



***“It’s hitting people  
that can least afford it the hardest”***  
**the impact of the roll out of Universal Credit in  
two North East England localities:  
a qualitative study**

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## Executive summary

Universal Credit (UC) was introduced by the coalition government in April 2013 to 'simplify the benefits system', 'make work pay' and 'encourage benefit claimants in to work'. It combines six benefits into one monthly payment, paid in arrears to a nominated household member. The aims of this research, commissioned by Gateshead Council, are to understand the impact of the roll out of Universal Credit (UC) in two localities in North East England. Interviews and focus groups (FGs) were undertaken with 33 UC claimants (aged 21-63 years) and 37 staff to examine their experiences of Universal Credit. Interviews and FGs took place between April and October 2018 and were audio-recorded, transcribed and analysed by researchers from Teesside University and Newcastle University. UC claimants, recruited through gatekeepers, included people with long-term health conditions, disabilities, mental health issues, learning disabilities, ex-offenders, homeless people, care leavers, veterans and lone parents,

**Claiming Universal Credit** was experienced as complicated, difficult and demeaning. Participants described a labyrinthine, dysfunctional UC system prone to administrative errors, experienced as impersonal, hostile, punitive and difficult to navigate. The requirement to initiate and manage a UC claim online was problematic for many participants. Digital literacy, lack of computer access, bank account and / or email address and problems verifying identification online added to the difficulties.

**Consequences of waiting for payment** of between 5-12 weeks (on average 7.5 weeks) pushed many into debt, rent arrears and serious hardship, which included going without food and utilities. Few were offered alternative payment arrangements, which should be made available to vulnerable people. Non-judgemental individually tailored advice and support by DWP staff was appreciated where this occurred, but this was not always apparent.

**Staff supporting UC claimants** described inconsistent and inaccurate advice from UC helpline staff, and difficulties correcting mistakes. The arbitrary nature of UC decision-making led to frustrations and concerns for claimants ahead of managed migration. Fears were expressed about the two child limit for larger families. Significant workload pressures and additional costs were described for voluntary and community sector (VCS) organisations, local government and wider health and social care system as a result of UC.

**The study concludes that UC is not working for vulnerable claimants and significantly adds to the workload of staff supporting claimants.** UC does not achieve the aims of simplifying the benefit system and improving work incentives. UC adversely affected claimant's financial security, physical and mental health, social and family lives and employment prospects. Managing the UC claims process and increased conditionality, combined with the threat of sanctions, exacerbated long term health conditions and impacted so negatively on participant's mental health that some had considered suicide. The impact of UC on the workloads of VCS and local government staff is substantial, and it is likely that the health and social care sectors are also significantly affected, although this has yet to be examined.

The findings reinforce a growing body of research evidence documenting the deleterious effects of the roll out of UC on claimants with vulnerabilities, disabilities and health conditions, amplifying calls for a halt, review and radical overhaul of UC by the UK government.

## Background and introduction to Universal Credit

Universal Credit (UC) was introduced by the coalition government in April 2013 to ‘simplify the benefits system’, ‘make work pay’ and ‘encourage benefit claimants in to work’ following the Welfare Reform Act (Department for Work and Pensions (DWP) 2012). Administered online, this means tested benefit is designed to support people in work on a low income, those who are out of work and to help with housing costs and children<sup>4</sup>. UC replaces Working Tax Credit (WTC), Child Tax Credit (CTC), Housing Benefit (HB), income based Job Seekers Allowance (JSA), Income Support (IS) and income related Employment and Support Allowance (ESA). UC combines these benefits in to one monthly payment, paid in arrears to a nominated household member. A key feature of UC’s design was that it should “*maximise claimants responsibility and self-sufficiency*” (NAO 2018:29), and “*mimic work and receipt of a salary*” to reflect “*the fact that over 70% of people are paid earnings monthly in arrears*” (DWP 2012: 33).

Just under 7 million households are expected to receive UC when it is fully introduced (Kennedy and Keen 2018). DWP has been consistently over-optimistic about the time it would take to roll out UC (House of Commons Work and Pensions Committee 2018), with latest estimates that the next stage of UC known as ‘managed migration’ will begin in July 2019 and be complete by December 2023. The most recent Universal Credit Programme Full Business Case<sup>5</sup> (DWP 2018: 23) estimates that there will be an increase of approximately 200,000 in employment once UC is fully implemented compared to the legacy<sup>6</sup> (previous) system, delivering savings to the UK economy. In a written statement to the House of Commons on 7<sup>th</sup> June 2018, Esther McVey, the Minister for Work and Pensions, described Universal Credit as “*the biggest change of the welfare system since it was created. It is a modern, flexible, personalised benefit, reflecting the rapidly changing world of work*”.

These claims have been vigorously challenged from a variety of quarters, including the House of Commons Work and Pensions Committee (2018). Most recently, a National Audit Office report casts doubt on the main benefits of Universal Credit identified by DWP which rest on “*some unproven assumptions*” (NAO 2018:9). For example, it is not known whether the employment impact of UC identified by early evaluation can be replicated across the programme<sup>7</sup>. Claims that £99 million a year will be saved in administering benefits are questionable, according to the NAO (2018)<sup>8</sup>. It is not known whether UC will reduce fraud and error by £1.3 billion a year, as DWP claim because the systems are not in place to

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<sup>4</sup> A comprehensive overview and analysis of the development of UC until 2016 is provided by Timmins (2016).

