

All Change

The Impact of Universal Credit in Southwark and Lambeth

Executive Summary



Context

The introduction of Universal Credit (UC) is said to be the biggest ever change to the UK welfare benefits system, replacing 6 means-tested benefits for working age claimants. Full UC began to be introduced into the London Borough of Southwark in November 2015, and Lambeth from July 2018.

By 2022, around 7 million families in the UK will be on UC. Ultimately, around 80,000 people could be affected across the two boroughs.

This research forms part of a larger Universal Credit Mitigation Project (UCMP). Drawing together the main advice agencies in Southwark, and funded by United St Saviour's Charity, the UCMP provided support services to local people helping them to negotiate the complexities of UC. It provided a boost to specialist legal advice - including representation at tribunals.

Advising Communities led the research element of the UCMP, which was extended to cover the London Borough of Lambeth thanks to additional funding from The Walcot Foundation.

The research is based upon the views of local people affected by the implementation of UC and who have received support from local agencies. It is also drawn on feedback from many local organisations working with claimants.

The following agencies were involved in the project:

- Southwark Law Centre: lead project partner, providing consultancy for frontline workers and taking more complex cases by referral
- Citizens Advice Southwark: general advice
- Advising Communities: research lead
- United St Saviour's Charity: funder - service delivery and research
- Walcot Foundation: research funder

The research aimed to document the impact of the UC migration for residents living in Southwark and Lambeth, and to use the learning from the project to highlight effective ways of supporting them in the future.

The research findings and recommendations presented here will contribute to the growing body of evidence on UC. They form the basis for discussions about the funding, commissioning, design and development of service provision, and help to identify gaps in support so that these may be addressed as the rollout continues.

As this report was being finalised, the Government announced a pause in UC roll-out to take account of a 10,000-claimant pilot to be conducted in 2019. This pause provides an opportunity for these findings and recommendations to be carefully considered.

Key Features of Research Respondents

- 143 claimants and 72 community agencies responded to the research survey
- 66% were social housing tenants
- 57% were single or single parents
- 42% were unemployed and 16% were in part-time work
- 61% of respondents declared disabilities
- 75% were non-white British and 39% stated that English was not their first language
- 40% of respondents had no personal internet access. A majority of these said they were not confident in using the internet.

The Local Impact

- In Southwark, 74% of respondents reported a negative experience of UC. In Lambeth this figure was 31% and probably indicates that residents have not yet felt the full impact probably because of the later introduction.
- People with disabilities appear to have experienced the most negative impact, with 74% feeling adversely impacted. 65% of single adults and single parents also reported a negative experience.
- Overall, the groups generally most affected by UC correspond with findings from other research: people with disabilities, women with children and required to work, lone parents, people with English as a second language, self-employed, those working in low paid fluctuating hours, EU nationals (as right to reside rules have become much tighter).
- Respondents said that the impersonal nature of UC, coupled with claims and transactions being on-line, contributed to the negative experience. They also reported a generally poor experience of the support provided at the Job Centre.
- 91% of support agencies said that UC had created greater financial difficulties for clients. 85% stated that it has had a negative impact on mental health of the people they support. 72% believed the risk of eviction and homelessness was heightened for claimants.
- Respondents were not always clear about their UC claim and its interaction with other benefits. Many said they did not understand that advance UC payments were repayable and were struggling to manage after deductions for repayments were taken. Similarly, some respondents had accrued Council Tax arrears because they failed to understand the need to claim Council Tax Support.
- 73% of respondents declared issues and worries other than UC: 41% had debt problems, 24% money management/budgeting and 28% housing. 21% of Lambeth respondents also had employment issues.
- Advisers noted a marked increase in the 45-55 age group needing help. This was particularly people used to the old system but not digitally capable. Often, it took a week to make a claim rather than the hour estimated by the DWP.
- 81% of respondents said they would have been in a worse position had they not had the support of an advice agency and were grateful for the support provided. However, they were sometimes in need of a more in-depth and consistent service which the agency was unable to offer due to funding and resource constraints.
- The agencies surveyed all felt the impact of UC and have experienced huge demands on their services and support, with no additional resources. Many felt that the demands of UC are distracting them from delivering their core services.
- The survey results indicate that organisations in the area generally have good referral partnerships which they can draw on to support clients. However, over a quarter of agency respondents said they had not been referring UC claimants to other support services because of a lack of information about where to refer.

Conclusions

- Significant numbers of claimants are struggling with the introduction of UC. The complexities and administrative challenges associated with the system are leading to widespread emotional and financial stress. The greatest impact is being felt by more vulnerable groups.
- Already stretched local voluntary sector agencies are picking up the pieces of UC, with claimants turning to them for support and advice. Many agencies are not funded to provide these vital services and often are not sufficiently informed and equipped to do so. This is negatively impacting on delivery of core services and is creating pressure and stress for frontline staff. Resourcing issues aside, this raises questions about where claimants will be able to turn in areas with a less developed community sector than Southwark and Lambeth.
- The research clearly shows that consistent, holistic and personal support is critical to deal with the complexity of both making and managing claims. However, the new DWP-funded service (from April 2019) provides only for new claimants and for the process of making claims; there is a risk that the new service may not cover the costs of ongoing claim management, for challenges to DWP decisions, or to help people with digital support. If this is the case, it will be inadequate to meet need and demand relating to the continued roll-out of UC.
- Through this research, feedback was only received from claimants engaging with support services. This may have skewed the findings by focusing only on those experiencing problems. On the other hand, it may mean that there are many other claimants struggling but not receiving support.

