

# **FRONTLINE NETWORK – WRITTEN EVIDENCE (EUC0074)**

## **The economics of Universal Credit**

At the Frontline Network, we support frontline workers from the public, statutory and voluntary sectors, who work with individuals experiencing homelessness across the UK.

Between 18th – 26th February 2020, we conducted an online survey seeking the views of frontline workers on the House of Lords' Committee inquiry into Universal Credit. This survey was responded to by 128 frontline workers.

We asked frontline workers one key question: 'How has your work changed since the introduction of Universal Credit?'

### **Key Findings**

Within our survey's feedback, frontline workers highlight an overwhelmingly negative experience of Universal Credit. Frontline workers state that the initial wait for payment is leading to financial hardship; that it is taking longer to support a Universal Credit claim; and that the introduction of UC has led to a significant increase on frontline workers' workloads.

Three thematic areas have been discussed within this written submission, on the grounds that they are the most frequently cited issues within our frontline worker survey. • Financial Hardship and the Five Week Wait • Digital and Banking Access • Access to accommodation

Within this written submission, we have also included a summary list of local initiative solutions cited by frontline workers within our annual frontline worker survey (responded to by 833 frontline workers), to mitigate the impact of Universal Credit.

### **Financial Hardship and the Five Week Wait**

In our survey, frontline workers expressed concern over the serious financial impacts of a delayed Universal Credit claim. It is suggested that the five-week gap between claiming and first payment is leading to, among other things, an increased reliance on food banks.

Frontline workers also state there has been an increased number of individuals who now require greater debt management support, as a result of Universal Credit:

"We are supporting many people who are facing extreme hardship in the initial wait for payment when they first make a claim, which is leading to people not being able to pay for their utilities and having to access foodbanks."

"The wait for the benefit to be processed is pushing lots of people into debt with priority bills like rent and council tax. Many people take out advance payments

and these are then recovered through direct deductions from Universal Credit, leaving them in financial hardship.”

“Our work has changed dramatically since the introduction of Universal Credit. The system it seems is designed for people to either give up or get embroiled in forever. There seems no way out of debt once you’re in a system that is designed to keep you down.”

In our latest Frontline Worker Survey, 97% of frontline workers said the wait for a first Universal Credit payment caused problems for people they work with. A further 96% of frontline workers stated the people they support were affected by budgeting for monthly payments compared to fortnightly payments.

Overall, frontline workers have expressed concern over the serious financial impacts of a delayed Universal Credit claim.

### **Digital and Banking Access:**

Frontline Workers have raised concern over the lack of digital access some of the people they support have; from the early stages of a Universal Credit claim, through to first payment.

The survey feedback also demonstrates a difficulty in managing claims online for individuals with limited IT skills or restricted access to computer facilities. This issue is compounded by individuals who do not have email addresses or bank accounts:

“Clients with no regular internet access are penalised as they cannot access the online journal.”

“Several people we support are unable to make a prompt claim, as they are unable to progress with a digital claim, even with our support, as they rarely have a bank account (historically they have post office accounts for their ESA).”

“More difficult to effectively support people who experience digital exclusion. Delay to first payment - a loan to cover the period until the claimant is in receipt is not an acceptable way to begin someone's journey through this system”

Some frontline workers have stated it can be easier to access information about a person's claim by logging into their online journal with them. However, while access to journals has improved for some frontline workers, it is stated that when claims are declined and closed, there is no opportunity to appeal or query decisions.

### **Access to Accommodation:**

Frontline workers feedback states that delays to Universal Credit claims are reducing the number of private landlords willing to accept people in receipt of benefits:

“More and more landlords are not wanting to let to tenants on UC because it is so difficult to safeguard the rent payments, despite our best efforts”

“Fewer landlords are willing to accept tenants who are in receipt of universal credit due to the length of time it takes to process a claim.”

Frontline workers have stated that landlords are less likely to take on tenants in receipt of benefits, and that since the introduction of Universal Credit claims, there has been a declining number of private landlords willing to accept people in receipt of UC even further.

### **Local Initiative Solutions**

Within our most recent annual Frontline Worker Survey, (responded to by 833 frontline workers), frontline workers also spoke of certain local initiatives to mitigate the impact of Universal Credit:

- Working in partnership with local organisations to increase provision of digital access points, and providing information on local community services where this might be available (e.g. in libraries)
- Building relationships with the local Job Centre/ Department for Work and Pensions (DWP) partnership working, including having a named contact and a clear escalation process for individuals with multiple and complex needs
- Having co-located services: drop-in advice sessions held at local Job Centres to try and intervene earlier where someone might have both housing and benefits issues
- Developing local relationships with banks so that they will accept minimum ID requirements to set up a basic bank account
- Multi-agency working to highlight the issues and impact across the range of services that individuals are engaging with so that the response is more joined up

### **Concluding Remarks**

The introduction of Universal Credit has increased the financial strain and risk of homelessness that many of the people frontline workers are supporting face.

This is additionally acting as a barrier to accessing accommodation. It has also increased reliance on other sources of support, such as food banks, and has increased the time that it takes frontline workers to support people with their benefits claim.

Overall, most frontline workers who responded to this survey have suggested that the people they support are experiencing distress and difficulty due to the design, and payment, of universal credit claims.

*28 February 2020*