

Homeless Link's Submission to the Work and Pensions Select Committee: Universal Credit - Natural Migration Inquiry

Introduction

- 1) Homeless Link is the national membership body for frontline homelessness agencies and the wider housing with health, care and support sector. We represent around 750 organisations providing supported housing and homelessness services across England. We work to improve services through research, information, training and guidance, and to promote policy change that will ensure everyone has a place to call home and the support to keep it.
- 2) A sustainable home and a job is the best route out of homelessness, and people who are homeless may need a range of support to help them achieve this - improving poor health, overcoming substance use, and moving on from offending. This is why each year a range of homelessness services play a critical role in recovery, helping thousands of people leave homelessness behind and preventing many more losing their homes in the first place. An adequate welfare safety net for those not yet able to work is essential to prevent people falling into crisis and homelessness and to ensure there are adequate living standards for all.
- 3) We are pleased the Committee is looking at the natural migration mechanism for moving people from 'legacy' benefits on to Universal Credit. Our evidence has shown the negative impact moving people experiencing homelessness from legacy benefits on to Universal Credit can have on claimants, particularly those with no financial savings, a history of debt, and/or little access to IT. We welcome this opportunity to make a submission and recommend changes are urgently made to Universal Credit so that people are not left in prolonged hardship as a result of naturally migrating from legacy benefits.
- 4) We have a long history of presenting evidence to the Committee, as well as working constructively with local Job Centre Plus (JCP) and the Department of Work and Pensions (DWP) on issues pertaining to homelessness and employment and recently the proposed managed migration process. This has included:
 - a) Development of an easement to Job Seekers Allowance (JSA), Employment and Support Allowance (ESA) and Universal Credit (UC) rules to allow "newly homeless" people a period of time where they will be taken out of job-seeking conditionality in order that they can focus on immediate accommodation needs. This led to a change in the law in June 2014.
 - b) A series of events entitled "Working Together" delivered by Homeless Link and DWP, aimed at improving joint working between homelessness organisations and JCP at a local level. The events led to the publication of a toolkit to assist local partnership development between homelessness and JCP staff, which has recently been updated.¹
 - c) Working with the DWP and other stakeholders to develop their recent guidance 'Universal Credit and homeless people: guide for supporting organisations.'

¹ Homeless Link (2018) Working Together Toolkit. Available at <https://www.homeless.org.uk/our-work/resources/working-together-toolkit-developing-relationships-with-jobcentre-plus>

- 5) We have developed this submission through our on-going work with our member organisations, including regular engagement with frontline staff from across our membership through regional Communities of Practice, discussions with our National Advisory Council of member organisations, a focus group with local authorities, front line workers and welfare advisers, and a series of focus groups with our Expert Panel - an advisory group of people with lived experience of homelessness.
- 6) **Homeless Link would be glad to elaborate further on any of the information provided.**

Which groups of people stand to lose out most when they transfer to Universal Credit? What should the Government be doing to support those groups?

- 7) There has been much focus to date on those claimants who would have been entitled to transitional protection under managed migration, but will not receive this payment if they are moved through a natural change in circumstances. However, the focus of this response considers those claimants who are homeless and who due to the current design of Universal Credit will be pushed further into debt through naturally migrating on to the system, and/or will no longer be able to access any support from the benefit system at all.

People who are homeless who will receive less money under Universal Credit

- 8) Few people experiencing homelessness have savings or support from family. The five week wait for first payment when moving on to Universal Credit can therefore, necessitate severe hardship. We have heard 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.
- 9) To overcome this lack of financial support for five-week waits, claimants moving on to Universal Credit are advised by Job Centre Plus staff to take out an Advance payment to cover food, fuel and housing costs. The Advance payment must be paid back, currently over a period of up to 12 months with the possibility of a 3 month delay before repayments begin. Although there have been announcements that repayment periods will be extended, the current level of monthly benefit, which have been frozen since April 2016, is such that any repayments will push people without saving in to debt, thus receiving less money under Universal Credit than previously.

