

‘You can’t live on thin air’: the wait for universal support

The impact of the transition to universal credit is only just beginning to be felt. By the end of 2018, all job centres across the UK will be processing claimants in the new system, and by 2022 all existing eligible claimants still on the legacy benefits will have been migrated to the new system – 12 million households.

The transition process and the experience of the new system have already had wide-ranging effects on claimants, statutory bodies and voluntary organisations. Food banks and food aid providers are particularly sensitive to welfare reforms and so it is unsurprising that food banks have faced increased demand, especially in full universal credit roll-out areas. People are left with little or no money while they wait for their first universal credit payment and some food bank operations are stretched to capacity. In some cases, volunteers are spending increasing amounts of time acting as welfare advisers or offering pastoral support, or are so busy giving out food that they cannot signpost effectively and tackle the underlying cause of a person’s crisis.¹

This begs the question: where is ‘universal support’, the government’s flagship system of measures designed to help claimants as they move onto the new system? Abby Jitendra reports.

Introduction

Anecdotal evidence suggests that the promise of support for people who are being moved onto universal credit has either not been delivered or is not targeting the people most in need of it. However, beyond analysis of 11 universal support trials in 2016,² there is little evidence evaluating the impact of the wait for the first universal credit payment, the help available during this time, whether this help is being taken up, and whether it is effective.

We were keen to explore these questions in more detail, centring the experience of people who had found themselves at a food bank while on universal credit. While this is clearly a self-selecting sample of people who have found that the system does not meet their needs, it indicates the gaps in provision and the unintended consequences of policy or operational decisions,

and so could offer policy makers evidence to target interventions where they are most needed.

The findings in this article are taken from two surveys: a sample of food banks who were asked about their experience of universal credit locally in January 2018; and a survey of people referred to food banks in The Trussell Trust's network in February and March 2018. The latter survey was delivered by food bank volunteers and managers in 30 food banks in areas of full universal credit roll-out in England, Scotland and Wales, and forms the basis of *Left Behind*, The Trussell Trust's first in-depth qualitative study into the experience of people referred to food banks while on universal credit.³

The survey ran for five weeks between February and March 2018, and the sample size is 284 respondents, with more than 145 respondents stating they have one or more dependent children.

The need for transitional support

'I have fallen into debt, juggling a lot and having my three children, my anxiety and depression have returned, well never really went away, but feel like it's gotten a lot worse. Can't breathe with worry, very little money left, sometimes going hungry and getting bad stomach pain...'

The wait for the first payment is the most recognisable feature of universal credit. There is a wait of five assessment days and one month until the first payment, intended to mimic monthly wages, although, as the Resolution Foundation has pointed out, the majority of workers on universal credit would be paid weekly or fortnightly.⁴

Respondents were asked when they first applied for universal credit and when they received their first payment. Of the sample which provided a valid start and end date, the majority had waited the intended number of weeks for their first payment, and yet had still found themselves in need of a food bank. This suggests that, although small reductions in this waiting time may be beneficial, it is any additional wait for the first payment which could push individuals into crisis. Even four weeks, or three, without money, could mean that someone finds themselves in need of help. One respondent wrote:

'I have been waiting four weeks for one payment of benefit for food – without the food bank I would literally starve.'

