



Homeless Action Scotland

Universal Credit
Managed Migration

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Universal Credit – Managed Migration

Homeless Action Scotland welcomes the opportunity to provide evidence to the Social Security Advisory Committee on proposals for moving all existing claimants of a working age income-related benefit to Universal Credit.

We shall be responding in relation to benefit areas that sit within our main areas of expertise and not to the questions in their entirety.

The overall migration timetable

Late Payments

Our main concern around moving from the legacy benefits onto UC, is the actual point of migration and the financial impact for someone, or an entire household. We are aware that figures from the recent survey by the National Audit Office¹ demonstrates that 4 in 10 claimants who were surveyed found they were in financial difficulties having moved onto the new scheme and 21% of new claimants had received their first payment late.

The ability to plan for the change

It is important that people know at least 2 months in advance (with a reminder) how this move will affect their payments at the point of migration, and have a financial picture of the month before the migration as well as the 3 months afterwards. We would suggest this is made clear to claimants, ideally through conversation with Work Coaches wherever possible, in addition to being sent out with the use of infographics (altered to suit the individual) wherever possible, rather than just a letter format.

Not including December, January & February in the timetable

We would also request that December, January and February are removed from the migration calendar. The majority of the population celebrate Christmas, and there are additional costs as a result. Where there has been a change to payments, any delay in payments, or payments being made to a different person in the household, this is likely to cause problems; we don't wish the migration to push people to use door step lenders or payday loans.

It is also a time where we can expect the winter to be biting and fuel bills begin to increase (for those not paying on a by Direct Debit). Where people are already on a low income, any alteration to monies can result in choosing between eating or heating. By avoiding these 3 months, reduces some of the need for anyone to be put in such a position and should be seen as good practice.

¹ <https://www.nao.org.uk/wp-content/uploads/2018/06/Rolling-out-Universal-Credit.pdf>

Arrangements for contacting claimants and inviting claims from them

The personal approach

We are aware in Scotland, that there has been a greater use of varying ways of contact between Job Centres and claimants – texts, emails, phone calls and in person, rather than such a heavy reliance on letters. We would hope that this more personal approach remains possible when everyone is on UC, and that this is not something that is only viable with smaller numbers. We are also pleased to see the return to claimants being allocated a Work Coach to keep contact with within the Job Centre, allowing for rapport and a much more personal approach. It also allows for there to be more likelihood of someone picking up any changes to someone's wellbeing and general circumstances with this contact.

Issues associated with making a claim, and ending legacy benefit claims

A flawed 'moved on' system

Making a claim and the timing of the claim can now really have an impact upon whether you end up in arrears or not; through no fault of your own. This is of great concern to us at Homeless Action Scotland. The amount paid for housing should not be dependent upon which point in the month you leave (in relation to your claim) yet it does. This is of particular concern where someone is leaving an accommodation project into their own tenancy. Depending upon what point in someone's claimant cycle this move takes places has very different consequences: with the likelihood being that there will be either arrears on a property or a loss in payments to accommodation providers. To live in a digital society and be moving to a more digitally based system, yet it not be sophisticated enough to prevent this issue for this, seems wholly inadequate, and very unfair. If you are offered at tenancy, you are expected to move within a matter of days (on average 3 or 4), and the date is not something a claimant has much control over, nor are they likely to be made aware of the difference it will make to their possibility of arrears or not. Homeless Action Scotland would request that this issue within the system is rectified.

Arrears

In a more general situation, the buildup of arrears is also of grave concern to us and to our Members across the country; whether Local Authority, Third Sector Accommodation Provider or any organisation involved in homelessness. Recent work undertaken by The National Federation of Housing Associations demonstrated that Surveys of 118 housing associations in England, Wales, and Scotland were already showing that their Universal Credit tenants are in £24m of rent arrears². This is unworkable for most accommodation providers, and is already proving to cause issues with what lenders will offer to providers when looking at income and turnover.

With regards to Private Tenancies and the new Scottish Private Rented Tenancy (PRT), if a case ends up being taken to Tribunal, and the tenant is found to be in arrears of at least one month's rent, it is now possible for a landlord to secure a mandatory eviction. As a result, we can expect the 2 systems working in tandem to have the outcome of evictions, and therefore homelessness; when the finances and system is out with the control of the tenant. Homeless Action Scotland would urge changes to take place to the UC system to rectify this.

² <https://www.housing.org.uk/press/press-releases/flawed-universal-credit-causing-debt-hardship-families-in-social-housing/>

Landlords not wanting UC tenants

This is in addition to there being recent work highlighting that Landlords and Letting Agents are already preferring to not let to people in receipt of benefits³; this type of payment outcome adds further reasons for this to become a more widespread issue than it currently is. These concerns are shared by our members and echoed in a response provided by Shelter Scotland.



Submission by Homeless Action Scotland

Homeless Action Scotland is the membership body for organisations and individuals in Scotland working to prevent and tackle homelessness. Our members include local authorities, housing associations, voluntary organisations and individuals.

Homeless Action Scotland is happy for this evidence to be published.

For any further information or to answer any queries regarding the content of this document please contact:

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³https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/shelter_scotland_briefing_no_dss