

Executive Summary

1. The mitigations introduced so far have not been successful in adequately reducing the negative impact of the 5-week wait which continues to cause excessive hardship driving claimants into debt, rent arrears and food poverty.
2. The COVID-19 lockdown has shone a spotlight on the weaknesses in our society, brought about by ten years of austerity.
3. The issue of affordability of removing the 5-week wait is a contrived one that takes the discussion about eliminating it down a slip road and adds unnecessary complexity to an already complex system. And making claimants wait 5 weeks for their first UC payment has hidden costs for government that are a waste of public money.
4. Rather than doing 5 lying weeks, why not simply allow the claimant to get their first payment as soon as their claim is processed (usually within a week or two, just as the legacy system did)? And for those already on legacy benefits, why not allow them to have a run-on of their legacy claim so there is no break in payments. *This could be achieved by introducing twice monthly payments to commence during the first assessment period.*
5. The question about different mitigating options for different groups is a nod to complexity that does not need to exist. The removal of the 5-week wait would remove the need for a menu of intricate and difficult-to-administer mitigating options.
6. There are barriers to eliminating the 5-week, mainly in relation to upgrading the software system accordingly, which is entirely achievable. In reality, the biggest barrier is political will. Does the government want to remove the 5-week wait and relieve citizens of the hardship it causes?
7. The COVID-10 lockdown has shown us how immediately and how effectively major changes can be implemented when the political will is there. The same goes for removing the 5-week wait. It is not a law of nature and it is time to stop pretending that it is.

Introduction

8. Advice NI welcomes the opportunity to feed into the Work and Pensions Committee Inquiry into Universal Credit: the wait for a first payment.

9. Advice NI is a membership organisation in Northern Ireland that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. Advice NI exists to provide its members with the capacity and tools to ensure effective advice services delivery. This includes: advice and information management systems, funding and planning, quality assurance support, delivery of accredited and non-accredited training, social policy co-ordination and ICT development.
10. Membership of Advice NI is normally for organisations that provide significant advice and information services to the public. Advice NI has over 70 member organisations operating throughout NI and providing information and advocacy services to over 110,000 people each year and dealing with almost 250,000 enquiries on an extensive range of matters including: social security, housing, debt, consumer and employment issues. For further information, please visit www.adviceni.net.

To what extent have the mitigations introduced so far helped to reduce the negative impact of the 5-week wait; and what problems do claimants still experience during this wait?

11. UC is riddled with flaws but the fundamental flaw is the 5-week wait for the first UC payment. The creation of the 5-week wait has introduced unnecessary and quite ridiculous complexities into an already complex system. You'll be aware that there have been calls from many quarters to eliminate the 5-week wait, for example, from us at Advice NI in our paper on 'Making UC Better Paper'¹ and elsewhere from the NI Affairs Committee, the Social Security Advisory Committee, StepChange, among many others. Various solutions have been proposed which the consultation materials have already eluded to these.
12. The mitigations introduced so far have included an extension to the length of time required to repay the UC Advance; a reduction in the maximum deduction rate from 40% to 30%; and the more recent increase to the UC standard allowance of £1,000 per year. But these mitigations have not been successful in adequately reducing the negative impact of the 5-week wait which is still causing excessive hardship and suffering. In fact, the £1,000 increase does not amount to an increase at all as it will be used to offset the UC Advances claimants have to take out.
13. The 5-week wait is leaving claimants with increased benefit debt, including rent arrears, even among claimants who've never had any rent arrears in the past. A statistic from NI is that 92% of Northern Ireland Housing Executive tenants in receipt of UC are in arrears. And because the UC Advance is a loan that has to be paid back, ultimately it only serves to put claimants into even deeper debt. UC advance repayments are running at £50 million per month².

¹ https://www.adviceni.net/sites/default/files/publications/making_uc_better.pdf

² https://www.mirror.co.uk/news/politics/dwp-clawed-back-50million-universal-21379998?utm_source=twitter.com&utm_medium=social&utm_campaign=sharebar

14. The 5-week wait continues to drive thousands of claimants to go without food or heat, and unprecedented numbers to foodbanks—a phenomenon in itself that was unprecedented before the welfare cuts. The mid-year figures from the Trussell Trust, up until September 2019, showed that those 6 months had been the busiest on record for food banks and that the need for emergency parcels had increased to 23%³. They criticised the benefits system for not protecting people and for forcing them to use food banks and they specifically mentioned ending the 5-week wait as a crucial solution to addressing the problem.
15. The amount of deductions coming out of UC payments, to repay UC Advances, overpayments and other debts, is of great concern. Deductions are becoming a norm for UC claimants, rather than an exception, and out of the total UC payments made in February 2019, 57% had a deduction to the standard allowance. Deductions are often made without giving claimants clarity on why, and are often incorrect; claimants don't find out until it's too late so there is no time to challenge decisions or seek reduced payments before deductions are taken from their benefits.
16. The 5-week wait causes problems for claimants who try to claim passported benefits. These are benefits that some claimants are entitled to as a result of their entitlement to certain other benefits; they include health costs, free school meals, Sure Start maternity grant, etc. We have noticed that claimants who have applied for UC and who meet the criteria for a particular passport benefit, but who are still waiting for their first UC payment, are being rejected for passported benefits e.g. a parent rejected for free school meals. The official reason we have been given is that entitlement is awarded on 'receipt of' rather 'application for' UC.
17. In addition to the 5-week wait, Advice NI also discovered that incorrect application, or non-application entirely, of Regulation 25⁴ has further disadvantaged claimants because the date of their claim is not calculated correctly and gaps are occurring between the end-date of their legacy benefits and the start-date of their UC. For full details of this failing, see the full press release⁵.
18. The COVID-19 lockdown has shone a spotlight on the weaknesses in our society, brought about by ten years of austerity. Cuts to public services, including to the social security system and the NHS, and diminishing wages and job security, have all helped to undermine society's resilience and individual capacity to weather shocks, such as the COVID-19 pandemic, and plunging people into crisis. People in crisis need help right away, not in 5 weeks' time or longer.