Figure 1: **Waiting time for first universal credit payment**

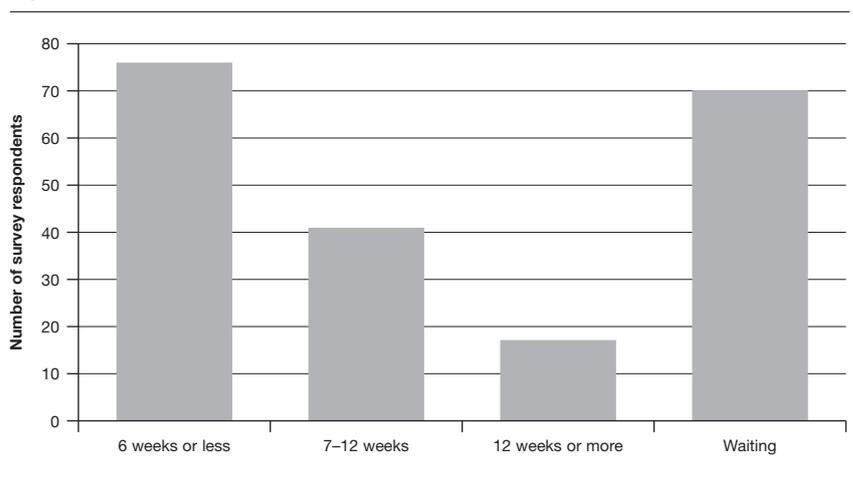
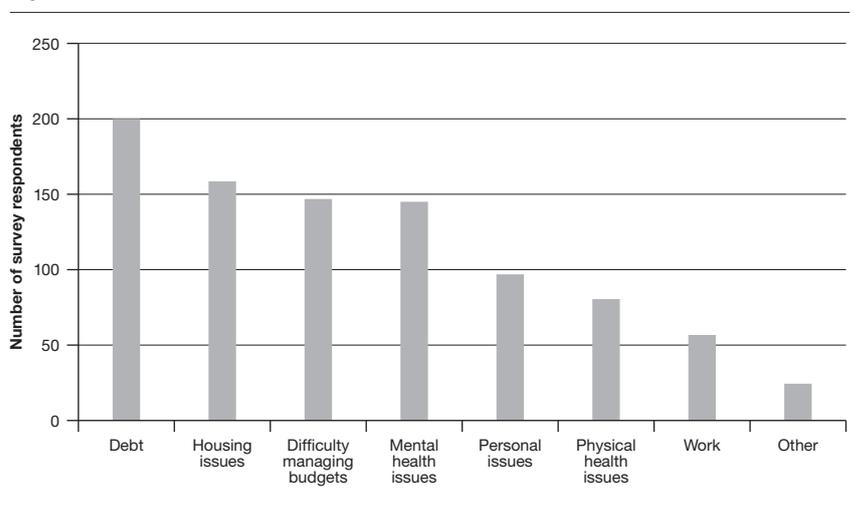


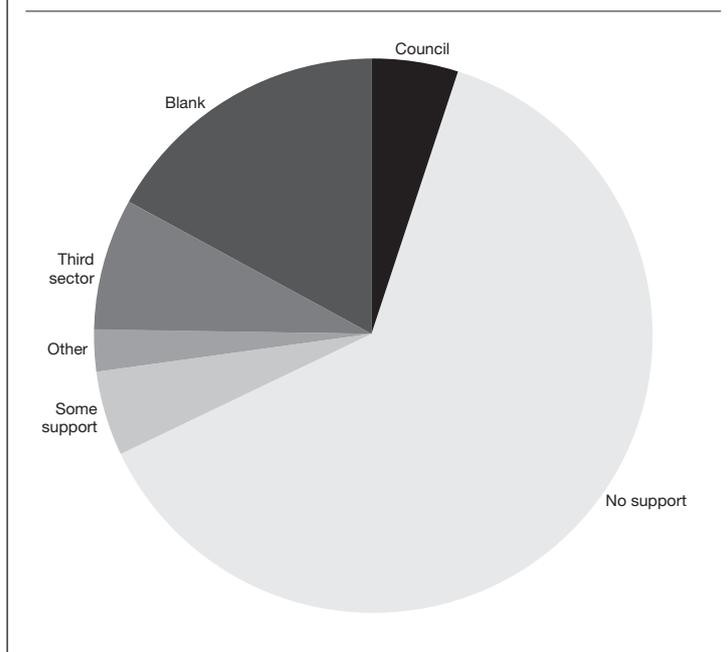
Figure 2: **The impact of the wait for first universal credit payment**



The most commonly reported outcome of the wait was debt (reported by 70 per cent of the sample), often closely related to housing issues such as rent arrears or eviction, the second most commonly reported outcome. At least eight individuals specifically mentioned council tax arrears, or being behind on payments, as an outcome of lacking money during this time, while only five mentioned that the council had advised them to apply for council tax reduction.

Fifty-seven per cent of respondents said that they had experienced mental or physical health issues as a result of the wait for their first payment. Over half had experienced a negative impact on their mental health, over a quarter had experienced an impact on their physical health, and 23 per cent had experienced implications for both. A further 7 per cent did not report a health impact during the initial wait, but faced difficulties as a result of health conditions in the household while claiming universal credit.

Figure 3: **Support provided in transition to universal credit**



Most people reported multiple health conditions and multiple negative impacts of claiming universal credit.

Debt and health issues were worse for people who had pre-existing debts or health problems, while others developed new issues during the course of the wait, primarily due to a lack of money to cover basic essentials like food, medicine and shelter.

Universal support and advance payments

'I am sick, disabled, and visually impaired, hard of hearing. No help has been offered. I had to go ask my local church for help.'