<sup>5</sup> The foreword by Neil Couling, Director General for the Universal Credit Programme at DWP states that the “*Business case clearly demonstrates that UC provides value for money and huge benefits for claimants, the broader population and the economy as a whole*” (DWP 2018:3).

<sup>6</sup> Legacy benefits refer to the six benefits replaced by UC.

<sup>7</sup> National studies of offices that adopted ‘live service’ early in the programme found UC claimants were 4 percentage points more likely to find work compared with claimants on Job Seekers Allowance (JSA), but they were single claimants, without dependent children or caring responsibilities, with relatively straightforward needs, who were fit for work and had more resources spent on them (NAO 2018:9). The DWP’s own Equality Impact Assessment notes that estimated employment impacts should be treated with caution (DWP 2012: 4).

<sup>8</sup> UC currently costs £699 per claim, which is more than the target cost DWP set itself ahead of the roll out in October 2017 and four times as much as is intended when the systems are fully developed (NAO 2018:9).

measure and report these (NAO 2018: 9). NAO (2018) conclude that “*its future value for money is unproven*” (NAO 2018: 10).

Criticisms of the core assumptions underpinning UC have been raised alongside concerns about operational details (Sainsbury 2014, Office for Budget Responsibility 2018). It has been noted that scrutiny of the programme would benefit from a more transparent approach by DWP (House of Commons Work and Pensions Committee 2018), who have been accused of being resistant to feedback from claimants and delivery partners about how UC is working in practice, and of adopting a “fortress mentality”.<sup>9</sup>

Claims and counterclaims, debates and doubts about the principles, feasibility and impact of Universal Credit have been investigated and widely reported in media coverage of the realities of implementation for individuals and families (Gentleman 2017, Savage 2017, Kelly 2018, Toynbee 2018). These reports add to growing concerns about the cumulative effects of austerity, welfare reform and the benefit cap<sup>10</sup> on the health and wellbeing of marginalised groups (NHS Confederation 2015, Beatty et al 2015, Patrick 2017, Royston 2017).

Under the government’s welfare reform programme, the benefits system is tougher and tighter with more sanctions, exclusions and suspensions of payments under welfare reform (Power 2014, Dwyer and Wright 2014, Beatty et al 2015, Webster 2018). Concerns about UC centre on the risk of debt, destitution and eviction which people face while they wait a minimum of five weeks for their first payment (Joseph Rowntree Foundation 2017, Citizens Advice Bureau 2017). Survey findings from pilot sites involved in the early roll out of UC have shown rising rent arrears (Northern Housing Consortium 2017), overzealous debt recovery (Drake 2017), greater demands for debt advice (Money Advice Trust 2018), increased use of loan sharks, food banks (Trussell Trust 2018) and local hardship funds (Kaur 2017) alongside reduced incentives to move into work (Foley 2017, Welfare Conditionality Project 2018). National and local research shows the effects of sanctions on food insecurity (Garthwaite 2016, Loopstra et al 2018). Analysis by the Scottish government (2013) shows sanctions disproportionately affect the most vulnerable in society, including disabled people, young people and lone parents. Local reports have called for greater understanding of the health and social consequences of welfare reform in North East England (ANEC/ILG 2015), in the context of widening health inequalities (Whitehead et al 2014) and increasing poverty (McGuinness 2018).

The Joseph Rowntree Foundation (2018) define poverty as not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money. It means facing marginalisation and even discrimination because of your financial circumstances. The

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<sup>9</sup> <https://www.theguardian.com/society/2018/oct/26/dwp-has-fortress-mentality-on-universal-credit-mps-say>

<sup>10</sup> In 2013, the government introduced the co-called ‘benefit cap’; a limit on the maximum amount of benefit that could be received by an out-of-work household. Originally set at £500 per week for couples and families with children and £350 per week for single people and people without children, this was later reduced with different rates introduced for households in London. Working households are exempt from the benefit cap, as are those in receipt of Personal Independence Payment (PIP) or Carers allowance, or people with limited capability for work related activity (Royston 2017:63).

constant stress it causes can lead to problems that deprive people of the chance to play a full part in society (<https://www.jrf.org.uk/our-work/what-is-poverty>).

This research was commissioned by Gateshead Council Public Health Team in response to the roll out of Universal Credit (UC) in Gateshead in October 2017. The aim is to understand the impact of the roll out of Universal Credit (UC) on claimants and staff in Gateshead and Newcastle.

## **Research design and methods**

Qualitative methods, comprising interviews and focus groups, were undertaken to address the following research questions:

- What is the impact of the roll out of Universal Credit on individuals, families and communities?
- What are the benefits and risks of the transition to Universal Credit for different claimant groups?
- Is health and wellbeing affected, if so, for whom and in what ways?
- What additional impacts are there on claimants, their families, and wider community?
- What are the implications of the UC roll out for the Council and Voluntary and Community Sector (VCS) organisations locally and for the UK government?
- What are the effects of the Council's actions to mitigate the impact of Universal Credit?

### **Research governance**

The study was reviewed by Teesside University Health and Social Care Ethics and Research Governance Committee (ref. 009/18) and Newcastle University (ref. 1487/3928). R&D approval was granted from Gateshead Council. Transcripts and audio files were anonymised and stored securely on password protected computers.

