

## Universal Credit: What needs to happen to **FIX, REFORM** or **REPLACE** it?

PROPOSAL	RATIONALE	COMMENTS
<b>Halt all Further migration onto Universal Credit (UC) until it is FIXED, REFORMED or REPLACED</b>	Ample evidence from multiple sources that there are many flaws with the UC system. We felt it was apparent from our first impressions of Sheffield roll-out, <b>Root and Branch Review</b> was needed <sup>1</sup> . The Secretary of State said in January 2019 that a ‘fresh look’ was needed but this has not been actioned. UC was promised as a ‘Test and Learn’ but the learning has not been implemented.	To minimise further hardship we believe ALL further UC migration should be halted until the full system has been reformed and replaced with a workable system of working age means-tested benefits
Date of claim - create a mechanism for all claimants to simply register a date of claim (as is done for Personal Independence Payment)	Date of claim runs only from when claim submitted and must be preceded by setting up an account. Both are relatively taxing processes requiring gathering of a large quantity of data. This causes delays in date of claim.	All Party Parliamentary Group (APPG) p.22 <sup>2</sup> National Citizens Advice <sup>3</sup> ‘Managing Money on Universal Credit’

<sup>1</sup> <https://citizensadvice.org.uk/wp-content/uploads/2019/03/UC-Full-Service-in-Sheffield-first-impressions.Feb..19.pdf>

<sup>2</sup> Universal Credit What needs to change Report by All Party Parliamentary Group July 2019 <https://www.turn2us-2938.cdn.hybridcloudspan.com/T2UWebsite/media/Documents/Communications%20documents/UC-REPORT-FINAL-v3.pdf>

<sup>3</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\)%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL)%20(1).pdf) p.3

Migration cases- legacy benefits not terminated until first payment is processed and ready to be paid (full run-on). Non-migration cases should automatically offer a payment advance	At a stroke this removes the very many issues associated with the 5-week wait by abolishing it.	APPG p.6 National Citizens Advice <sup>4</sup> 'Managing Money on Universal Credit'
Return to the issue of costs of Disability and consider whether some additions to the basic benefit levels should be restored. This should include Disabled Child premiums as well as the Enhanced and Severe Disability premiums.	Disability premiums were explicitly removed from UC making disabled people some of the biggest losers under the system	There appeared to be no rationale for the change under UC except cost-cutting APPG p.10 & p.13 Citizens Advice <sup>5</sup> Universal Credit for Single Disabled People
Consider a 'householder' rate of personal allowance for younger claimants living independently	Younger people have substantially lower allowances for personal costs and housing- is this reasonable considering rent and living costs are equivalent for all householders	
Mixed age couples - consider some sort of 'pensioner premium' where one if a couple is over state pension age.	Pension age claimants with younger spouse no longer have the option to claim Pension Credit instead. The differentials are staggering	APPG p.14
Restore non-dependent deductions from housing costs to more realistic levels		
Unfreeze benefits NOW and consider how real value could be further restored to pre-freeze level	Substantial evidence that the levels are now too low for basic living standards regardless of the overarching delivery system i.e. legacy or UC	APPG p.9 National Citizens Advice <sup>6</sup> 'Managing Money on Universal Credit' p.30

<sup>4</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\)%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL)%20(1).pdf) p.3

<sup>5</sup> <https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/UC%20for%20single%20disabled%20people.pdf>

<sup>6</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\)%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL)%20(1).pdf) p.3