The transition to universal credit and its effects were intended to be mitigated by 'universal support', a package of help provided to claimants funded by the DWP,⁵ and advance payments, loans from the DWP which claimants must apply for, repaid through successive deductions from their universal credit award.

Though the universal credit roll-out began in 2015, with half a million people on the service by early 2017, clarity about the shape and form of universal support has been slow to arrive. According to the DWP, until December 2017 universal support was delivered in partnership with local authorities, which invoiced the DWP for the services provided. In December 2017, the DWP published the first local authority bulletin which clarified that the programme would

now consist primarily of quarterly grants from the DWP to local authorities,⁶ to provide budgeting advice and IT support to people moving onto universal credit.

An initial survey of 25 food banks carried out in January 2017 found that eight had heard of universal support locally, while 18 had not. Where universal support has been made available, some councils have stated that funding may not cover local needs and the voluntary sector will be sought to bolster support services,⁷ mirroring the reliance on voluntary support with the decline of local welfare assistance.

In our survey of food bank users, when asked whether help had been provided with the transition to universal credit, 63 per cent of respondents stated there was no assistance offered. The second most likely source of support was the third sector – with help from a food bank the most likely form of support.

Individuals often reported that the council itself had given them food vouchers in lieu of substantive support – for example, one respondent wrote that, regarding help with their claim, the council had given 'food vouchers and [an] apology for wrongly taking money from my account'. Another said, 'they gave us foodbank vouchers'.

Of the 14 respondents who stated that the council had provided help, five said it had offered council tax reduction – a form of support to anyone on a low income, not specifically for those moving to universal credit, and not part of universal support as defined by the DWP. Only a handful of respondents identified positive local support – in particular, the council offering a budgeting officer or helping with debt management. One respondent said:

'The local council have been great with understanding the issues. I have showed them proof of what UC had done, along with the job centre and they have admitted they were wrong. I have come to an arrangement with the council to pay extra each month for arrears.'

For many, the very existence of a local support system to help them move onto a new form of benefit was alien – one respondent said, 'No, this is a benefit that we knew nothing about'. Others remarked that this would be useful, or that they hoped they would be offered it at their next appointment. And worryingly, only four people out of a sample of almost 300 cited a social fund scheme as a source of financial sup-

port – representing just 1 per cent of the sample. This is unsurprising, given recent research on the continued near-elimination of this help,⁸ but demonstrates how harmful its withdrawal can be.

Half of the sample cited ‘difficulty managing budgets’ as a direct outcome of the wait for the first payment, and many others cited IT difficulties in their applications. This suggests universal support, as outlined by the DWP, is either not available locally, is not being targeted at those most in need of it, or is ineffective or inadequate for people’s needs. Difficulty managing budgets led, in some cases, to digital exclusion, with some ending their phone or broadband contracts as they could no longer afford them – this, in turn, made it extremely difficult for them to manage their claim, undermining the very principles of empowerment and personal responsibility on which universal credit is built.

IT support would be invaluable for many people claiming universal credit, who may not have access to technology or have the skills needed to use it, particularly people with disabilities and health conditions. One respondent wrote of the wait and IT issues:

‘The major flaw... is internet access. Using a mobile and having broadband installed has cost me £150 off my advance (if the government wants it all online they should at least subsidise a contract via mobile or broadband to supply the information). Even the Jobcentre Plus internet connections were so slow in there... in the real world, in rural locations it’s not so easy. In a city I could sit in McDonald’s or outside, not some in rural towns when the library only gives you a few hours for free.’

In the absence of this support, advance payments have become the primary form of transitional support to claimants. After the autumn 2017 Budget, the Secretary of State announced that all claimants would be offered advance payments, and instead of only receiving the equivalent of half a month’s basic entitlement, to be repaid in six months, they would be able to claim a full month’s basic entitlement, to be repaid over a year.⁹

In our survey, individuals were asked whether they had been offered an advance payment, whether they had applied for one, and whether this had been useful for them. The majority of the sample were offered an advance payment, though a third were not, raising the question of

why their work coach did not identify their financial hardship earlier, given the fact that they were referred to a food bank. A larger majority said they were intending to apply for an advance payment.

Of the respondents who gave more detail on the impact of the advance (just over half), the majority (49 per cent) stated it was not helpful, while a third (33 per cent) stated it was. For people who did not find them helpful, advance payments were seen as short-term help, which either did not last long enough, or caused issues months down the line when people were hit with unaffordable repayments which pushed them further into arrears. This is particularly pertinent as many in the sample told us that the advance payment was used to pay back friends and family, or organisations to which they were indebted. The additional time claimants will now receive to repay the advance will no doubt be beneficial to those who cannot afford to pay significant sums (one respondent cited repayments of £98 a month) each month.