“One formerly homeless client [] went without electricity and heating in his accommodation over winter because deductions from his UC payments were so significant that 6 months after his UC payments had started he still did not have enough income to cover essentials each month.” **Employment Coordinator – Homelessness Outreach project**

“We have clients who have been in tenancies for long periods of time but then put onto Universal credit and for various reasons have accrued rent arrears and been evicted onto the streets.” **Service Manager – Supported Accommodation project**

- 10) Members have also informed us of instances where claimants have been moved on to Universal Credit and have had excessive levels of debt repayments, in particular due to historic debts. The current mechanism for debt repayment under Universal Credit is set at a far higher rate than under legacy payments, so those already in debt who are naturally migrated on to Universal Credit will find themselves significantly worse off than previously.
- 11) Further, the requirement under Universal Credit to manage monthly budgets and rent payments can jeopardise recovery from homelessness for those moving from legacy benefits, particularly amongst those with substance use problems and/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. This group of claimants may therefore, accrue further and receive less under Universal Credit.

*“And if you’ve got an addiction, you’ve got even less chance of making that choice because they don’t come into... Food and fuel is not a factor.” **Member of Homeless Link’s Expert Panel***

12) To support people who are homeless when they are moved onto Universal Credit, we recommend that the Government:

- a) Reverse the freeze on the Local Housing Allowance and review levels so that they reflect the reality of the local rental market and provide claimants with enough support to cover housing costs.**
- b) Remove the five week wait for the first payment of Universal Credit. This could be achieved through ensuring that claimants moving on to Universal Credit receive Alternative Payment Arrangements by default, with the opportunity to opt-out, rather than the current mechanism which requires individuals to both understand exemption processes and be able to disclose any vulnerabilities. This would mean that housing costs are automatically paid directly to the landlord, and payments are received fortnightly.**
- c) If claimants are unable to receive a payment within two weeks, a 5 week payment of legacy benefit run-ons (replacing the current two weeks of Housing Benefit and proposal for 2 weeks of some other legacy benefits) should be awarded to claimants naturally migrating on to Universal Credit.**
- d) Reduce the total level of deductions that can be made from an award so that claimants have enough income to budget effectively. As part of discussions around debt repayments, the DWP should be proactive in ensuring that all claimants who are repaying debt have access to appropriate advice to develop appropriate budgets.**

People who are homeless who will no longer receive support from the benefit system

- 13) There are a number of assumptions and requirements within Universal Credit which are at odds with the lived experiences of many people who are homeless. Moving on to Universal Credit can therefore, leave many people who cannot navigate these barriers without access to support from the benefit system.
- 14) Universal Credit requires people to have a level of literacy and ability to identify errors where they arise and act upon them. However, 51% of people experiencing homelessness lack the basic literacy skills needed for everyday life. 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 services, these issues will leave people unable to open and maintain a claim.
- 15) Universal Credit operates a ‘digital by default’ model which presumes that most benefit claimants can use IT to manage their claims and undertake activities in standard claimant commitments, such as using a browser, creating an email, completing and reviewing an online form, monitoring account, communicating via a journal and uploading documents. Clients who are unable to have not being able to access support through JCP.

- 16) Further, 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.
- 17) Universal Credit presumes people have access to a bank account, however, many people experiencing homelessness find it extremely difficult to open a bank account, 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.
- 18) Under proposals for managed migration, the DWP has recognised that claimants will require a long run in before making a claim to prepare for Universal Credit (such as opening a bank account). However, this recognition is not afforded to those who will naturally move on to Universal Credit, such as those moving from hostels into permanent accommodation.

