

Social Security Advisory Committee: Managed migration call for evidence

Introduction

1. Homeless Link is the national membership charity for frontline homelessness agencies and the wider housing with health, care and support sector in England. With over 750 members, we work to improve services and campaign for policy change that will help end homelessness and ensure that everyone has a place to call home and the support they need to keep it.
2. We welcome the opportunity to present evidence to the Social Security Advisory Committee on the Government's proposals to move claimants on legacy benefits to Universal Credit. Many homelessness agencies support people who have experienced issues associated with making a Universal Credit claim, and as the membership body for the homelessness and supported housing sector in England we are therefore in a unique position to understand and assess how Universal Credit is currently impacting claimants who are experiencing homelessness.
3. Our response focuses on the detail of the overall migration timetable and the arrangements for contacting claimants and inviting claims from them. We have been able to gather relevant evidence through a number of channels; regional 'Community of Practice' network events for front-line practitioners held across England, our National Advisory Council of sector representatives from across England, our Expert Panel of current and former homeless people (most of whom have experience of managing benefit claims and receiving support from JobCentre Plus) and on-going discussions with individual members.
4. **Homeless Link would be glad to elaborate further on any of the information provided.**

Summary

5. Homeless Link supports the stated principles of Universal Credit to simplify the benefit system, and to help more people move into and progress in work while supporting the most vulnerable. We believe that where claimants of legacy benefits are to be migrated to Universal Credit, this should be done safely so that people are not put at risk of homelessness, or prevented from moving on from homelessness.
6. Homeless Link welcomes the principle of the 'test-and-learn' approach. However, given the many issues currently experienced by homeless people who have tried to make and manage a claim, we recommended that the proposed timeline does not commence until the Department for Work and Pensions (the Department) has demonstrated that people who are making new claims to Universal Credit are receiving their full payment without delay.
7. Our evidence has consistently highlighted that aspects of Universal Credit, including the current exemptions and safeguards aimed at supporting the most vulnerable, are not operating effectively for people experiencing homelessness. Given the high number of vulnerable claimants that will be part of the managed migration case load, we recommend that managed migration does not take place (and also that natural migration does not continue) until the Department has demonstrated that exemptions and safeguards are working effectively. This includes ensuring that transitional protection do not erode, and that claimants are not pushed further into debt by migrating onto Universal Credit.

8. The current proposals for contacting claimants and inviting claims from them run the risk of many vulnerable people not engaged with services, and others that do not or are unable to engage with the process, being left destitute. We believe these proposals need to be amended, including removing the intention to cancel legacy benefits for claimants who do not engage with the process. Other options need to be explored, including suspending benefits for those who do not comply and then reinstating these once they engage in the process until the first Universal Credit payment is made.
9. Any proposals that require individuals to engage in the migration process will require extensive engagement with the homelessness and wider voluntary sector. Before the managed migration process commences, the Department needs to show that there are sufficient resources within the Department and the homelessness and wider charity sector to ensure the process can run smoothly and vulnerable claimants are supported to apply to Universal Credit.

The overall migration timetable

10. Universal Credit is a significant change to the way that people currently receive benefits. Homeless Link believes it is important that people are moved on to Universal Credit safely and in a timely way.
11. Homeless Link is aware of a large number of issues experienced by people making and maintaining a claim, or naturally migrating on to Universal Credit. Homeless Link recognises that the Department considers that by adopting a 'test-and-learn' approach, these issues will be resolved so that Universal Credit can safely be rolled out to further claimants.
12. However, although the roll-out has adopted a 'test-and-learn' approach, it is currently unclear whether sufficient analysis has been undertaken on the impact of the policy on vulnerable groups, or whether any substantial changes have been made to make Universal Credit more effective for vulnerable people. We also question the rationale for using a 'test-and-learn' approach for social security payments because of the high level of risk and consequences involved when payments are delayed or not paid at all. Further, the current set of metrics designed to flag whether Universal Credit should be rolled out further do not relate to whether the policy is working for vulnerable people.
13. There will be a high number of vulnerable claimants moved on to Universal Credit as a result of managed migration, including those that the Department is not aware are vulnerable. We therefore recommend that the Department is required to evidence that current vulnerable claimants that move on to Universal Credit are **receiving their full payment without a delay**, and that **exemptions and safeguards for vulnerable people are working effectively** (including for those that the Department has not been able to identify as vulnerable), before managed migration commences.