A multi-agency Research Advisory Group including representatives from Fuse, the Centre for Translational Research in Public Health, Teesside University, Gateshead Council Public Health Team and Citizens Advice Gateshead met quarterly (December 2017, February, June, September and November 2018) to oversee progress against agreed milestones.

### **Recruitment**

Fieldwork took place between April and October 2018. Interviews (IVs) and focus groups (FGs) were carried out by Mandy Cheetham (n=26), Michelle Addison (n=7) and Suzanne Moffatt (n=1). IVs and FGs were audio recorded and transcribed with participant's written, informed consent. Interviews lasted between 25 and 85 minutes, with an average of 55 minutes. The UC claimant interviews took place in Gateshead Civic Centre, in local VS organisations and at Newcastle University. UC claimants received a £10.00 voucher as a thank you for their participation. Staff interviews and focus groups took place at participants' place of work or in VCS organisations. Interview schedules and focus group topic guides are available on request.

## Universal Credit claimants (n=33)

Universal Credit claimants were recruited with the support of staff from Gateshead Council, Gateshead Housing Company, and eight VCS organisations in Gateshead and Newcastle providing welfare rights advice and support. Information about the study was distributed by gatekeepers on behalf of the research team and potential participants contacted researchers to ask any questions and arrange practicalities if they wanted to take part. Information about the study was placed in local libraries, and distributed by staff providing welfare rights advice and housing support.

Demographic characteristics of the UC claimants who participated in the research are set out in table 1. The study sample includes disabled people, people with mental health issues, learning disabilities, dementia, long-term health conditions, profound hearing loss, cognitive impairment, memory problems, refugees and asylum seekers, ex-offenders, homeless people with multiple and complex needs, people in recovery, care leavers, veterans, lone parents, people who had experienced major life events, including bereavement, people recently discharged from hospital and those who had stopped work through ill health.

DWP has put in place Universal Support for groups of people it considers vulnerable<sup>11</sup>. This includes Assisted Digital Support (ADS), Personal Budgeting Support (PBS<sup>12</sup>), Alternative Payment Arrangements (APA), tailoring of conditionality requirements<sup>13</sup> and Claimant Commitments<sup>14</sup> for example. The research participants fall into the definitions of vulnerability and complex needs which according to DWP should to be taken into account in the process of claiming and managing UC.

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<sup>11</sup> The National Audit Office report (2018: 29, section 2.4) indicates that DWP recognise that there are many definitions of vulnerability and in their definition include, “mental and physical health issues, life events, and poor skills or limitations such as literacy or language comprehension problems ... limited online access or skills, and those who struggle to budget”.

<sup>12</sup> The government currently provides funding for LAs to deliver a single, two hour session of ADS/PBS within the first three months of a UC claim, described as ‘woefully inadequate’ in a review of Universal Support by the House of Commons Work and Pensions committee (2018: 12).

<sup>13</sup> The principle of conditionality links eligibility to receipt of work related benefits to claimants engagement with mandatory work preparation or work focused interviews, training and support schemes and / or job search requirements. Failure to undertake specified activities leads to sanctions. Further details are outlined in DWP (2010: 31) and CPAG (2018).

<sup>14</sup> The Claimant Commitment is an individual action plan in which claimants are expected to set out the specific details of the work-related actions they will take. These are reviewed by work coaches in face to face interviews at the Job Centre, and telephone calls with work coaches and via the UC online journal (See Gillies et al 2013 and Dwyer and Wright 2017 for further detail).

A recent DWP survey of UC claimants (DWP 2018) found that fewer than two-thirds (63%) of claimants thought their Claimant Commitment was achievable, and only 54% and 55% respectively thought that it took account of their personal circumstances and would help them to obtain or increase employment (p.41) Around 40% of claimants found it difficult to complete the hours of work search or preparation required by their Claimant Commitment, and almost half (47%) had completed fewer hours. (p.59).

**Table 1 Demographic characteristics of UC claimant participants**

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<b>Area of residence</b>	Gateshead (n=22)	Newcastle (n=10)
	South Tyneside (n=1)	
<b>Gender</b>	<b>Female</b> (n=13)	<b>Male</b> (n=20)
<b>Age range 21-63 years</b>	21-30	5
	31-40	11
	41-50	5
	51-60	9
	60-65	3
<b>Partnership status</b>	Single	28
	Living with partner	5
<b>Households with U18s</b>		8
<b>Benefits received</b>	Universal Credit	32
	Personal Independence Payment (PIP)	3
	Employment Support Allowance (ESA)	1
<b>Employment status</b>	Employed	2
	Not in paid employment	31
	Volunteer	12
<b>Housing status</b>	Local Authority / Council	14
	Private rented	7
	Housing Association	6
	Homeless	3
	Living with parents	2
	Owner occupier	1
<b>Disability / health issues</b>	Self-reported mental health issues	20*
	Self-reported learning disability	2
	Other self-reported long term health conditions	15*

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\*Some participants reported both mental and physical health conditions



## Staff (n=37)

One to one interviews (n=11) and focus groups (n=5) were undertaken with staff (n=37) working in Gateshead in the following organisations; Gateshead Council, Gateshead Housing Company, Citizens Advice Gateshead, Gateshead Food Bank, Gateshead Advice Partnership, Fulfilling Lives, Age UK, Haskel School, Your Voice Counts, Mental Health Matters, Pathways, Oasis Aquila, Edberts House and Crisis. DWP staff were invited and declined to take part in the study.