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

a. Is it possible to estimate how much this would cost the Department?

³ <https://www.trusselltrust.org/news-and-blog/latest-stats/>

⁴ Regulation 25(1), (2), (3) of the UC, PIP, JSA, and ESA (Claims and Payments) Regulations (NI) 2016, 'Time within which a claim to UC is to be made'

⁵ <https://www.adviceni.net/blog/serious-systemic-failures-affecting-sick-and-disabled-people-claiming-universal-credit>

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

19. The issue of affordability and costs is a contrived one that takes the discussion about eliminating the 5-week wait down a slip road and adds unnecessary complexity to an already complex system. We should stay focused and remember that welfare 'reform' and UC are choices, just as forcing claimants to wait at least 5 weeks is also a choice. The government can decide to be humane and eliminate the rule about the 5-week wait to ensure that citizens are not put through unnecessary suffering. Or the government can continue to impose this 'conscious cruelty', a term used by the Participation and Practice of Rights Project based in Belfast⁶.
20. The 5-week wait simply makes claimants wait for the money that they will be entitled to once their benefit payments commence. Denying them this money for 5 weeks is not saving the government money, just as removing the 5-week wait and allowing claimants to receive their first payment sooner will not cost money. And a run-on of payments between the legacy system and UC would be a neutral cost and would ensure those migrating to UC would not end up in greater debt or hardship.
21. But denying claimants their first payment until 5 weeks has past does have other more hidden costs to government that are a waste of public money. More than likely, claimants will have to apply for UC Advances, and there is a cost associated with administering and processing those Advances. There is also a cost associated with ensuring UC Advances are repaid, maybe with involvement from Debt Management if claimants struggle with repayments.
22. Then there are the additional knock-on effects. Claimants are more likely to fall into debt such as rent arrears because of such a lengthy wait on their first payment. If they are in social housing or on housing benefit, the rent arrears become a cost that negatively impacts social housing landlords and private landlords which can have implications for the economy. Again, further administration (and cost) is necessary to recoup the rent arrears.
23. Leaving claimants without money for weeks on end also means they are more likely to go without food and heating and other basic necessities which is detrimental to physical and mental wellbeing and which in turn places more pressure and expense on health and social services. If children are members of the household waiting 5 weeks for a first benefit payment, the negative impact reaches further with their education and health being impacted and more pressures being put on the education system and public services.
24. Rather than doing 5 lying weeks, why not simply allow the claimant to get their first payment as soon as their claim is processed (usually within a week or two, just as the legacy system did)? And for those already on legacy benefits, why not allow them to have a run-on of their legacy claim so there is no break in payments. *This could be*

⁶ <https://www.pprproject.org/resource-document/conscious-cruelty-final-report>

achieved by introducing twice monthly payments to commence during the first assessment period.

25. Doing so would not in any way diminish the emphasis UC places on work. In fact, removing the 5-week wait could assist UC work goals because claimants will be better able to focus on looking for work, and will have more time to do so, if they do not have to worry about how they are going to feed themselves or pay their rent.
26. There would be some costs associated with changing the software in the UC system to remove the 5-week wait but this would be a one-off cost. In any new software system, it is acceptable that changes are required after installation, as unforeseen bugs or flaws emerge. When we consider that the government has wasted hundreds of £millions developing this system already—a disgraceful misuse of public money—some extra changes will add little to that bill in comparison but it will be money well-spent because it will provide genuine social security for millions of people.

Are different mitigating options needed for different groups of claimants?

27. Again, underlying this question is a nod to complexity that does not need to exist. The removal of the 5-week wait would remove the need for a menu of intricate and difficult-to-administer mitigating options, and it would ensure all the different groups of claimants would avoid unnecessary hardship.
28. That's not to underplay the other problems with UC that create varying degrees of difficulty for different groups of claimants.
29. For example, the online application process can be difficult for those with limited digital literacy, or with limited access to the Internet or a digital device. Vulnerable claimants face greater challenges, including people with mental health issues, people with physical or mental disabilities, ethnic minorities who have little or no English, or people with literacy problems. They find it very difficult to get extra support from frontline staff when it comes to making their initial UC claim and afterwards as they wait for their first UC payment. Face-to-face, telephone or home visit appointments are rare. A lot of the time, DWP's own safeguarding guidelines are not being followed and if those guidelines were followed, it would go a long way to addressing these difficulties.
30. Families with children, particularly lone parent families, are impacted more negatively than other groups of claimants. The £1,000 increase to the UC standard allowance mentioned previously is of benefit only to those with incomes under the benefit cap threshold. It does not benefit those who are at or over the benefit cap threshold. We know from NI statistics that all those affected by the benefit cap are families with children, and that nearly 90% of those are lone parents.

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

31. There are barriers of course, mainly in relation to changing the software system to accommodate the removal of the 5-week wait—although that is entirely achievable.
32. But in reality, the biggest barrier is political will. Does the government want to remove the 5-week wait and relieve citizens of the hardship it causes?
33. The COVID-10 lockdown has shown us how immediately and how effectively major changes can be implemented, when the political will is there. The same goes for removing the 5-week wait. Let's stop pretending that it is a law of nature, like gravity, that simply cannot be changed but can only be alleviated with small tweaks here and there. Let's be honest and accept that government is in charge of these systems and has the authority and ability to change them as they see fit.

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