

9<sup>th</sup> January 2018

The Rt Hon Esther McVey MP  
Secretary of State for Work and Pensions  
House of Commons  
London  
SW1A 0AA

Email: [ministers@dpw.gsi.gov.uk](mailto:ministers@dpw.gsi.gov.uk)

Dear Secretary of State,

**Concerns with the roll-out of Universal Credit and Sanctions.**

The changes to the benefit system, through the phased approach of Universal Credit (UC), were seen as positive and sound. Over time, however, the major reductions in funding and changes to withdrawal rates risked failing to achieve their original purpose of incentivising work.

Currently UC is only available to single unemployed claimants in Gloucester without children who are making a new benefit claim. UC full service Rollout in Gloucester will be February 2018.

We applaud the efforts of Parliament through the Select Committee and Members' Questions to improve perceptions of the positive aspects of UC. However, we remain apprehensive that experience elsewhere has undermined the objectives of UC as a simplified replacement for six benefits with their complex rules.

We urge you to delay the roll out of UC to enable current impediments to the optimal fulfilment of the benefits of UC to be implemented.

The impediments are to reduce the waiting period of up to 12 weeks for the first payment, helping claimants who struggle to understand UC and providing help to claimants who find the system has failed them.

There is a real worry that the introduction of UC will cause extreme hardship for many people in vulnerable situations. Following the Autumn Budget, we are pleased that the government is now listening to the overwhelming evidence that Universal Credit is causing severe hardship. However, it has been said that the changes in the budget are only tweaking a system that has ended up with 'a number of inherited flaws' (Resolution Foundation). Nevertheless, the Chancellor made valuable changes to UC in the Autumn Budget that addresses some of the issues of concern to the Forum.

The insistence, hitherto, on payment in arrears was said to be justified as reflecting working patterns. However, the majority of new claimants are paid weekly or fortnightly so the restriction does not reflect how many people actually live their lives. However, it is taking much longer for

DWP to process claims and can be up to 8-10 weeks and even longer particularly where claimants have lost documentary evidence.

Our MP for Gloucester City, Richard Graham MP, has helpfully provided a summary of the welcomed changes to UC made in the Autumn budget. As follows are his comments in italics in full.

- *Abolishing the 7-waiting day period to reduce the wait for payment from 6 weeks to 5 from February 2018*
- *Extending the repayment of advances from 6 to 12 months and allowing claimants to receive 100% of their payment upfront from January 2018 ( people who make a claim in December can get a 50% advance and then in January can ask for a top up to 100%)*
- *Making it possible for claimants to apply for advances online from Spring 2018, making it even easier for them to access an advance if they need it*
- *Paying an additional 2 weeks' of housing costs after the end of someone's Housing Benefit claim and into their UC claim from April 2018*
- *Making it easier for claimants to continue having their housing costs paid directly to landlords once they are on UC. Next 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 they join UC*
- *Local authorities being able to recoup over 80% of the money they spend on temporary accommodation directly from the Department for Work and Pensions (DWP), rather from the claimant, preventing losses of more than £70 million over 2018/19.*
- *Extended partnership working with Citizens' Advice to provide more face to face support to UC claimants.*

*To allow these improvements to be made as quickly as possible, DWP will also be changing the rate of Universal Credit full service rollout for 3 months from February 2018 to 10 jobcentres a month, increasing to 41 in May 2018. The timetable of the Universal Credit full service transition has been updated (currently any new UC claim from a family with three or more children will be routed back to tax credits until November 2018, with the extension to the roll-out plan that will now shift to the end of January 2019.)*

**Help-Line.** We welcome the announcement to the Work and Pensions Committee on 18<sup>th</sup> October that the help line will be a Freephone number from this month.

**Advance Payments.** Making it easier to receive an advance payment and at the full rate rather than a maximum of 50%, is welcomed but will only increase debts and still must be repaid. Sadly, it appears that having to put this in place is recognition of a failing in the present system. You will realise the stigma and concerns with associated health risks for vulnerable individuals, of having to get into debt, so concerns that some will be reluctant to take up this 'offer'.

**Sanctions.** We seek to ensure that all appeals are promptly actioned. There are concerns with Gloucester Job Centre Plus (JCP) having a reported 2-month backlog. We are aware of a very vulnerable individual with mental health problems, who was apparently told by JCP not to bother to appeal due to this backlog, this wasn't supporting her. We are concerned that she had been inappropriately sanctioned for 3 months without any consideration of her mental health or her background. Please see appended Case Study.

Also, worryingly, the National Audit Office (NAO) report that there has been a big jump in total sanctions where the DWP now refers more claimants of Universal Credit than Jobseeker's Allowance, for possible sanctions after missed jobcentre appointments. In March 2017, 70% of all sanctions were Universal Credit sanctions. They report delays in making initial payments and say some claimants have had to wait 12 weeks or more.

We feel that JCP staff must be more understanding and suitably trained, there seems to be a lack of expertise, they need to be seen to be 'just' in working with vulnerable individuals particularly those with mental health problems or communications barriers. There is an apparent failure to understand and identify/take account of vulnerable individual's situation. Sanctions must be applied appropriately & fairly. We would look to an organisational culture which has respect with positive behaviour principles. There is no evidence of the effectiveness that using destitution, stress of being unable to pay rent, etc., helps/ supports individuals into work.

**Work Incentives.** We would like to see changes to work incentives, so that no one is left worse off under Universal Credit than they would be under previous benefits. The Think Tank the Resolution Foundation published evidence arguing that cuts to UC mean the reforms risked failing to achieve their original purpose of incentivising work...the reductions in funding and changes to withdrawal rates left commentators to question if it will actually make work pay.

