



Work and Pensions Committee

14 Tothill Street, London SW1H 9NB

Tel 020 7219 5831 Email workpencom@parliament.uk Website www.parliament.uk/workpencom

From the Chair

26 April 2017

Rt Hon Damian Green MP
Secretary of State for Work and Pensions
Department for Work and Pensions
Caxton House
Tothill Street
London, SW1H 9DA

Damian

Universal Credit

In February 2017 we issued a call for written evidence on Universal Credit (UC). This followed concerns we heard in oral evidence from local authorities, social landlords and charities about the rollout of full service UC. In a short period we received submissions from 33 local authorities and eight representative bodies from that sector; 57 providers of social housing and six representative bodies from that sector; seven private landlords and four representative bodies from that sector; 34 charities and advice organisations which assist UC claimants; and 30 individual claimants. The written evidence is published on our website.¹

Many respondents supported in principle the objectives of UC. In particular, it is imperative that the welfare system creates incentives to work: work must pay. It was, however, striking that the evidence raised a near unanimous set of concerns about how UC is currently operating in practice. Although our inquiry was cut short by the dissolution of Parliament, given the urgency of those concerns the Committee agreed that I should write to highlight the main issues witnesses raised:

- We heard that some claimants have waited 12 weeks or more for their first payment, double the expected wait and resulting in hardship and distress.²

¹ [Universal Credit update inquiry](#)

² For example: [Q18 \[Mark Fowler\]](#); Gentoo Group Ltd ([UCU0031](#)); Convention of Scottish Local Authorities ([UCU0036](#)); London Borough of Sutton ([UCU0044](#)); Welcome Centre ([UCU0046](#)); Taunton Foodbank ([UCU0047](#)); Crisis ([UCU0048](#)); Citizens Advice ([UCU0049](#)); Preston City Council ([UCU0061](#)); Financial Action Advice Derbyshire ([UCU0063](#)); Halton Housing Trust ([UCU0064](#)); Symphony Housing Group ([UCU0065](#)); The Highland Council ([UCU0066](#)); NPT Homes Ltd ([UCU0070](#)); Thirteen Group ([UCU0072](#)); Leeds City Council ([UCU0087](#)); Wellingborough Homes Ltd ([UCU0088](#)); Depaul UK ([UCU0095](#)); Inverclyde Council ([UCU0097](#)); Expert Link ([UCU0099](#)); National Association of Welfare Rights Advisers ([UCU0101](#)); First Choice Homes Oldham ([UCU0103](#)); Northern Housing Consortium ([UCU0110](#)); The Trussell Trust ([UCU0115](#)); Plymouth Community Homes ([UCU0123](#)); Gloucester City Homes ([UCU0124](#)); London Borough of Camden ([UCU0125](#)); Knowsley Council ([UCU0133](#)); Peabody and Family Mosaic ([UCU0141](#)); Salford Financial Inclusion Practitioners Group ([UCU0155](#)).



We were concerned that the Department was unable to provide performance data demonstrating how typical such delays are.³

- Witnesses told us that while many claimants can manage receiving UC monthly in arrears, some, usually the most vulnerable, are struggling to adapt to this change. The onus for supporting vulnerable claimants often falls to local bodies. As a result, some costs were shifting from the Department to other public bodies rather than being saved.⁴
- We heard that the seven waiting days at the start of a UC claim were adding to financial difficulty among some claimants and did not contribute to UC achieving its objectives.⁵ Lord Freud, the Minister responsible for UC from 2010-2016, told us that waiting days were not helping the introduction of UC.⁶
- The local authorities, landlords and advice organisations that wrote were unanimous in telling us that UC was adding to problems of rent arrears. This could have serious consequences for claimants and place additional burdens on landlords, local authorities and support organisations. Several landlords reported that alternative payment arrangements, in which housing costs are paid directly to the landlord, had helped stabilise arrears in cases of high and escalating debt. We heard, however, that such arrangements are currently only available in very specific circumstances.⁷
- Prompt and effective communications between landlords, support organisations and the Department are essential to UC operating as intended. We were told that the withdrawal of implicit consent for the Department to discuss individual cases and share information with third parties in the UC full

³ Letter from Damian Hinds to Frank Field, 1 March 2017

⁴ For example: Parashoot Housing Support (UCU0005); Hertfordshire County Council Money Advice Unit (UCU0015); Taylor Properties Trading Ltd (UCU0026); Welcome Centre (UCU0046); Taunton Foodbank (UCU0047); Crisis (UCU0048); Citizens Advice (UCU0049); Preston City Council (UCU0061); Symphony Housing Group (UCU0065); Thirteen Group (UCU0072); Lancashire CC Welfare Rights Service and LGA Social Security Advisers' Group (UCU0075); Leeds City Council (UCU0087); Depaul UK (UCU0095); Inverclyde Council (UCU0097); National Association of Welfare Rights Advisers (UCU0101); First Choice Homes Oldham (UCU0103); Gwent Welfare Reform Partnership (UCU0121); CCHA (UCU0122); Shelter (UCU0127); Knowsley Council (UCU0133); Peabody and Family Mosaic (UCU0141); Albyn Housing Society (UCU0148); Citizens Advice Scotland (UCU0165).

