**Written evidence from Iain Hardie [UCW0062]**

**Introduction**

1. This evidence comes from Iain Hardie. I am a final year PhD student in the School of Social and Political Sciences at the University of Glasgow. My PhD is a quantitative research project analysing the impact of Universal Credit (UC) rollout on housing security.

**Summary of my Research**

2. My PhD research has examined the impact of UC rollout on rates of: (a) legal actions by landlords to evict tenants, and (b) advice given by Citizens Advice on rent arrears/homelessness, within 323 local authorities in England. The staggered natured of UC ‘Full Service’ rollout schedule (i.e. the fact it rolled out in different local authorities at different times) meant it was possible to track each local authority over time and measure whether rates of landlord repossession actions and/or demand for advice from Citizens Advice increased in the quarters immediately following its rollout.

3. My analysis of landlord repossessions data has been published (open access) in the Journal of Social Policy. Results suggests that, when compared to rates in the pre-rollout period, ‘Full Service’ rollout on average led to a 4.6% increase in repossession claims, 4.8% increase in repossession orders and 3.8% increase in repossession warrants within local authorities by 2019 Q1. Importantly, this impact tended to increase when ‘Full Service had been rolled out for longer and therefore reached more claimants. Where it had been rolled out for 12+ months it led to a 6.9% increase in repossession claims, 9.8% increase in repossession orders and 5.9% increase in repossession warrants. This means that a key concern is that in the absence of any changes to policy, including to the wait for the first payment, this impact may continue to increase going forward as the UC claimant count continues to rise.

4. My analysis of Citizens Advice data on housing-related advice rates is not yet published. However, preliminary results suggest that when compared to rates in the pre-rollout period, ‘Full Service’ rollout on average led to a 11% increase in advice given on rent arrears (within local authorities) by 2019 Q1. Again, the impact was greater where it had been rolled out longer and reached more claimants, with an 18% increase on pre-rollout rates in local authorities where it had been rolled out for 6+ quarters. The preliminary findings also suggest that this impact on rent arrears advice was consistent across both the social and private rented sector, but that the impact appears to be larger in the social rented sector. No significant relationship was found between UC rollout and advice given on homelessness-related issues.

5. As the research summarised above used local authority level data, and focussed on the timing of UC rollout, it was not possible to isolate the negative impacts of the wait for the first payment from other design features of UC, e.g. monthly direct payments or intensified conditionality. However, it is likely that the wait period has contributed to the research findings given that qualitative research suggests it can leave UC claimants with little/no income for rent, leading to arrears and potentially repossession actions. Therefore, this research is relevant to two of the specific questions asked in the call for evidence (addressed below).
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? What problems do claimants still experience during the five week wait.

6. Whilst safeguards added to UC over time provide some short-term relief to claimants, they are not necessarily a long-term solution to the problem of the five week wait.

7. The two-week Housing Benefit extension for those ‘migrating’ from Housing Benefit onto UC is a positive move, but does not help those without existing Housing Benefit claims who are moving onto UC.

8. In terms of advance payments, although they may allow claimants to pay off or reduce rent arrears in the short-term, deductions on future UC payments may have a detrimental impact on rent arrears in the future. Housing charities\(^5,6\) have highlighted that advance payments are set at unsustainable, unaffordable rates for those on low-incomes.

9. From my own research, it is difficult to disentangle the impact that safeguards added to UC over time have had, but in general my findings suggest that UC rollout has weakened the UK welfare system’s ability to provide a safety net against eviction. UC rollout has led to an increase in the rates of households facing rent arrears and repossession actions, and despite safeguards like advance payments this impact has increased over time as more claimants moved onto UC. It is likely that the five week wait and deductions on UC payments have contributed to this.

What is the best way of offsetting the impact of the five week wait? Is it possible to estimate how much this would cost the Department? Is it possible to estimate any costs or savings to third parties (for example, support organisations)?

10. Universal Credit rollout has had a detrimental impact upon the housing security of claimants, with problems not only with the five week wait but also with paying back deductions for those receiving advance payments. Therefore, my view would be that the five week should be scrapped for all claimants, by removing the requirement to repay advance payments. This would help boost housing security amongst those entitled to the housing costs element of UC (although other issues such as UC’s harsh conditionality regime and monthly direct payment system should also be addressed).

11. It is beyond the scope of my research to estimate any precise figures on costs/saving that scrapping the five week wait would have on the DWP or third parties. However, as my research findings suggest a clear link between UC rollout and rent arrears/legal repossession actions, this does have a number of implications/costs to third parties:

- The build up of rent arrears, and subsequent repossession actions negatively impacts upon the income streams of both social\(^7\) and private\(^8\) landlords.

- Tenants facing repossession actions can be forced to cut back spending on essentials, e.g. food. This has implications for organisations like Trussell Trust by increasing demand for foodbanks\(^9\).

- Given that housing security is an important determinant of mental health\(^10\), increased rent arrears and repossession actions are likely to be contributing to the increased
levels of psychological distress that have arisen due to the introduction of UC. This is likely to place additional costs on mental health services.

- Increased rent arrears/repossession actions have implications for housing/advice charities by increasing demand for housing-related advice amongst UC claimants trying to avoid eviction.

12. Again, it is important to note that the five week wait is not the only factor contributing to the four implications outlined above. However, scrapping the five week wait is likely to go some way towards reducing UC’s negative impacts on housing security and in turn towards reducing costs on these third parties.

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1 https://www.gla.ac.uk/schools/socialpolitical/research/students/iainhardie/
4 Cheetham, M., Moffatt, S., et al. (2018), “‘It’s hitting people that can least afford it the hardest” the impact of the roll out of Universal Credit in two North East England localities: a qualitative study’, Gateshead Council.

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