## Data analysis

All data were transcribed verbatim, transcripts were coded and analysed thematically by MC and SM. Early findings and reflections were used iteratively to inform further data collection and analysis. Discussions with stakeholders, public health colleagues, Gateshead Advice Partnership and Research Advisory Group members helped to inform the analysis and identify implications of the findings for research and practice.

## The roll out of Universal Credit in Gateshead & Newcastle

Roll-out of the 'full service' of Universal Credit began in 2016 and it is expected that 50 Job Centres in England and Wales switch to 'full service' each month until December 2018. According to data published by DWP, there were 1.2 million households claiming Universal Credit in the UK in September 2018 (House of Commons Work and Pensions Committee 2018).

Newcastle and Gateshead are part of the accelerated digital roll out of Universal Credit<sup>15</sup>. 'Full Service' UC has been rolled out in all three job centres in Newcastle since March 2017, and started at Gateshead Job Centre on 11th October 2017 and in Blaydon Job Centre on 1st November 2017. By August 2018, there were 8,198 UC claims in Gateshead and 17,432 in Newcastle.

**Table 2 Total number of Universal Credit claimants by Job Centres in Gateshead and Newcastle at 9<sup>th</sup> August 2018**

	Gateshead	Blaydon (Gateshead)	Newcastle City	Newcastle West	Newcastle East
Total UC claimants of whom	6602	1596	6099	7261	4072
Searching for work	3150	723	2382	3156	1821
Total	8198		17432		

Source [www.stat-explore.dwp.gov.uk](http://www.stat-explore.dwp.gov.uk) accessed 14.10.18

<sup>15</sup> Further information about Universal Credit in each area is available from [www.gateshead.gov.uk](http://www.gateshead.gov.uk) and [www.newcastle.gov.uk](http://www.newcastle.gov.uk)

At the time of writing, the standard Universal Credit monthly allowance for a single person over 25 is £317.82 and for a single person under 25 it is £251.77. Joint claimants where both partners are under 25 receive £395.20 per month and joint claimants where either is aged over 25 receive £498.89. The maximum award is subject to the benefit cap, currently set at £1,666 for couples or lone parents and £1,116 for single claimants without children (CPAG 2018).

Before making a claim, people need an email address, bank account, mobile phone number and National Insurance number, photo ID, proof of rent, tenancy agreement, landlord details payslips, income, child benefit, childcare provider details. New UC claimants wait a minimum of 35 days before receiving their first payment (four weeks to assess the last month's earnings plus a further week to process the payment). Universal Credit awards comprise a standard allowance with additional amounts for children, housing and other needs and circumstances such as child support and caring. The actual amount a family receives depends on its income and savings. Unearned income, including income from certain benefits, such as Maternity Allowance, or an occupational pension, usually reduces the maximum UC award on a pound for pound basis. Earned income, such as income from employment or self-employment, reduces the UC award at a constant rate (the “single taper”), although families will be able to keep some of their earned income (the “work allowance”) before it begins to affect their UC (Kennedy and Keen 2018).

Currently, a new claim to UC is triggered by a change of circumstances such as moving out of work for health reasons, making a new claim as a couple or changing address and moving into a different UC full service area. During this “natural migration” period, no transitional protection is awarded, meaning some people will be financially worse off. The government has recently acknowledged that numerous families will lose up to £2,400 a year under Universal Credit compared to legacy benefits and tax credits<sup>16</sup>. Transitional protection will be granted for a specified period with defined conditions under the “managed migration” process due to begin in 2019<sup>17</sup>. A diagram illustrating the process of claiming Universal Credit is included in appendix one.

## Research findings

The findings are drawn from interviews with 33 UC claimants and 37 staff supporting them. We begin by describing the UC claims process, then the various ways in which claiming and managing UC impacts on claimant’s financial security, health and wellbeing, social and family relationships, employment prospects, on staff and the wider health and social care system. We explore each of these in turn using quotes from claimants and staff to illustrate the themes identified. All quotes have been anonymised. UC claimants are denoted by ‘Claimant + number’. Advice and support workers working with UC in a professional capacity

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<sup>16</sup> Esther McVey was reported to have alarmed cabinet colleagues by warning half of lone parents and about two-thirds of working-age couples with children would lose the equivalent of £2,400 a year under UC (Independent 11<sup>th</sup> October 2018 <https://www.independent.co.uk/news/uk/politics/esther-mcvey-universal-credit-theresa-may-worse-off-switch-benefits-john-major-a8578981.html>).

<sup>17</sup> The Resolution Foundation (2017: 33) report *Universal Remedy Ensuring Universal Credit is fit for purpose* by Brewer et al notes that the precise changes in circumstance that will apply to determine whether Transitional Protection ends – such as having a new child, moving home, separation or new family formation, or losing a job – have not been formally set out.

are denoted 'Staff + number' and 'Focus group + number' for interviews and focus groups respectively.

