

Council – 7 January 2019

Notice of motion – Universal Credit

A notice of motion to Council on 7 January 2019 from Councillors S. Coughlan, D. Coughlan, Shires, Ward, Burley, Jeavons, Jukes, Robertson, Chambers, Underhill, Nawaz and Hussain:

Council agrees that the intention of Universal Credit (UC) to make benefits less complicated and to allow those in low paid work to keep more of their wages is a good idea, but believes that the evidence demonstrates that the Universal Credit process is flawed and causing unnecessary hardship to local families.

Council notes that UC was deliberately introduced on a slow rollout so that any issues could be seen and corrected before the benefit was introduced to all claimants.

Council further notes that the evidence of this Council and others across the country is that UC is causing huge increases in rent arrears and in general debt levels amongst claimants, many whom have never been in debt before. In addition, evidence demonstrates that most private landlords and even some housing associations are refusing to accept tenants receiving UC, leading to an increase in those registering as homeless and seeking temporary accommodation.

Council therefore resolves to write to the Secretary of State for Work and Pensions, making these points, requesting that the Government addresses these issues, and that the rollout is halted until the problems are fixed.

Response:

Universal Credit full service has been rolled out to the job centres covering the Walsall area between 18th July and 14th November 2018, so it is still very early into the process for a lot of the Walsall area.

Currently, those of pensionable age, those with three or more children and those in specified or temporary accommodation do not fall under the Universal Credit scheme and still qualify for legacy benefits.

Recent changes mean that 18-21 year olds will be able to claim the housing cost element of universal credit and it is planned that those who qualify for the severe disability premium will revert back to Housing Benefit.

Since 18th July, the Housing Benefit working age caseload has reduced by 1,489 which is a reduction of just over 9%.

The Council holds no evidence that the introduction of Universal Credit has increased rent arrears in the Walsall area, as we do not hold our own housing stock to gather that information from. It is normal that those people presenting themselves

to the council as homeless have a range of issues and problems and it is unusual that Universal Credit is the sole reason for their situation.

We have experienced individual cases where customers are experiencing hardship but cannot benchmark this against those on legacy benefit to provide a comparison as to whether those on Universal Credit are in a worse position financially. Also, Walsall Council holds no evidence that Universal Credit itself is directly increasing debt levels amongst claimants. We do not have figures to benchmark average or total debt per claimant prior to the introduction of Universal Credit, however we are planning to look at trends to see if Universal Credit in itself is leading to an increase in debt.

Although there have been individual claimants who have requested help from the council, this needs to be balanced against the fact that there has not been a high number of Universal Credit claimants that have declared any hardship due to receiving this benefit.

Walsall Council continues to provide Assisted Digital Support at the First Stop Shop to Universal Credit claimants. Evidence does show that Walsall Council have helped more people to claim Universal Credit than the DWP predicted. In the first quarter after roll out, we were expected to assist 99 claimants – actual figures show that we have helped 246 people, with this number expected to grow in the next quarter.

Through contact with landlords over the issue of Universal Credit, only one private landlord has stated that they are considering not taking Universal Credit customers and no housing association has stated that they will take this action.

James T Walsh
Executive Director, Resources & Transformation
18 December 2018