Also unfreeze the Local Housing Allowance	This is the rent restriction support for private tenancies. The freeze on this in relation to market rents has meant that in some locations it covers just 3% of available properties according to the APPG report.	APPG p.9
Those who have become trapped on UC and disadvantaged by wrong advice should be permitted to return to legacy benefits	The 'lobster pot' mechanism means that a claim for UC from legacy benefits is irreversible even where you are substantially worse off and could have opted to update your legacy claim or claims	
Digital Platform- UC digital platform should be OPTIONAL. However when a non-digital claim is taken, a Digital Account and Journal should still be created so that the claimant has the option to access and use at a later date	Digital has many benefits but there will always be a significant minority who will struggle badly in the short or long term. Ignoring this is the cause of significant avoidable hardship.	APPG p.19 +CAS evidence shared with DWP and other local partners.
Entitlement notice, at least for first payment, should be posted to the claimant including a clear breakdown of the calculation- including housing costs- together with a clear statement of their appeal rights and passported benefit entitlement (see below)	Most claimants are less aware than ever of their right of challenge/appeal. It is hard to check for claimants' or advisers' mistakes without a full breakdown- a particular problem with reference to housing costs	CPAG <sup>7</sup> Errors will occur in any system but unless people are given a clear, manageable right to challenge they can't easily be corrected either by claimants themselves or with the assistance of advisers
Mandatory Reconsiderations- set a timescale/deadline for DWP to respond to MR requests	The timeless nature of this part of the challenge process within benefits law means that disputes can take an excessive amount of time to be resolved	Justice delayed is justice denied
Digital platform should be multi-lingual or at least supported by multi-lingual materials explaining the system	At present, people including those with good digital skills, are excluded from the benefits of digital if they don't have sufficient English	We were told by DWP officials in July 2019 that this suggestion of adapting the platform or providing translated materials has been considered but ruled out as too costly.

<sup>7</sup> Child Poverty Action Group report on issues with challenges and appeals: <https://cpag.org.uk/policy-and-campaigns/report/computer-says-no-stage-two-challenging-decisions>

Council Tax support- create an effective mechanism for passporting claimants to Council Tax Support	Does away with missing out on help caused by failure to go through yet another claims process	There are around 160 fewer claims a month being received by Sheffield City Council currently than expected (this is not exclusively UC claimants)
Payment frequency - make this flexible by choice (weekly, fortnightly, monthly)	At the moment an Alternative Payment Arrangement (APA) for payment frequency has to be requested, justified and is discretionary – the emphasis is on calendar monthly by default. In Scotland, frequency APAs are available by request but not in England – Why is this? In August 2018 2/3 of Scottish claimants had opted for frequency APAs but only 3% of English claimants had the restricted/discretionary APA version (only 14% of claimants even knew alternative arrangements existed).	APPG p.7 National Citizens Advice <sup>8</sup> 'Managing Money on Universal Credit' p. 39 The emphasis with calendar monthly payments is at odds with the fact that 58% of claimants transferring onto UC previously received their income weekly or fortnightly. National Citizens Advice <sup>9</sup> 'Managing Money on Universal Credit' p.40
Couples' joint claims paid as split payments by default, though combined if requested. Where a single payment is made to household the default position should be to pay to the main child carer if there are children in the household (could be altered on request)	At the moment split payments are another form of APA which has to be requested and justified. Since both members of a couple have to make, and comply with, a separate claimant commitment, why not acknowledge this by making split payments the norm? The present situation is dangerous for people in abusive/coercive relationships. In August 2018 out of 1million UC claims only 20 household had split payments	APPG p.8 National Citizens Advice <sup>10</sup> 'Managing Money on Universal Credit' p.40
Housing costs paid direct to landlord on request and ensure they are paid onto landlords at an	At the moment housing costs payments direct to the landlord are another form of APA which has to be	APPG p.7

<sup>8</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\)%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL)%20(1).pdf) p.3

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<sup>10</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\)%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL)%20(1).pdf)

appropriate frequency that avoids cash flow arrears	requested and justified (e.g. by showing you are already in arrears). This exacerbates the problem of arrears	National Citizens Advice <sup>11</sup> 'Managing Money on Universal Credit' p. 35
Claim process - use established National Insurance Number (NINO) for security purposes rather than creating a new Personal Security Number	All current legacy and future UC claimants either have, or need to obtain an NINO. Under legacy arrangements, most people were able to retain and use their NINO quite readily- why cause complexity and confusion by creating another number?	
Claim process - consult on better security questions	The current ones have been lifted from commercial finance sector and are meaningless or borderline offensive for many claimants in chronic poverty and especially for refugees	We have been told by a senior DWP official in July 2019 these could be changed- it would be good to action this.
Claims process - more flexible ID verification for specific groups e.g. hospital in-patients	At present most in-patient claimants (including those sectioned with serious mental health conditions) have to receive a face to face visit from DWP visiting officers which is challenging in practical terms and creates delays	Simpler, common sense 3 <sup>rd</sup> party verification processes exist which could be used more widely.
Comprehensive system for recording vulnerabilities and any specific adjustments required for payment and, in particular to ensure the claimant commitment is realistic and achievable to avoid sanctioning. Good, regular, ongoing DWP staff training is required to ensure work coaches and case managers understand the range of issues and barriers that are faced by claimants with various vulnerabilities	Very many issues flow from the lack of this and we suspect this has been underlying some of the more tragic cases that have hit the press. Claimants are dealing with case managers at service centre, work coaches in Job Centre and also in some cases with visiting officers (who do not even have access to the full service system). The system is very poorly designed to record and share key information appropriately.	