Recommendations

Enhanced and locally appropriate claimant support

Arrangements for the provision of DWP-funded 'Universal Support' are changing from April 2019. A new service, focussed on new claimants, is currently being finalised and will be delivered by local Citizens Advice agencies across the country. It appears that this service will not include digital and budgeting support, or fund more complex advice or representation at tribunals.

The recently announced pause in UC roll-out, and ongoing development of this new 'Claimant Support' service, provides an opportunity to create a support framework to meet claimant needs. This means tailored and proper resourcing in line with specific local needs. For example, 30% of the population of Southwark was born outside the UK and many have English as their second language. A one size fits all model will be inadequate in this regard.

A boost is necessary in the advice and casework capacity of local providers and resources should also be made available to provide specialist and enhanced support for particularly vulnerable clients with complex needs.

Holistic and personalised support, delivered in community settings by locally embedded groups who are best placed to deliver it. This will help claimants resolve multiple and complex problems – beyond UC itself.

Digital support and money management

Resources should continue to be made available for the provision of digital support and money management. As more people migrate to UC in the future, increasing levels of funding will be required for digital support to help people get online, and make and manage their claim. Money management help is also critical to ensure that claimants can budget effectively once their UC payment comes through.

Local co-ordination and information exchange

Strong partnerships between advice providers and other community agencies are needed to ensure that vulnerable people do not fall through the gap, that knowledge is shared, and effective referrals can be made.

Examples of good practice in this regard, developed in Southwark, include the Universal Credit Network which has been serviced and supported by Community Southwark, and Advice and Support Roadshows led by Citizens Advice Southwark. Both involve a range of agencies including council officers – something that has proved useful to all parties.

Online information for frontline workers

Linked to the recommendation above, a centralised online resource, detailing locally available services for claimants and how to access them, would be valuable for claimants and agencies alike. This should include input from as many local voluntary sector organisations as possible. Locally, this resource could potentially be coordinated by Southwark UC Network/Community Southwark and Lambeth Financial Resilience Stakeholder Forum or One Lambeth Advice.

Time would be required to maintain and update the information but a shared database where organisations can make changes as necessary could also be considered.

Training and support for voluntary sector staff

More demands are being placed on community agencies and statutory services to support people migrating to UC. The DWP are making regular changes to UC policies and practices which is making it difficult for agencies to provide accurate information. Training is required to ensure frontline workers (Job Centre/DWP and Voluntary Sector) provide effective and accurate support to claimants. Access to ongoing consultancy support delivered by appropriately experienced agencies will also increase capacity for effective support.

Inform clients and coordinate UC with other benefits

Statutory agencies should provide better information about the impact of UC on other benefits and ensuring continuity of claims for benefits like Council Tax Support to avoid arrears building up. Likewise, better information about the repayable nature of UC advances, understanding housing costs and ensuring support is available to help claimants budget for deductions could reduce hardship.

Systematic local learning and research

Any learning around the impact of UC, and effectiveness of local services, should be systematically identified and shared amongst relevant local stakeholders. This will enable local agencies to better feed into national campaigns, and, where appropriate, seek to influence the local administration of UC. It will also mean that ideas and best practice for future services can be more easily developed.

This research should be brought to the attention of other bodies undertaking research, including Citizens Advice, Child Poverty Action Group and Disability Rights UK. The research should also be submitted as evidence to the Work and Pensions Select Committee.

The Impact – From the Frontline

Claimant

“On the old system you’d get your money every two weeks, but now you have to wait another month before you can get food... Being poor for three and a half weeks is soul destroying.”

Adviser

“The housing allowance seems to change regularly, claimants do know that the UC figure includes rent, but if they have pressing bills and debts they think I’ll keep next month’s money in order to pay those off.”

Claimant

“On the old system you used to call them and they could sort it out and you knew what you were dealing with. It’s horrendous now, UC system is so impersonal, all the onus is on the individual to resolve issues. Everyone complained before that they didn’t have enough money, but now there’s less. You didn’t know how good it was until you go on Universal Credit. And you can see they don’t believe you. When you go online you send a message to [DWP] and anyone randomly responds and every time it is someone different. People in the Job Centre need training.”

Claimant

“My work coach has been very sympathetic as I am going through an employment tribunal. He has taken care of all my sanctions and just tells me to keep the list of emails from my job applications. If they are kind, it makes it so much better.”

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For copies of the full research report, please visit the following website/link:

www.ustsc.org.uk/research/