Receiving full payment without a delay

Access to a bank account to receive payment

14. Currently, Universal Credit is paid by default into a bank account, but can be paid 'a different way if (a claimant has) problems opening or managing an account.'
15. Many people experiencing homelessness find it extremely difficult to open a bank account if they are rough sleeping, sofa surfing, or have no fixed abode; primarily because of problems in obtaining an adequate proof of address which a bank will accept. It can be equally hard for a person living in a hostel and/or supported housing to open an account, due to a lack of supporting documentation.
16. People with experience of homelessness, and Homeless Link members, have reported many examples of Work Coaches advising claimants that Post Office accounts can no longer be used to receive a Universal Credit payment. This lack of awareness has resulted in delays to claimants receiving their payment. Further, the Department currently intends for all claimants to receive their payment into a bank account by 2022.

- 17. The Department should provide evidence that all potential claimants are able to receive a Universal Credit payment. This should include evidence that full assurances have been given from the banking sector that this is possible for vulnerable claimants.**

Appropriate verification mechanisms

18. In the current process, claimants are required to prove their identity for their Universal Credit claim to be accepted.
19. Recent Government statistics have highlighted that only 38% of people have succeeded in using Verify, the government's online identity verification tool. Claimants unable to verify online have to book an appointment with their local Jobcentre Plus and bring in specific documents proving their identity.
- 20. The Department should provide evidence that verification processes are adequate for people with no documentation or finances so they are able to receive their payment without delay.**

Access to IT

21. Universal Credit operates a 'digital by default' model which presumes that most benefit claimants can use and have access to the necessary IT facilities to manage their claims and undertake activities in standard claimant commitments.
22. People experiencing homelessness will often have limited access to computers, increasing their reliance on access to IT facilities in libraries and other public spaces, which can impose time limits too restrictive to make a claim. Although potential claimants can now use phone lines, people experiencing homelessness often do not have mobile phones, and access to public phones is limited.
23. Further, people experiencing homelessness will not always possess the requisite skills to undertake the process of claiming Universal Credit online. People with cognitive impairments, or who lead chaotic lifestyles, can also experience problems remembering basic information, including passwords. For those who are unable to rely on support from family, friends or outside help these issues take on increased significance, and if unaddressed they will have potentially serious consequences on peoples' abilities to maintain their claims. Although support is meant to be provided for those without access and skills, there is little evidence of the availability of these services, or how they engage people experiencing homelessness.
- 24. The Department should evidence that there is sufficient capacity and support across local authorities and JobCentre Plus for all potential claimants to access IT to make and sustain a Universal Credit claim.**

Access to support with making a claim

25. Claimants are currently required to give specific permission on their online journal for other organisations to engage with the Department on their behalf. Using their journal requires claimants to be able to repeatedly have access to their password and to be able to describe each specific issue in order to give consent.
26. Supporting claimants to make a claim over the phone requires other agencies to be present with claimants at a designated time, which due to waiting times and the time it takes for the process currently being in excess of an hour is not possible.
- 27. The Department should revise the process for explicit consent so that agencies are fully able to support people to make a claim.**

