

Inquiry into Natural Migration

Response from Citizens Advice Scotland

February 2019

Citizens Advice Scotland (CAS) welcomes the opportunity to respond to the Committee's inquiry. In 2017/2018, Scotland's CAB network provided advice on 19,047 issues related to Universal Credit (UC), which by the end of the period had only been rolled out to around half of Scotland's local authority areas. Additionally, CAB advised clients on 10,562 Working Tax Credit and 11,499 Child Tax Credit issues, which are the main in-work benefits that will be replaced by UC.

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?

Whilst this is largely dependent on an individual's circumstances, CAB evidence suggests that there are several groups of clients who repeatedly lose out upon migrating naturally to UC. Many claimants within these groups are vulnerable and struggle to cope with a sudden drop in income, which is often substantial. These groups are:

- Families with disabled children, for example:

A south of Scotland CAB reports of a client with a disabled child who is £57.30 per week worse off on UC. Previously, she was in receipt of Carers Allowance, Income Support and Disability Living Allowance for her son. She is extremely anxious about how she will manage financially and the impact this may have on her son.

- Single parents (particularly those under the age of 25 and those who were previously in receipt of Child Tax Credit), for example:

A west of Scotland CAB reports of a 24 year-old single parent who is £90 per week worse off on UC. She was previously in receipt of Child Tax Credit, Child Benefit and Working Tax Credit but is now entitled only to the UC personal allowance and the child responsibility element. The client was both shocked and unprepared for such a severe reduction in her income and is struggling financially as a result.

- Claimants previously in receipt of Working Tax Credits (in a variety of circumstances), for example:

A west of Scotland CAB reports of a client with mental health issues who is £87.22 worse off on UC than on legacy benefits (Working Tax Credit, Housing Benefit and Council Tax Reduction). The client was homeless for an extended period of time and has just settled into his new tenancy and feels stable in his job. However, he is unsure how he will manage financially and states that the stress is impacting on his mental health.

Support provisions for natural migration claimants are unfavourable in comparison with those for claimants who are manage-migrated. This will have a particularly adverse impact on vulnerable claimants, such as those described above. Therefore, in order to better support these groups, as well as natural migration claimants more generally, the Government should:

1) Extend transitional protection to natural migration claimants with immediate effect. If this is not possible, natural migration should be suspended until transitional protection can be awarded to all claimants.

2) Extend the two-week 'run-ons' (additional payments) of income-related Jobseekers Allowance, income-related Employment and Support Allowance and Income Support to natural migration claimants. Currently, the only run-on available to natural migration claimants is Housing Benefit. Extending all run-ons to all claimants would better support people at a time of seriously reduced income (or no income at all) as they await their first UC payment, which is a minimum of five weeks. CAB evidence has consistently shown that the five-week wait can cause serious hardship for claimants, often leaving them reliant on foodbanks and Scottish Welfare Fund grants. This measure could significantly reduce hardship by reducing the wait by two weeks.

3) Extend Discretionary Hardship Payments to natural migration claimants. These payments would provide a valuable source of non-refundable support during the five-week wait, should claimants find themselves in financial difficulty. This would be of particular benefit to those who have no other source of income during the wait (e.g. those who do not work). Advance Payments are available, however, in contrast to Discretionary Hardship Payments; these must be repaid via deductions to future UC payments. CAB evidence has consistently shown that deductions to UC payments can leave claimants in significant hardship, often either unable to afford or having to choose between essentials such as food and energy.¹ Extending non-refundable Discretionary Hardship Payments to natural migration claimants would avoid hardship caused by deductions to recover advance payments.

4) On a related matter, the Government should treat any legacy benefit claimants with third party deductions to their benefits as vulnerable and introduce a gateway condition that prevents them from migrating naturally to UC. They should not make the transition until they can be adequately supported by DWP through the managed migration process.

What does the lack of a comprehensive list of "triggers" that can transfer people to Universal Credit mean in practice for claimants and the groups who support them? Should the Government produce a full list?

