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11 October 2018

Rt Hon Frank Field MP
Chair of the Work and Pensions Committee
House of Commons
London
SW1A 0AA

Dear Frank

Thank you for your letter of 2nd October regarding the announcement that Citizens Advice will be funded by the Department of Work and Pensions to deliver support to people making a Universal Credit Claim.

The work of your committee in shining a spotlight on the challenges presented by Universal Credit is vitally important to ensuring the new benefit is working for everyone, and especially people in vulnerable situations. I look forward to continuing to share our evidence with the committee, as well as the Government, other parliamentarians and stakeholders to achieve this aim.

Please find my responses to the questions raised in your letter below.

a) The adequacy of Assisted Digital and Personal Budgeting Support, including whether there is a need for the Department to fund support beyond the beginning of a claim

As you'll know from the evidence you've received during your inquiry into Universal Support, the fundamental problem with the existing model of support is that the type of support available, and how people can access it, differs depending on where you live.



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The evidence is also clear that people need more support to make their Universal Credit claim. The Government's data shows that 1 in 6 people aren't being paid on time, often due to challenges with making a claim, while more than 43% of claimants say they needed more help to set up their claim. At Citizens Advice we've helped nearly 150,000 people across England and Wales since rollout began, and our largest enquiry area is people needing help to make their claim.

From 2019 we will deliver a more comprehensive and consistent support service, independent of Government, to help ensure everyone can access the support they need to complete a Universal Credit claim - no matter where they live.

While the current scope of Universal Support is limited and separated into Assisted Digital and Personal Budgeting Support, this new service will provide people with the support they need from the start to the finish of their initial claim.

This includes support claimants need to complete their claim beyond the initial form and to be ready for their first payment, for example helping them to gather evidence of additional costs and to utilise flexibilities within UC such as more frequent payments so that it works for their circumstances. At the start of this support, our advisers will also assess claimants' personal circumstances to ensure they get the tailored level of support they need.

Our current agreement does not include funding to provide support to people once their claim is complete. However, I'm sure you'll have seen data from the Department of Work and Pensions showing that 40% of claimants were experiencing difficulties keeping up with bills eight to nine months into their claim. This suggests that longer term support is required, and it will also be especially important to consider this in the context of managed migration. We will continue to use our evidence to identify the problems faced by people receiving Universal Credit and propose solutions.

b) The adequacy of the budget that DWP has provided for the contract

Currently there isn't data available to prove definitively whether the funding for Universal Support will allow us to meet demand. One reason for this is the current local variation in the scope and accessibility of support.



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Our data from delivering a comprehensive national support offer will give us a much clearer picture of what the level of demand for support is. We have agreed with DWP that we will use this evidence to regularly evaluate demand levels and consider the appropriate response.

c) Debt, including your capacity to provide advice on debt to claimants and on the Department's approach to debt recovery

Evidence shows that the current level of funding for specialist debt advice does not meet the needs of people who require support. We plan to work closely with the Money Advice Service and its successor the Single Financial Guidance Body to make an evidenced based case of the need for further investment in debt advice. From January 2019, the SFGB will be under the management of the DWP, which will enable conversations about the level of over-indebtedness to be had in the round with the Department.

With regard to Universal Support, our current agreement with DWP does not include provision for debt advice. We have ongoing concerns about the relationship between Universal Credit and people's debt problems, and we continue to undertake research to look into this further. One area where we would like to see the Government take action is by ensuring that deductions from a Universal Credit claimant's income recognise someone's whole income.

More broadly, we recently undertook research which showed that Government debt collection practices are often worse than creditors such as banks and energy companies. We are calling on the Cabinet Office to prioritise improving the Government's debt collection practices, including those of DWP.

d) The relationship between Universal Support and managed migration

Our agreement with DWP to deliver Universal Support does not include the provision of support for people within the managed migration process. Once DWP decide its approach to managed migration, we would expect to begin a discussion about the additional support needs people may require and the volumes of people who may require this support.



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We believe more consideration needs to be given to the Government's plans for managed migration. The draft regulations currently:

- Don't include enough protections for individuals who will move to Universal Credit, particularly to ensure they don't face gaps in income.
- Lack the appropriate level of detail to provide certainty to people about how the process will work and over what timetable.

We also recommend that Government look again at the timeframe they are working towards to introduce managed migration, specifically whether it is appropriate to move tens of thousands of people to UC when significant problems still need to be fixed.

I understand that we have shared a briefing with committee members setting out our concerns in more detail and we'd be happy to provide more information about this.

As your inquiry into Universal Support continues, I would be very happy to provide the Committee with any further information you require. We looking forward to working with you to ensure Universal Credit works for everyone.

Yours sincerely

Gillian Guy
Chief Executive