What should universal support look like to reduce the risk of destitution?

The testimonies of people moving onto universal credit are revealing. The wait for a first payment can lead to devastating consequences for a household with little savings, and the negative impact is particularly acute if someone has prior debts, dependent children or a disability. If people on low incomes do not already have debts, they are likely to fall into debt unless they have a robust social network that can support them. If people do not have mental health issues, they could develop them as a result of mounting arrears, stress and worry.

As Dr Jane Colechin, a researcher on the evaluation of universal support trials, wrote in 2016 that the people ‘closer to finding employment’ and are most ‘able and empowered to access support’:¹⁰

‘Claimants who can read and write, are free from debt, with stable tenancies and able to manage their finances... As such, accessing universal credit presents an important moment with which to pick up these needs and seek to address them sufficiently to give claimants better opportunities in the future. This will be especially important to consider for the transfer of employment and support allowance claimants in the next few years.’

The overwhelming evidence from respondents is that these needs have not been sufficiently addressed: people in debt, people with insecure

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IT support would be invaluable for many people claiming universal credit

finances, or people unable to work, are finding themselves left behind. Help is needed, but is not available or consistently offered. What little help there is does not go far enough, or is being provided by voluntary organisations unable to offer the tailored budgeting advice and IT support which some claimants need.

A true universal support service, which can catch those who fall through the cracks, is essential. This means that local authorities must identify people most in need, and offer personal budgeting advice and IT support not simply for the beginning of the claim but beyond, as issues may arise beyond this time. This help would have been invaluable for many people in our sample. To tackle the issue of debt, which is built into the structure of universal credit through advance payments, a third pillar of universal support should be added, which offers debt advice and debt management to claimants.

The voluntary sector cannot be a replacement for the welfare safety net, but better communication between frontline third-sector organisations and statutory bodies could improve the targeting of support and help. Better communication about the services available and gateways into support should be shared with local frontline services, to ensure that claimants whose needs may not have been picked up in interviews with work coaches can still benefit from the help offered.

However, many households on the lowest incomes and with additional complex needs are likely to require more than just budgeting advice and IT support. Against a backdrop of declining welfare assistance, destitution is more likely. The DWP's guidance to local partner organisations delivering or commissioning universal support outlines how personal budgeting advice might help claimants manage payments and 'prioritise essential bills such as rent/utilities', which could encourage people to forfeit meals in order to pay other bills if their budgets are squeezed.¹¹

It is therefore essential that people have the financial means to meet essential costs. Advance payments must be timely and claimants informed of repayment plans. For those in the most financial need – in particular, disabled people, larger families, and those in significant debt – advance payments should have longer repayment plans so individuals can budget more easily. Poor administration must be tackled to ensure people are paying back what they expected.

A functioning and successful universal support system is essential, not only for building and maintaining a strong safety net, but also to ensure universal credit achieves its aims. To do this, it will need to take seriously the needs of claimants, particularly vulnerable claimants, and make sure provision is truly universal. ■

Abby Jitendra is Senior Policy Officer at The Trussell Trust

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- 3 The Trussell Trust, 2018, <https://s3-eu-west-1.amazonaws.com/trusselltrust-documents/Trussell-Trust-Left-Behind-2018.pdf>
- 4 *Universal Remedy: making universal credit fit for purpose*, Resolution Foundation, 2017, <http://www.resolutionfoundation.org/app/uploads/2017/10/Universal-Credit.pdf>
- 5 From *Universal Support 2018/19 Guidance*, Department for Work and Pensions, March 2018, <https://www.gov.uk/government/publications/universal-credit-universal-support-201819-guidance>
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- 7 City of Wolverhampton Council, 2016, <http://wolverhampton.moderngov.co.uk/documents/s19309/Universal%20Credit%20delivery%20partnership.pdf>
- 8 Shelter, 2017, https://england.shelter.org.uk/_data/assets/pdf_file/0006/1402656/2017_03_08_Support_of_last_resort_FINAL.pdf;
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- 9 Chancellor's autumn Budget, 2017, <https://www.gov.uk/government/speeches/autumn-budget-2017-philip-hammonds-speech>
- 10 <http://www.learningandwork.org.uk/2016/07/08/joining-local-support-preparation-universal-credit-evaluation-universal-support-delivered-local-trials/>
- 11 Not stated in the guidance whether this is a minimum local authorities must provide or a guide.