## Claiming Universal Credit

*Walk a day in the shoes of someone who is on it...but until then, don't say it's easy, because it's not, not by a long shot.* (Claimant 6)

Claiming UC was experienced as complicated, difficult and demeaning. The requirement to initiate and manage a UC claim online was problematic for many participants. Factors such as computer access, computer literacy, verifying identification online and lack of a bank account and / or email address made the application process difficult. DWP's own survey of UC claimants (DWP 2018)<sup>18</sup> found that 'only 54% of claimants reported that they could make a claim online without help; those with health problems were significantly more likely to report difficulties than those without a condition' (NAO, 2018: 33). Accessing secure, reliable computers was not possible for some participants, who were palpably frustrated by "*insanely useless slow computers*" (Claimant 15) and observed that:

*It takes the smallest amount of stuff, like no access to technology before you're at ... a sticky wicket.* (Claimant 16)

There were reports of restricted public access to computers in local libraries, which caused additional difficulties for people without access to the internet at home.<sup>19</sup>

*Here (library) you're allowed on the computers as long as you like. The one where I live you're only on for an hour like ... they [DWP] say you've got to spend five hours a day.* (Claimant 8)

Participants talked about the loss of face-to-face contact they had found useful with legacy benefit claims prior to Universal Credit. A common experience was very long delays of between 25-80 minutes when ringing the Universal Credit helpline and enormous difficulty getting through to speak to an advisor:

*You can be 25 minutes waiting to get through and then your call times out on your mobile. You've got to start all over again.* (Claimant 28)

Advice workers supporting people with mental health conditions shared this experience:

*We've been on hold so long that the batteries have ran out on the phones.*  
(Staff 11)

There were numerous examples of system errors particularly for people regarded as vulnerable through either physical or mental health problems, learning difficulties and/or cognitive impairment. Some errors appeared to be extremely difficult to iron out and could result in serious payment delays or a claim being rejected. Participants and advice workers

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<sup>18</sup> Four in ten claimants told the DWP they needed more support than they received in registering their claim. Three in ten said they needed ongoing support to use their online account. 30% claimants tried and failed to use Verify and a further 17% did not try. (DWP Universal Credit full service claimant survey June 2018: 36-38).

<sup>19</sup> One in eight households report not having access to the internet with 14% of these citing expense as the main reason (The Money Advice Trust 2018).

consistently described how those administering UC were poor at responding to queries in a timely way. The responsibility to sort errors was felt to be entirely with the claimant, but without information or resources to rectify problems that usually arose from inflexibilities and inadequacies in the system:

*It took several visits to the Jobcentre to sort it out, because we didn't ... understand the process. So I think that's the overall experience.* (Claimant 12)

One claimant with mental health issues fell into arrears because of a 48 hour delay in submitting his housing costs, partly because advice agencies were closed over Christmas and he had concerns about privacy and confidentiality using public WiFi. He described his concerns about the risk of eviction and frustrations at the time taken to resolve the issue:

*Sometimes I feel as though, if I could just pick up the phone and explain to them. And I know I could. I know it's a Freephone number, but the people who you ring would just refer you somebody else, and they refer you to somebody else. I need to speak to somebody who deals with this stuff straightaway.* (Claimant 18)

Another claimant with complex, long term health conditions, concerned about the potential loss of severe disability premium he received under ESA, was one of many claimants who needed help to claim UC, and reported being passed between multiple agencies:

*I've had nowt but problems ... it's just a bit of a nightmare ... From my experience, from starting this claim for Universal Credit, I've been passed from pillar to post three, four, maybe five different people.* (Claimant 7)

Advice and support workers recognised the challenges for people who are not 'digitally savvy' and people with disabilities:

*You've got a whole generation of people that fall into the category of claiming benefit that have never ever used IT [information technology].* (Staff focus group 1)

*Universal Credit's digital by default, which infuriates me from a disability perspective. I'm sure it actually contravenes the Equality Act, but there's just no leeway. There's no understanding that some people need a phone call, not an entry in their journal. When they've got dyslexia, that means they can't read it anyway.* (Staff 4)

### **Setting up a UC account and confirming identity**

Some UC claimants described difficulties confirming their identity using the online system:

*It was quite a minefield really to navigate through.* (Claimant 19)

A young care leaver described how he had tried and failed numerous times to complete his UC claim online. Figures obtained by the Guardian newspaper suggest his experience is not unusual.<sup>20</sup>

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<sup>20</sup> Following a Freedom of Information request, the Guardian reported 1/5 UC claimants are turned down for 'non-compliance with the process' <https://www.theguardian.com/society/2018/may/12/one-in-five--turned-down-for-universal-credit-rules-too-complex> accessed 19.10.18

Participants described two week delays securing appointments at the Job Centre to confirm ID in person, start their claim and discuss their Claimant Commitment. This is mandatory and supposed to be tailored to people's particular circumstances, which often involves the disclosure of sensitive, personal information:

*When you're in an open room and you're sat quite close to where other people are sitting, like people waiting for their appointments. It can be quite uncomfortable. But you feel obliged to talk about it because there's always that fear of being sanctioned.* (Claimant 5)

Participants who had served prison sentences had received no information about UC before their release. During the process of claiming UC, one reported being asked in the job centre 'some fairly specific questions about the nature of the offences' and another about 'the conditions of his prison license':

*It's still uncomfortable ... you know in an open plan, I do get a bit self-conscious, you know. Other people don't need to know.* (Claimant 14).