⁵ For example: Knowsley Housing Trust (UCU0039); National Association of Welfare Rights Advisers (UCU0101); GIPSIL (UCU0105); Plymouth Community Homes (UCU0123); Your Homes Newcastle (UCU0152); London Borough of Lambeth (UCU0158); Chesterfield Borough Council (UCU0167); London Councils (UCU0176).

⁶ Q129 [Lord Freud]

⁷ For example: Taylor Properties Trading Ltd (UCU0026); Knowsley Housing Trust (UCU0039); St Albans City and District Council (UCU0042); London Borough of Sutton (UCU0044); Crisis (UCU0048); BenX (UCU0053); Sovereign Housing Association (UCU0057); Halton Housing Trust (UCU0064); Symphony Housing Group (UCU0065); The Highland Council (UCU0066); Torus (UCU0069); Thirteen Group (UCU0072); Salix Homes (UCU0086); Leeds City Council (UCU0087); Wellingborough Homes Ltd (UCU0088); Cottsway Housing (UCU0089); First Choice Homes Oldham (UCU0103); Residential Landlords Association (UCU0111); National Landlords Association (UCU0113); Gloucester City Homes (UCU0124); Hastings Borough Council (UCU0131); London Borough of Lambeth (UCU0158); East Lothian Housing Association (UCU0171); ARCH & NFA (UCU0174)



service had made it harder to expedite the resolution of problems.⁸ The Department tacitly acknowledged this when it recently announced: "the implicit consent approach which operates well for all other DWP benefits can be extended to MPs representing the interests of their constituents who are engaging with or directly claiming Universal Credit".⁹ This approach has not, however, been extended to local support agencies with pre-existing relationships with local DWP teams. Further DWP initiatives that might ease the communications problem, such as the Trusted Partner Programme and Landlord Portal, are also not yet fully operational.

- Finally, we heard concern about the interaction of UC and emergency temporary accommodation. Local authorities must ensure that families with children are not placed in emergency temporary accommodation for more than six weeks. The housing element of UC payments is calculated based on the claimant's accommodation at the end of their UC assessment period. If they are moved from costly emergency accommodation to standard premises during the assessment period, considerable debts to local authorities, which in many cases would not be repaid, could accrue. We heard that the housing costs of UC claimants residing in supported accommodation were being met instead through Housing Benefit, resolving a similar issue.¹⁰

We are aware that while UC full service is currently rolling out at just five Jobcentres each month, the Department plans to significantly accelerate the rollout rate to 30 Jobcentres a month from July 2017, then to 55 a month from October 2017 and 65 a month from February 2018. We heard concerns that this planned timetable risked exacerbating any problems in the limited current rollout that are not resolved. The practical operation of UC should be an urgent priority both for the Department and our successor Committee in the new Parliament.

With thanks and best wishes,

**Rt Hon Frank Field MP
Chair**

⁸ For example: Convention of Scottish Local Authorities ([UCU0036](#)); The Highland Council ([UCU0066](#)); NPT Homes Ltd ([UCU0070](#)); St Mungo's ([UCU0073](#)); First Choice Homes Oldham ([UCU0103](#)); Chartered Institute of Housing ([UCU0116](#)); Islington Council ([UCU0129](#)); Scottish Federation of Housing Associations ([UCU0137](#)); Notting Hill Housing ([UCU0146](#)); Southwark Council ([UCU0151](#)); Community Housing Cymru ([UCU0157](#)); ARCH & NFA ([UCU0174](#)).

⁹ Written statement – HCWS528, 13 March 2017

¹⁰ For example: London Borough of Sutton ([UCU0044](#)); Preston City Council ([UCU0061](#)); Thirteen Group ([UCU0072](#)); Newcastle City Council ([UCU0128](#)); Hastings Borough Council ([UCU0131](#)); ARCH & NFA ([UCU0174](#)); London Councils ([UCU0176](#)); [Response from London Borough of Croydon re Universal Credit](#). See also [Q24](#) [Mark Fowler].