Effective exemptions and safeguards for vulnerable people

Financial support when waiting for first payment

28. To align with a perception of usual employer practice on wage payments, Universal Credit is designed to prepare claimants for patterns and requirements of working and receiving a pay-check – i.e. receiving payment for the previous month's work which covers the next month's expenses with some left over for saving.
29. The expected time for receiving the first payment of Universal Credit is 5 weeks. To support people as they wait for their first payment, an Advance payment system is in place which allows people to request up to 100% of their monthly benefit which must be *paid back* over 12 months with the option to defer starting paying back for 3 months. Further, for those in receipt of housing benefit migrating to Universal Credit, a two-week 'run-on' is available.
30. It is very unlikely that people experiencing homelessness will have the financial resources required to bridge the gap between applying for Universal Credit and receiving their first payment, as few people who are homeless or at risk of homelessness will have savings or support from family. This would be the case for any who were able to receive a payment within 5 weeks, however our prevention research and other engagement with members has provided many examples of individuals not being paid for up to 16 weeks, with one case of a 23 week wait.
31. Debt accrued through the time taken to process Universal Credit payments and the fact that people are paid a month in arrears, has led people to spend money on their most immediate needs, such as food and fuel, rather than rent. We have many examples of individuals who have suffered increased anxiety, excessive weight loss, heightened occurrence of suicidal thoughts, become reliant on foodbanks, run up huge arrears, or been served with notices of eviction whilst waiting for their first payment.
32. Some form of bridging payment is therefore very likely to be required for people experiencing homelessness. However, the current re-payable Advance payment mechanism to support people through this period remain inappropriate as the level of monthly benefit is at such a level that having further on-going deductions required to make repayments will push people with no financial resource further in debt.
33. **The Department should evidence that all potential claimants are not pushed into debt as a result of waiting for their initial payment.** One option is to amend the regulations so that the Advance payment can be recovered over a longer period of time, or not at all.

Accessing Alternative Payment Arrangements

34. Managing monthly budgets and rent payments can jeopardise some people's recovery from homelessness, particularly amongst those with substance use problems or a mental health condition. Although many people who are homeless will be able to manage their finances independently with the right support and guidance, budgeting on Universal Credit from the beginning of a claim may be too steep a learning curve for some unless they are given time to develop money management skills.
35. Although the Alternative Payment Arrangements mechanism within Universal Credit aims to allow people to have housing costs paid directly to landlords, as well as providing fortnightly payments to those who require it, from the outset of the claim, our evidence highlights inconsistent experience of applying for Alternative Payment Arrangements across different JobCentre Plus offices, and ongoing issues with payments once Alternative Payment Arrangements are in place.
36. **The Department should evidence that Alternative Payment Arrangements are being effectively taken up at the outset of a claim.**

Supporting people with money management and IT

37. The Department has introduced Universal Support to provide tailored support for claimants with complex needs to make and sustain a claim. This is welcome as people experiencing homelessness may require a much more gradual exposure to Universal Credit. Many vulnerable people will require support not only to make their claim but to manage it on an on-going basis. However, we are not aware of many local authorities that are providing Universal Support
38. **The Department should evidence that Universal Support arrangements are in place that support individuals to a level identified through engagement with the sector.**

Identifying vulnerable claimants

39. Accessing specific exemptions and safeguards, such as Alternative Payment Arrangements and Advance Payments, currently requires individuals to disclose support needs to work coaches at the initial appointment.
40. People may not be aware that they are required to disclose, or sufficiently prompted by work coaches given the short time allocated to these meetings. Critically, disclosing mental health issues, domestic violence, substance misuse, or explaining a criminal record can be very distressing without the right support. Further, claimants themselves may be reluctant to disclose this kind of information for fear of recriminations or stigmatisation.
41. Increasing expectation on an individual claimant to disclose that they are homeless introduces risk into the system, and can lead to individuals not receiving their entitlements. Unfortunately, Homeless Link is aware of many claimants who have not been identified by the Department as homeless, and so have not accessed specific safeguards.
42. **Given the high reliance on identifying vulnerable claimants for the operation of Universal Credit (including managed migration) the Department should evidence that it has appropriate mechanisms in place to identify all potential vulnerable claimants.**