Another interviewee who described making major life changes to address a history of substance misuse and mental health issues, found attitudes of some DWP staff unhelpful and suspicious:

*He was talking down to me ... he was quite patronising. It's almost like he felt I was lying, type of thing ... he didn't understand the whole recovery process.* (Claimant 5)

A participant with cognitive impairment, had his UC claim cancelled when he mistakenly arrived late for his first Job Centre appointment. With the support of his work coach and an advocacy organisation, the claim was re-instated. This participant described calling the UC helpline, and feeling:

*Useless, incompetent, cheated, abused ... it makes you feel like you're nothing ... you're not [name] ... you're just a national insurance number to them, on the end of the phone.* (Claimant 28)

This claimant highlighted the need for staff training:

*When you need some help, it just seems Universal Credit is not the answer. Or you've got to train people better, or the system has to be right so these ridiculous mistakes don't occur.* (Claimant 28)

Specialist advice workers acknowledged the challenges for people with dementia who were:

*...expected to go to the Job centre, sign a claimant commitment when they have absolutely no idea what you're talking about.* (Staff focus group 5)

Other support staff working with refugees and asylum seekers reported barriers facing people whose first language is not English:

*When we go to the Job Centre to do a work search review or whatever, the onus is on the Job Centre to book an interpreter, but often, that person doesn't turn up, or they don't do it.* (Staff 7)

Combined, these experiences led many participants to view the process of claiming Universal Credit as intentionally obstructive and degrading:

*... if you wanted to devise a system that discriminated against people with learning disabilities, this would be it ... it absolutely particularly discriminates against people with mental health problems and people with learning disabilities. (Staff 8)*

### **Bank Accounts**

UC claimants without bank accounts faced additional delays in setting up their claims and receiving payments. Homeless people and people without photo ID reported barriers negotiating with banks:

*I'd gone in to attempt to re-open it [previous account]. They wouldn't accept a Universal Credit payment without a letter from the dole saying that I was entitled to it. Universal Credit don't send letters to anybody. (Claimant 15)*

A homeless participant without a bank account was wrongly advised by his work coach to go to the post office to apply for an account, when in reality this process is initiated by the DWP. He was sent back to the job centre, where DWP staff appeared confused about the process and he continued to receive inconsistent advice. It required the intervention and assistance of an advice worker to resolve:

*I was getting pushed this way, and pushed that way ... and not getting what I needed. (Claimant 23)*

The staff member supporting this claimant explained that delays in the UC system had delayed an application for housing, which effectively meant he remained homeless for longer, affecting his mental health and ability to look for work.

### **Five week wait for payment**

*We couldn't believe it was five weeks. (Claimant 2)*

Most participants were aware that the system had a five week delay built in, but struggled to manage during this time. Only the very few who had savings, were able to cope whilst awaiting their first payment without going into debt, rent arrears and suffering serious hardship, which included going without food and utilities. One participant, who had limited savings, commented:

*I did have a cushion, because I was up to date with my rent, but if you don't have that cushion, that 8 weeks can feel like a lifetime ... it's a hard climb. (Claimant 6)*

Those that could sought help from family and friends, although this often caused embarrassment and guilt, especially when the likelihood of paying back the money felt like a distant possibility, as one young woman commented:

*I hate people lending me money, not because I have to give it back, but just the guilt of taking their money, and then I hate it more when my dad has to give us money ... I've grown up with him looking after me, so now it's my turn to look after him. (Claimant 9)*

Some participants used the word, 'scrounge' to describe their reliance on others whilst waiting for their first payment. Whilst the DWP target is to settle UC claims in full by five weeks from submission, in reality, many people waited considerably longer than five weeks, usually due to system errors and delays in verifying information for each UC element. Participants described a range of 5-12 weeks before their first payment. The average wait was 7.5 weeks among the 15 research participants who provided this information. At the time of their interview, some participants were still awaiting correct payments in full. Underpayments were common with missing elements for housing costs, child support, childcare, carers and limited capability for work. Staff from one housing organisation described how some residents resorted to begging out of desperation:

*We found that everyone that we spoke to about begging said they were begging during that five to six week Universal Credit wait. (Staff 6)*

Others described increases in survival crime, theft, shoplifting, as well as pressures on family relationships, and risks of financial coercion and control:

*The amount of people who have come in who are starting to get loads of shoplifting charges, because they've started shoplifting, because they're waiting to be paid, their money's been messed up, they've got nothing. (Staff focus group 4)*

According to the NAO (2018: 32), DWP initially assumed that most claimants would have enough money to manage the initial waiting period, although in 2018 in the UK almost 10 million households had no savings, and a further 3.26 million households had savings under £1,500 (Money Charity 2018). One participant estimated from personal experience, that it was necessary to have, "a grand's worth of savings to survive being put on Universal Credit," (Claimant 15).

Claimant 24, whose employment involved short term contract work described how it took nine weeks for the UC application to be processed. She felt the UC system did not cope well with the reality of her fluctuating income and irregular paydays. In one month she was paid late by her employer, assessed as not being entitled to UC, received no housing costs and had to go to the food bank the following month.

Another claimant who was in paid employment part time and volunteered part time at a charity was paid early in the run up to Christmas. DWP mistakenly assessed this to be one month's income and his UC entitlement was reduced to zero. It took numerous phone calls for the issue to be resolved. A separate issue over rent arrears took DWP and his Housing Association over seven months to resolve for this claimant:

*You're on the phone and they just put you on hold. There's no human contact. It's automated ... I don't know why I've got to do all the phone calls when it's their mistake in the first place. (Claimant 26)*

Not surprisingly, participants reported feeling confused about the UC claims process, the breakdown of UC payments, whether they were receiving the correct amount or whether payments would arrive when expected:

*We don't even know if we're getting the right amount or not ... Because you don't get the face to face contact, you don't build up a relationship with the person ... You can*

*do it online, but you don't get to know that person, it's just a blank screen ...*  
(Claimant 25)

Some participants were unaware of the need to complete separate Council Tax support<sup>21</sup> forms, resulting in additional mounting debts and potential problems backdating claims.

