payments) helped to reduce the negative impact of the five week wait for UC claimants?

9. We don't think the mitigations the government has introduced have had a great impact so far. It may for instance help someone manage their immediate rent situation and prevent eviction, but it can put people in hardship the following year. As advance payments are repayable loans over a 12 month period. Reports from people with Parkinson's are that they are reluctant to take advantage of the advance as they don't want to take a large payment.

"The transfer over to Universal Credit...needs revising and in my case has lead to additional stress, anxiety and less money each month purely because of the 'advance' that I was

¹ Parkinson's prevalence in the United Kingdom 2018 - <https://www.parkinsons.org.uk/professionals/resources/incidence-and-prevalence-parkinsons-uk-report>

² Pringsheim, Tamara, et al. "The prevalence of Parkinson's disease" *Movement Disorders* 29.13 (2014): 1583-1590.

forced to apply for whilst awaiting my first Universal Credit payment, otherwise I couldn't pay rent to my private landlord or any of my critical bills."

Person with Parkinson's

What problems do claimants still experience during the five week wait?

10. People with Parkinson's have shared that Universal Credit advances are not enough to cover their bills, so even people getting an advance start to fall into debt.
11. There is no financial safety net apart from inadequate options such as food banks, so people with Parkinson's who we sought advice from our advisers have shared they can't pay for prescriptions, their utility bills, broadband, phone and travel costs that they need to pay in order to visit the Jobcentre to manage their claim.

"there have been lots of mistakes and delays with this, so I have had to borrow money and use food banks."

Person with Parkinson's

What is the best way of offsetting the impact of the five week wait?

12. Parkinson's UK would argue that the 5 week wait should be scrapped. Universal Credit should aim to make a first payment within 3 weeks of a claim. Advances could still be available to those who need an immediate payment and cannot wait 3 weeks for a payment.
13. We also think that the 7 day waiting period should be scrapped. This period was introduced as part of austerity measures and based on nudge theory and the expectation that people will save money to help themselves through hardship. Many benefits have no waiting period, for instance housing benefit is paid from the Monday following a claim.
14. We strongly believe that Universal Credit should allow up to 1 month backdating in more situations.
15. The current backdating rules are more stringent than the legacy benefits it is replacing. For example, housing benefit, Employment Support Allowance, carers allowance and pension credit all have greater provision for a backdated claim. Even jobseekers allowance and income support allowed for 1 month backdated claims in more situations, for example, within 1 month of separating from a partner.
16. Parkinson's UK recommends that:
 - The 5 week wait should be scrapped. Universal Credit should aim to make a first payment within 3 weeks of a claim.
 - The 7 day waiting period should be scrapped. Many benefits have no waiting period, for instance housing benefit is paid from the Monday following a claim.
 - Universal Credit should allow up to 1 month backdating in more situations.

Are different mitigating options needed for different groups of claimants?

17. We don't believe there are other mitigating options that would be helpful. However we strongly believe the 5 week wait should be reduced to 3 weeks to stop people falling into a cycle of debt.

Are there barriers or potential unintended consequences to removing the five week wait—either for claimants or the Department? How can they be overcome?

18. We are not aware of any barriers, however there could be an unintended consequence if someone gets a payment from their employer during the 5 week wait.
19. It could mean that if the 5 week wait is reduced they could be overpaid. However a solution could be to base their first month of Universal Credit on their previous month's income and then reassess them if the actual payment from their employer is different.

Conclusion

20. People with Parkinson's are starting to apply for Universal Credit so we are starting to see more people sharing their concerns about applying for the benefit. Our main concerns in relation to this inquiry are:
 - The mitigations introduced so far haven't had a great impact for people with Parkinson's. They don't cover their bills and there are real concerns about taking large advanced payments that are repayable over 12 months.
 - We believe the 5 week wait needs to be reduced to 3 weeks to stop people falling into a cycle of debt.
 - We think the 7 day waiting period should be scrapped and the 1 month backdating should be increased to include more situations.

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 - The 7 day waiting period should be scrapped. Many benefits have no waiting period, for instance housing benefit is paid from the Monday following a claim.
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