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Martin Wicks
Secretary
Swindon Tenants Campaign Group

12th December 2017

Dear Martin,

Thank you for your recent e-mail regarding Universal Credit, it is appreciated.

We were disappointed that you chose not to acknowledge the positive effect that Universal Credit is having on the lives of people across Swindon and the country.

We know from our visits to Swindon Jobcentre that both claimants and Jobcentre staff believe the new system is better than its predecessor. It is easier to understand than the previous benefit system (which addresses the previous issue that too many people missed out on the support they were entitled to), more flexible than its predecessor (vital for those with fluctuating health conditions), and better designed (in particular for the first time the claimant has their own personal, named job coach to help co-ordinate support) to ensure those in receipt of Universal Credit are able to access tailored assistance via Universal Support.

Previously, people in need of support had to negotiate a minefield of different types of support (some of which were paid weekly, others monthly) and when they did receive support, they encountered an absurd cliff-edge which meant that any entitlement to support stopped once they worked more than 16 hours a week. But with Universal Credit, the system simplifies six benefits into one and removes the cliff-edge which allows a gradual return to, or progression, in employment.

An independent review of Universal Credit concluded that those who had already been transferred across to the new benefit were:

- 13% more likely to have been employed
- On average, working 12 days more
- On average, earning more
- More than twice as likely to be trying to work more hours if they were working less than 30 hours a week

As Universal Credit removes the cliff-edge, and people move into/progress in work, they keep more of the money they earn and their requirement for support reduces.

In your e-mail, you have suggested that a person who moves from Housing Benefit to Universal Credit should continue to receive Housing Benefit until they are in receipt of their first Universal Credit payment. It is important to remember that a person would only move on to Universal Credit if they had had a change in circumstances (for example leaving employment).

Additionally, part of the transfer to Universal Credit is about ensuring that there is a uniform single monthly payment, similar to the way in which the vast majority are paid in work.

Universal Credit is a completely different benefit, which takes into account a wider set of circumstances to more accurately determine a claimants needs. If a person who was in work left employment, notified the Department or Local Authority of a change in circumstances and began a claim for Universal Credit, they would need to be re-assessed for the move to Universal Credit.

It is correct that currently during that first month of the claim no formal payments are made, however a person leaving work would expect to receive either redundancy or a final period of payment. Universal Credit applicants can also request an advance, including towards their housing costs. We have recently made a number of announcements to further improve the rollout of Universal Credit, which we have set out below.

Ministers have been closely monitoring all elements, including rent arrears. The evidence nationally actually shows that the vast majority of arrears relate to the period prior to moving on to Universal Credit. Ministers have been investigating what changes may be required to improve the system further. We have discussed this personally with Swindon Borough Council housing officers and fed their comments directly in to Ministers.

This month, new guidance will be issued to staff to ensure that claimants in the private rented sector who have their housing benefit paid directly to landlords are offered that option when they join Universal Credit.

In January we will make two changes to advances. First, the period over which an advance is recovered will increase from six to 12 months, making it easier for claimants to manage their finances. That will apply regardless of the level of advance claimed.

Secondly, we are increasing the amount of support a claimant can receive from up to 50% of their estimated entitlement to up to 100%, interest free. In practice, that means that new claimants in December could already receive an advance of up to 50% of their estimated overall entitlement, and may receive a second advance to take it up to 100% in the new year.

Taken with the first payment, that means that claimants in need could receive nearly double the money they would previously have received. In addition, from spring next year we will make it possible to apply for an advance online, further increasing accessibility for those who need it.

From February, we will remove the seven-day waiting period, reducing the length of time claimants might wait to receive their first full payment.

From April, for new claimants already receiving support towards their housing costs, we will provide an additional payment of two weeks of their housing benefit to support them as they transition to universal credit, helping to address the issue of rent arrears for those who most need it. This is a well-targeted measure that will support 2.3 million people, including the most vulnerable, with an unrecoverable automatic payment worth an average of £233 each. This is a one-off investment of £550 million to ensure that Universal Credit supports those who need it.

In April, as a short-term measure, we will change how claimants in temporary accommodation receive support for their housing costs to ensure that local authorities can recover more of their costs and can therefore continue to offer this valuable support to those who need it most. We will also consider longer-term solutions.

We are sure that you will agree that these changes, in collaboration with the positive effects we are already seeing as a result of the move to Universal Credit, are welcome and will continue to ensure that families across Swindon and beyond receive support.

We are grateful to you for taking the time to share your concerns with us and, if we can ever be of any further assistance then please do not hesitate to contact us.

Kind regards,

Justin

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Robert

Robert Buckland QC MP

David

Cllr. David Renard