CAB evidence suggests that there is conflicting understanding amongst DWP frontline staff as to which changes in a claimant's circumstances trigger a claim for Universal Credit. As a result, claimants are often incorrectly advised by staff to claim UC and are significantly worse off, due to the lack of transitional protection. This can cause substantial distress and financial hardship to the claimant:

¹ Voices from the Frontline: the impact of deductions from Universal Credit payments- Citizens Advice Scotland, September 2018: <https://www.cas.org.uk/publications?title=voices&spotlight=All&type=All&=Search>

An east of Scotland CAB reports of a 25 year-old single parent client who is £44.11 per week worse off on UC. She was incorrectly advised by JCP staff to make the claim, following a move to a new flat within the same local authority area. She was previously in receipt of Income Support, Child Tax Credit, Child Benefit and Housing Benefit. The client is very worried about how she will manage financially and is considering giving up her tenancy and moving in with her parents as a result.

The exact cause of these incidences of incorrect and inconsistent advice is unclear. However, it could indeed be attributable to the absence of a comprehensive list of triggers, and/or to a lack of staff training, and/or staff workload. ² The Government should therefore produce a more comprehensive list and ensure that it is circulated widely amongst DWP frontline staff, accompanied by in-depth training, to prevent people from being incorrectly advised to claim UC and being worse off as a result.

We are aware that example triggers were made publically available on www.gov.uk in October 2018. These examples may be useful to groups that support claimants as they do help clarify to an extent the circumstances under which a new claim for UC would be required. However, it may be that organisations are unaware of this information and so are not able to support claimants fully with their queries on the matter. These triggers are also very difficult to locate on the website, unless you know exactly where to find them. The Government should therefore circulate this information more widely amongst organisations to ensure that staff members are best able to support claimants which, in turn, will help to prevent incorrect claims for UC. This measure, together with increased training for DWP staff, could also reduce pressure on support organisations, as well as local authorities.

Are the existing “triggers” for natural migration appropriate? If not, how should they be changed?

The triggers themselves seem appropriate. However, if a trigger leaves a claimant worse off than they would be on legacy benefits, CAS would deem that trigger to be inappropriate. Therefore, whilst the triggers do not necessarily need to be changed, they must be accompanied by the immediate extension of transitional protection to all natural migration claimants to ensure that no one is worse off on UC than on legacy benefits. If this is not possible, natural migration should be suspended until transitional protection can be awarded.

Has the Department for Work and Pensions done enough to help people to understand what changes in their circumstances might cause them to have to transfer to Universal Credit, and what that might mean for them? What more could it do?

DWP has not done enough to help people to understand what changes in their circumstances might cause them to have to transfer to UC and what that might mean for them. Firstly, it is not reasonable to expect claimants to be able to locate the example triggers on www.gov.uk, or even be aware that these example triggers exist. Besides from being very difficult to find, CAB evidence has

² <https://www.pcs.org.uk/news/pcs-members-in-universal-credit-ballot-over-unmanageable-workloads>



consistently shown that many of our clients do not have the digital skills and/or access to the Internet or a computer that would allow them to obtain this information.³ Secondly, even if a claimant was able to locate the example triggers, it is not reasonable to expect claimants to understand the triggers as the language is technical and is geared towards DWP staff and support organisations, rather than claimants themselves. Instead, DWP should produce a plain English guide for claimants on what changes in their circumstances may trigger a claim for UC. The guide should also include information on where and how to seek support if the claimant requires assistance to claim UC, as well as what they should do if they are concerned about their finances as they wait for their first UC payment. The guide should be available and actively promoted through a number of channels. For example, guides could be made available in venues which claimants may frequent, such as libraries; CAB; housing associations; local authority housing offices; community cafes and Jobcentre Plus. This information could also be incorporated into other documents intended to support potential and current UC claimants, such as 'Universal Credit and You'.

For more information or CAB case evidence, please contact: Eilidh McIvor (0131 550 1155; eilidh.mcivor@cas.org.uk).

³ Disconnected: Understanding Digital Inclusion and Improving Access – Citizens Advice Scotland, February 2018 <https://www.cas.org.uk/publications/launch-disconnected-understanding-digital-inclusion-and-improving-access>