“I think it does increase the amount of people dropping out of the system, because if people have previously... or do have access to money via less legal means, and they’re legitimately trying to do things a bit differently, and then they’ve just got barrier, upon barrier, upon barrier, and they are so much worse off, and stressed, and anxious, as a result, they do just kind of go, “Fine. Whatever,” and they’ll go back to doing things via illegitimate means”. **Front line worker – Homelessness Outreach project**

“I’ve definitely worked with people that have just stormed out of a meeting, or a phone call, because they just can’t bear it, and they’re so frustrated that they do just then not get access to things that they are entitled to because there are so many barriers in the way.” **Front line worker – Homelessness Outreach project**

- 19) Accessing JCP safeguards, exemptions and other relevant procedures (for example Alternative Payment Arrangements, Advance Payments, tailored Claimant Commitments, Easements to Conditionality) are recognised by DWP as crucial for individuals moving on to Universal Credit so they have income for fuel, food and housing. However, these safeguards require JCP staff to identify people as homeless, or for people experiencing homelessness to pro-actively disclose their housing status or support needs. JCP procedures for identifying people are currently not sufficiently robust, with many people not being identified and so not receiving their entitlements.

“... claimant commitments are often not realistic for claimants to meet. This is usually because the claimant has failed to disclose key support needs/vulnerabilities at the time their claimant commitment is determined – the claimant commitment interview. If these disclosures are made correctly it is more likely that claimants will have suitable accommodations being put in place, e.g. digital support for those who are digitally excluded to manage their claim, but this is often not the case. This is especially problematic where clients lack insight into their own support needs and cannot self-advocate.” **Front line worker– Supported Accommodation project**

- 20) Our members have highlighted that a cause of this may be low levels of understanding amongst Jobcentre Plus staff around both homelessness, and the availability of safeguards and exemptions to standard procedures. Increasing workloads placed on JCP staff can lead to a lack of time to develop skills and little time to develop relationships with claimants, particular at the outset of a claim.
- 21) For those claimants who are able to receive support from homelessness services, requirements around *implicit consent* (for example giving specific permission on their online journal for other organisations to engage with the DWP on their behalf) can present a further barrier. 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. Further, 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. As a result potential claimants are being encouraged by the DWP to nominate an appointee to manage the entirety of their claim on their behalf, which can potentially make them more vulnerable to financial abuse and takes away their ability to manage any aspect of their claim.

22) To support people who are homeless when they are moved onto Universal Credit, we recommend that the Government:

- a) Reforms Universal Credit so that it supports individuals *towards* the attainment of IT literacy and money management skills, rather than requiring these skills from the outset. This will require investment in effective support that is tailored to individual requirements beyond the Citizens Advice contract which only focuses on making a claim, and alternative methods of making and maintaining a claim for those without access to IT, such as home visits, improved availability of phone support, and reviews of explicit consent procedures.**
- b) The Department should revise the process for explicit consent so that agencies are fully able to support people to make a claim.**
- c) The Department should provide (and act upon if necessary) evidence that:**
 - i) 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.**
 - ii) that verification processes are adequate for people with no documentation or finances so they are able to receive their payment without delay.**
 - iii) 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.**
- d) JCP staff training should ensure that all work coaches provide a flexible, person centred approach to individual claimants. As a result of the training, work coaches should:**
 - i) have a developed awareness of homelessness, breaking assumptions that homelessness equates to rough sleeping, and exploring the nature of living in insecure housing or rough sleeping.**
 - ii) be trained to look for visual clues for issues such as lack of settled accommodation and for points of crisis that could also be a trigger for homelessness e.g. relationship breakdown.**
 - iii) work more effectively with information they do receive, for example cross-referencing addresses with homelessness services so JCP staff see this information and can ask further questions.**
 - iv) be enabled to work more effectively with policies that are already in place, for example booking longer appointments where this is needed**
 - v) understand how many people who are homeless may have experienced trauma, and how staff practices can enable positive engagement with this client group.**

23) For any further information please contact Chris Brill on the details below.

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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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