### **Advance payments**

*On Universal Credit's side, I think they should pay you a lot sooner than three months, cos not everyone is gonna know about the advance.* (Claimant 13).

Obtaining advance payments<sup>22</sup> was essential for many claimants in order to have some income whilst their UC claim was being processed. However, the repayment mechanism was poorly explained and understood. Some people experienced what they regarded as punitive repayment levels, leaving them with impossibly low incomes once their Universal Credit payments came through (e.g. Claimants 11, 12, 13, 17). One participant who waited eight weeks for a first payment, concluded that the advance, *actually screws you up even more* (Claimant 16), due to the low amount of income left after deductions.<sup>23</sup> He compared this unfavourably to the crisis loans available under a previous system which were paid back at a much lower rate. The National Audit Office report (2018: 42) states that total deductions for advance payments 'can be up to 40% of the claimant's standard allowance', at which point DWP normally caps deductions, although in certain circumstances including mortgage or rent arrears, deductions can exceed 40%. Advance payments are not included in the 40% cap. Debt was commonly experienced, but the advance repayments were viewed as particularly pernicious:

*... they're [government] like loan sharks, because then how can you exist on that £70 pounds a week, but it's been cut to £20 or £30?* (Claimant 16)

Deeply held frustrations were expressed with politicians and the government:

*It's the government penny pinching again, taking it off disabled people* (UC IV 7: 8).

Excessively high deductions have been found to 'pile debt upon debt, pushing claimants in to a spiral of hardship and stress' (House of Commons Work and Pensions Committee 2018:

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<sup>21</sup> Central Government funding for LAs decreased by 38% between 2010 and 2017. The localisation of Council Tax Support with reduced funding in 2013, and the abolition of the Social Fund, has reduced LAs ability to support residents in financial difficulty according to the Money Advice Trust (2018:8)

<sup>22</sup> Take up of Advance Payments currently stands at 60%. From January 2018, claimants can request up to a full month's payment as an advance. This has to be re-paid from future Universal Credit payments over 12 months. An advance might be refused if claimants: have enough money to last until their next payment, live with parents, relatives or friends, have any final earnings, redundancy payments or accessible savings according to <https://www.moneyadviceservice.org.uk/en/tools/money-manager/to-read> accessed 14.10.18. In revised guidance, DWP suggests staff ask claimants if they have enough money to live on until their first UC payment from savings, earnings, redundancy payments or support from parents, family or friends.

<sup>23</sup> See also Jayanetti, C. and Savage, M. (2018) Third of UK's universal credit claimants hit by deductions from payments', The Observer 11/8/2018 available at: <https://www.theguardian.com/society/2018/aug/11/third-of-universal-credit-claimants-face-paymentdeductions>



23). In our study, claimants' experiences of deductions varied. According to Staff 11, one couple were reported to be left with £148 per month to live on plus non-dependent deductions,<sup>24</sup> which should not have been made because they met the exemption criteria. Claimant 33 calculated she was left with £159 per month to live on with deductions for arrears.

### **Alternative Payment Arrangements (APA)**

DWP recognise that some claimants struggle to manage on Universal Credit. A number of factors are considered 'highly likely' to suggest a need for alternative payment arrangements, such as fortnightly payments or housing costs paid direct to landlords. 'Tier one' factors include drug or alcohol problems, learning disabilities including literacy or numeracy problems, severe debt problems, homelessness, temporary accommodation, domestic abuse, mental health conditions, in rent arrears,<sup>25</sup> care leavers, and families with multiple and complex needs. A possible need for an APA may also be considered for 'tier 2 factors' where a claimant has physical disabilities or sensory impairment, English is not the first language, has just left hospital, is a refugee or asylum seeker, or ex-service personnel (Universal Credit General Guidance, Gateshead Council Customer and Financial Services Training Guide 2017).

The majority of participants in this study fell into the groups described above, but very few knew about, or were offered, APAs,<sup>26</sup> despite the fact that a significant number reported struggling on monthly payments. Others were under the impression that APAs were only available short term, for a good reason, and eligibility was continuously re-assessed:

*It doesn't sound like a big thing when you say, oh my payments are getting changed to monthly, but it is to people that are used to getting paid fortnightly. (Claimant 4)*

Claimant 2, a single mother with young children, had fled domestic abuse, waited six weeks for her first UC payment and had no money for fuel / heating or food over winter. She relied on food banks and voluntary donations from her Health Visitor and a local church. She faced continuing delays in UC payments, struggled on monthly payments and stated a strong preference to be paid fortnightly. This option was not offered.

### **Rent arrears and their consequences**

*I was close to being thrown out of where I was living because of repeated UC failure. (Claimant 1)*

Many participants were extremely worried about falling into rent arrears, due to the delay in receiving the first UC payment, which was a minimum of five weeks, but in actuality was considerably longer for some. One claimant requested his housing costs were paid direct to

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<sup>24</sup> Non-dependent is someone living with a claimant, such as a relative. They are assumed to make a contribution towards rent, and this amount is deducted from the claimants housing costs (the non-dependent deduction). In UC, this is a single assumed housing contribution, with certain exemptions. Under 21s are not assumed to make a contribution to rent if they are a non-dependent (DWP 2012: 36).