<sup>11</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\)%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL)%20(1).pdf)

<p>Fix the current UC log-jam for young disabled people in full time education by amending Schedule 8 of the Universal Credit and making a simple addition to include as eligible circumstances where 'the claimant is undertaking a course of education and is entitled to DLA, PIP or Armed Forces independence payment'.</p>	<p>Causes hardship to a vulnerable group that already have challenges to establish themselves independently- seems to be an unintentional error in the regulations</p>	<p>The issue, seen by CAS in Sheffield was identified by Disability Rights UK back in 2017<sup>12</sup></p>
<p>Treatment of income- allow discretion (with clear guidance so decision is appealable) for payments to be excluded from assessment period where reasonable e.g. payments owed that are recovered late from an employer or where wage payment cycle artificially skews the outcome e.g. where wages paid early before a bank holiday or paid four-weekly instead of calendar monthly</p>	<p>There are numerous anomalies associated with the rigid application of the assessment period and payments received within it</p>	<p>This would enable DWP to comply with High Court rulings made in January 2019 and ignored until now. APPG p.6</p>
<p>Make work pay -restore work allowances (disregarded earnings) for all groups- particular attention to those with disabilities and chronic health problems</p>	<p>The absence of rules equivalent to permitted work or the incentives within Disabled Persons Tax Credit is puzzling as it appears to directly contradict the policy goal of getting more people in these groups into work.</p>	<p>APPG p.14</p>
<p>Make Work Pay- review the Minimum Income Floor for self-employed claimants</p>		<p>APPG p.15</p>

<sup>12</sup> <https://www.disabilityrightsuk.org/news/2017/august/minister-says-universal-credit-designed-encourage-disabled-people-take-education>

Make work pay- by greater , more effective use of the flexible support fund		
Make work pay- ensure assistance with childcare costs is paid up front rather than in arrears		APPG p.10
Reform conditionality by making the Claimant Commitment subject to an appeal process	Currently no right of appeal so no formal challenge until sanction (and that has to be challenged first by the Mandatory Reconsideration Process)	
Make work pay - simplify passported benefits and make them easier to evidence especially free prescriptions and free school meals		APPG p.10, 16 CAS <sup>13</sup>
Debt Recovery- restore debt deduction levels to legacy rates and keep the impact under review Consider writing off remaining tax credit overpayments rather than attempting to deduct from UC	Tax credit overpayments that are complex and too old to challenge are revived and deducted from levels of benefit that are already very low.	APPG p.21
DWP properly resourced to administer a reformed benefit according to the rules	Service Centre caseloads of 600-800 per member of staff means that expectations of individualised support are not realistically unachievable	APPG p.24
Restore the long established processes of Implied Consent that enabled 3 <sup>rd</sup> party support and advocacy organisations to help people secure their rights	Good advice interventions working co-operatively can assist the DWP in its function of delivering welfare entitlements.	APPG p.23

<sup>13</sup> Citizens Advice Sheffield report on Universal Credit and Work Progression: <https://citizensadvice-sheffield.org.uk/wp-content/uploads/2019/08/Universal-Credit-and-work-progression-final-report-Aug-2019.pdf>

Reform the Work Capability Assessment and associated processes. In particular, exempt people with health conditions from having to carry out work requirements while they are awaiting their Work Capability Assessments	This doesn't just relate to UC but interests with it in many cases. There are often long delays in the WCA being carried out.	APPG. P.13