Other aspects of the timeline

43. Homeless Link welcomes that flexibility is being considered in the regulations so that the date can be deferred by which people are migrated onto Universal Credit. We also welcome the intention for a six-month period warming-up period is given to increase understanding of the migration process. However, Homeless Link does not consider that the notice period of potentially one month is sufficient time for people to prepare for making a claim for Universal Credit, given the issues previously identified with current claimants trying to make a claim.
44. Homeless Link understands that it is crucial that notifications for migration may need to be deferred. However, the process currently relies on the vulnerability indicators that the Department holds being accurate, contact information that the Department holds being accurate and that vulnerable claimants are pro-active in requesting a deferral.
45. **For this proposal to be commenced, the Department should evidence that all potentially vulnerable claimants are aware of, and able to receive, a deferral to being migrated to Universal Credit if appropriate.**
46. Homeless Link does not agree that, unless the Department holds information that claimants are vulnerable, they should have their legacy benefits cancelled if they do not engage with the migration process. There is a high risk that the Department does not hold accurate information around vulnerability, so by cancelling claimant's legacy benefit the Department increases the risk of many vulnerable people becoming destitute.

47. **The regulations should be amended so that no-one's legacy benefits are cancelled because they have not engaged with the migration process.** Instead of cancelling legacy benefits for those who do not engage, alternative options need to be explored including suspending payments or reducing the level of payments until the time when the claimant does comply with the managed migration process.

Arrangements for contacting claimants and inviting claims from them

48. Many people experiencing homelessness have identified a lack of awareness of what the process of claiming Universal Credit is, and are unprepared for the changes which as proposed may leave them without an income. **We recommend that the regulations specifically set out how the Department will ensure people and their communities (including the charity and voluntary sector) learn about Universal Credit and the migration process.**
49. Homeless Link does not believe that the process outlined in regulation will be sufficient to engage all claimants currently on legacy benefits. The process requires the Department to have accurate contact information for claimants, which may not be true for many people such as those rough sleeping. It also anticipates that all people will receive and open letters. Homeless Link has heard evidence where this was not true for comparable case where an individual was moved from Disability Living Allowance to Personal Independence Payments.
50. **We believe that the Department should not proceed with the proposed requirement to engage with claimants primarily through a series of letters.** Instead, we suggest a multipronged approach is taken to engaging and supporting claimants, alongside a comprehensive communications and engagement strategy. This should include emphasis on working with the charity and voluntary sector to ensure they are aware of the timings and can provide support where necessary. This approach should also include more information provided to claimants about their rights and entitlements. **Alongside this, we would support a new duty on the Secretary of State to be satisfied that a person is aware of the process being applied and the actions they need to take to make a claim for Universal Credit before any cancellation or suspension.**
51. To mitigate for the many people that are not likely to engage through this mechanism, the Department will need to formally engage fully with the homelessness sector. Although we are aware of an increased number of JobCentre Plus offices with effective working relationships with homelessness agencies and other organisations, this does not appear to be the norm at the moment. As part of a future proposal around contacting claimants, the Department will need to formally engage fully with the homelessness sector.
52. Homeless Link is concerned that the level of support required from homelessness agencies to support migration will divert resource from other activities. For example, Fulfilling Lives Newcastle and Gateshead supported a client for over 35 hours in relation to Universal Credit over a 6-month period. Focussing high levels of resource in supporting clients with a need for basic income results in less time supporting the other complex support needs that could ultimately lead a client into recovery, stability and employment. **The Department should assess the impact of migrating people on to Universal Credit on the homelessness sector to ensure that resources are not directed away from other activities.**
53. Further, the Department will need to identify all local services and organisations which claimants are likely to engage to mitigate the number of people they are unable to reach. We would recommend that this includes medical centre, surgeries, hospitals, community MH teams, libraries, supermarkets and local authorities. The Department should also show that all frontline staff members have received training on housing and homelessness issues.

Homeless Link

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What we do

Homeless Link is the national membership charity for organisations working directly with people who become homeless or who live with multiple and complex support needs. We work to improve services and campaign for policy change that will help end homelessness.

Let's end homelessness together

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