

**1. 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?**

We would say very little. Many claimants will have pre-existing debt and for many, this will include priority debt such as rent arrears. The vast majority of those who need to claim UC have negligible or no savings. And, until this year, there has been no increase in the rates of benefits for the past five years. All of which makes it impossible for many claimants to budget. Very many claimants will therefore often be understandably reluctant to take on further debt in the form of advance payment – particularly when the rate of recovery of the advance is so high. So far as we are aware, the mitigations introduced have not seen any reduction in things like use of and reliance on food banks – something one would expect to see if the measures were proving effective.

It is also worth pointing out that advance payments are themselves not without problems;

- Fraudsters have picked up on the availability of advance payments and have devised schemes to exploit the system and the most vulnerable claimants – causing these further debt and financial insecurity.
- Claimants have found it difficult to get those administering UC to agree their return to legacy benefits even where it is accepted a) that they did not make the claim and it was made by fraudsters and b) where the claimant was better off on legacy benefits.

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

See above.

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

In our view, the best option would be to return to a system of fortnightly payments. That system worked and worked well for many years. For many claimants it provided, in effect, help with budgeting – and for the most vulnerable it included the flexibility to make payments weekly.

**- Is it possible to estimate how much this would cost the Department?**

The Department should have the figures and data to answer this question. However, it should not be forgotten that *the move to monthly payments with UC was never promoted as a cost cutting exercise*. Instead, if we are to be honest, it was trailed as an exercise in social engineering; we were told that it would help claimants to budget, to behave 'more responsibly' and that, as the vast majority of employers now pay monthly, it would also help claimants prepare to return to work. All of these are nonsense, but the last particularly so – for many UC claimants, the type of employment they might be expected to obtain is very often not paid monthly.

Further, we should be clear that our proposal to return to fortnightly payments is also a proposal to do away with monthly assessment periods. We do not view this as something which need pose a significant problem. The DWP has long experience in assessing the earnings of the employed and self-employed for those whose benefit is paid fortnightly (i.e. in the context of legacy benefits). The legislation for this already exists for legacy benefits and provides an already proven template for the amendments that would be needed to the UC regulations.

**- Is it possible to estimate any costs or savings to third parties (for example, support organisations)?**

Unsure. Those organisations which now run/provide foodbanks in addition to their 'core' services ought to see considerable savings.

**3. Are different mitigating options needed for different groups of claimants?**

It is clearly the case that those already vulnerable are likely to be the hardest hit by the 5 week wait and the high rate of recovery of advance payments – and this does speak to having different mitigating options available to them. Nevertheless, different options means different rules and these may well result in confusion both for claimants and those administering UC. And having different options/systems would inevitably result in increased administration costs. The simplest and most effective option would be a return to fortnightly payments for all claimants.

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

From the perspective of claimants and those assisting and advising them, we cannot think of significant problems. It was certainly not the case that prior to UC claimants and those supporting them were suggesting that significant improvements and benefits could be made by moving to monthly payments.