**Support.** Our MP for Gloucester City, Richard Graham MP, has put in place an escalation agreement with key advice organisations in the City. If someone is in trouble, such as not completing application forms for benefits properly and needs urgent assistance, then they can be alerted to Richard Graham's office. We are very grateful for Richards support. It is good to hear that Gloucester City Homes will also have a member of staff based at the Job Centre to help make sure that they know the financial situation of anyone coming in.

**Evidence.** It is good to read Gloucester City Homes (GCH) recent statement detailing support mechanisms and plans to increase support to help their tenants through the UC process. We applaud GCH for being involved with the Select Committee....their 'evidence' supplied to the Work & Pensions Select Committee in March 2017 supports our concerns. GCH also submitted updated written evidence and they reported 'severe hardship', 'claimants needing to use food banks', etc...

**Housing Chiefs and Landlords.** Nationally, Housing chiefs are warning on the effect of this major welfare reform, which includes Gloucester City Homes. It has been reported that GCH, who have more than 4,000 rented properties, said 85% of its universal credit claimants were in arrears compared to 20% of all other tenants.... nationally 84% on UC are in rent arrears.

It was welcoming to hear that for those vulnerable tenants who struggle to manage money, have other difficulties such as learning disabilities, that arrangements could be made whereby rent money could still be paid direct to landlords. However, this does not go far enough to ease concerns about rising rent arrears. Landlords have little scope to help claimants manage their claim and therefore ensure the housing element is being paid to cover rent costs. UC will also create additional administrative pressures on landlords at a time when they are trying to support tenants through these and other welfare changes. We are hearing that with the full digital service this is very difficult to manage for landlords.

**UC is a full digital service**, an online system and there are many vulnerable people with no digital access or skills or even access to a computer. Therefore, these people will struggle to apply for UC and manage their claim without a lot of support from landlords or any support workers. We are hearing about the inordinately long time it takes to fill in UC forms, around 5 hours, this being with a lot of support. We feel that this is unacceptable and have no idea how someone with little or no digital access or skills, learning difficulties etc., will be able to cope on their own; perhaps you can please advise. One worrying aspect of the reliance on IT is that the Journal is the online means of the claimant communicating with the DWP through the online account. Claimants have to go on most days, and the job coach writes messages and gives the person actions to do, which the claimant has to action or at least respond to, otherwise the claimant is sanctioned. This presumes a high level of comfort with IT and literacy in English. We ask that the process is more sensitive to individual IT/Literacy weakness. We will monitor how this progresses.

**JCP.** The JCP 2-month backlog is very worrying and doesn't bode well for UC roll-out. Can you please investigate why there is a back log, why our JCP is so unprepared, need for training, seeming lack of expertise with respect to dealing with the vulnerable and those with mental health problems. Our Report in 2015 highlighted a perceived need for a culture change at JCP, need for a mental health champion. How can this can be managed before February?

It would be very helpful if you could please arrange for data to be forwarded by Gloucester JCP on how many people with mental health problems, learning disabilities, vulnerable, etc, are at present sanctioned.

We look forward to hearing your response on this and other concerns raised above.

Kind Regards  
Faith & VCS Homeless & Vulnerable Forum  
Cc: Richard Graham MP.

.....

### **Case Study – December 2017 (1)**

#### **Case Study following Sanction by Gloucester Job Centre Plus (JCP).**

This Case Study is about a young woman who has had a traumatic history, was homeless, now thankfully housed in B&B in Gloucester. It took 5 months to sort out her benefits and housing benefit. Sadly, the DWP phone help-line was no help. Regular phone calls were made to JCP who promised to get back to her in 48 hrs, they never did.

This person has a number of mental health disorders, such as PTSD; agoraphobia, couldn't go out for 3 years (social anxiety), lived like a hermit; depression; intense episodes of anxiety, known as panic attacks, which caused her to miss an appointment for required 'job search'. She had not managed to achieve the required 35 hours job search by Gloucester JCP so hadn't done enough to earn payment of her benefits. She missed the appointment because she had a regular intense episode, a panic attack, as she says, where the brain shuts down and a reaction known as fight or flight takes over. Because of the nature of her attack, she didn't go out to her doctor.

The JCP didn't accept her reason for missing the appointment, they would only accept a letter from her doctor. She was therefore sanctioned for 3 months as not having done enough to earn her payment. The increasing attempt to force complete and intimate behaviour change on benefit claimants through coercive and punitive methods on vulnerable individuals, we feel is totally unjust and uncaring.

She was told not to bother to appeal the sanction to DWP/JCP, as Gloucester had a 2-month backlog of paperwork..... so, she was left to become destitute, with associated major health risks, mental and physical, malnutrition, no food or heating, no money to pay the rent, unable to pay Council Tax, cant afford to buy any Christmas presents for her children who were in foster care, ....she praises the good work and support such as from Gloucester City Mission, Faith drop-ins in the week for hot food and warmth, friends, church, the Food bank, although you can only have 3 emergency food parcels every 6 months, provided bus fares so she is able to go and see her children, .....they have all been life savers, helping her to survive.

There is a strong reluctance to claim an advance payment as it meant going further into debt with the related worry and heightened anxiety; an obvious risk to her health. It would have to be repaid from her future benefit payments which are only meant to cover basic necessities. Forcing people into debt is not something our government should be doing. It is not conducive to improving health and wellbeing and can be an unsafe practice when dealing with vulnerable individuals. We would encourage the DWP a move to a 'Person Centred' approach and adopt MEAM to achieve better positive outcomes.