<sup>25</sup> Explicit consent is not required from UC claimants for APAs when the tenant is in rent arrears of 2 months or more

<sup>26</sup> According to Gateshead Housing Company in October 2018, approximately 39% of tenants on Universal Credit have APAs in place because of vulnerability or history of arrears.

housing company, which took 4 months to arrange. Deductions from advance and arrears repayments left him with £200 per month to live on:

*Every month I had to ring up, I was told misinformation many times by the call centre and by managers there, 'don't worry, everything will be sorted, it's all fine', only for it to happen again, so I'm on a knife edge every time it comes up before pay day.*

(Claimant 3)

Those renting from both private and social landlords expressed concerns about falling behind with their rent and subsequently being evicted because of rent arrears. Being in rent arrears had serious longer term consequences for future housing opportunities, both in the private and social rented sectors. Rent arrears in the social housing sector could prevent moving and downsizing to a smaller, cheaper property, leading to a situation described by Claimant 27:

*... I would like to downsize, but I can't because I owe rent arrears ... a Catch-22 situation.*

Extremely limited information is available about the relationship between moving onto UC and rent arrears, as DWP have not undertaken any nationally representative analysis during the roll out (NAO 2018: 44) or since the two week housing benefit run on was introduced.<sup>27</sup>

According to survey data from 38 registered social landlords in the North, housing 10,965 UC claimants, as UC continued to be rolled out to new Job Centre areas, the amount of organisational arrears grew, until average arrears per UC claimant stood at £427 (Northern Housing Consortium 2017:15). Twenty-seven per cent of respondents reported evictions due to rent arrears, an increase from 18% since the roll out of UC. The latest quarterly report from the Registered Landlords Association (Simcock 2018) found 61% of landlords that let to tenants on UC have experienced UC tenants going into rent arrears, compared to 38% in 2017 and 27% in 2016. The amount owed by UC tenants in rent arrears has increased by 49% compared to the previous twelve months, from £1600.88 in 2017 to £2390.19.

Gateshead Housing Company manage over 20,000 homes, including 19,000 council tenancies, and employed ten additional Advice and Support staff as the roll out of UC began in October 2017. A significant proportion of staff time is spent responding to UC related enquiries. Gateshead Housing Company have seen an increase in average rent arrears of 114% per person,<sup>28</sup> a dramatic increase in numbers of claimants presenting in a severely distressed state, requests for fuel poverty support increased by 144% and food bank support has increased by 274% since October 2017. In one period of seven working days, five UC claimants attending GHC office advised staff they were planning suicide due to the financial

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<sup>27</sup> An Observer investigation reported on 28<sup>th</sup> October 2018 found UC is contributing to homelessness, including invisible homelessness, such as sofa surfing, and rough sleeping because of rent arrears, and private landlords refusing to rent to UC claimants <https://www.theguardian.com/society/2018/oct/27/universal-credit-fuels-homeless-crisis>.

<sup>28</sup> According to Gateshead Housing Company, there were 2,425 tenants on UC in October 2018. Average rent arrears for all GHC tenants are £145 per household compared with £592 for tenants in receipt of Universal Credit. According to Newcastle City Council in March 2018, 3,356 UC customers are in arrears with an average balance of £624.90. By comparison 5,396 non-UC customers are in arrears with an average balance of £290.84 (House of Commons Work and Pensions select committee report 2018)

situation in which they found themselves. Staff have received training in suicide prevention and promoting resilience since October 2017.

In our study, concerns were common about increasing arrears as a result of UC claims missing housing costs:

*Nobody should be in rent arrears. If the money was paid automatically, nobody would be in rent arrears. That's one of the reasons people are homeless. I mean one of the reasons it's getting a bad name for private landlords, they're not going to wait all this time for their money. There's no way they are going to wait that long. (Claimant 8)*

One social housing provider had taken the difficult decision to no longer accept UC claimants as a result of their experiences as described in Box 1.

#### Box 1. Impact of UC on a local housing trust

We let a property to an individual who had problems with his mental health, including addiction. When he transferred from Housing Benefit to UC, the Trust received no rent for 5 months. We contacted UC after two months to request direct payment - this came to nothing. We finally gained access to information about his account, which took several months as it needed permission from him, which he withheld. It transpired that he had been paid UC and had been threatened each month and forced at the cash point to hand over his money, probably to settle debts. The tenant was eventually moved into a safe house, at which point UC would no longer deal with us as he had changed address and needed to give fresh permission for us to access his account. So there was no way of getting any of the rent arrears paid. As a result of this, the Trustees decided that the Trust could no longer afford to rent to people on UC. We had often housed people on Housing Benefit previously, as the rent was paid directly. This is a sadness to us, as part of our desire as a Christian charity is to help those who are vulnerable. My concern is that many private landlords may choose not to rent to people on UC, which will add to their difficulties in finding housing.

#### **Actions to mitigate the impact of UC**

There is undoubtedly willingness among the majority of local stakeholders to work together in the best interests of UC claimants. Local partnerships with DWP staff members in some job centres worked well in some instances. Co-location of housing and DWP staff helped establish positive working relationships:

*Out of everything we've done for Universal Credit, preparing for it, that's been one of the most useful things. The relationships that have been built up between ourselves and the Job Centre, and the Advice and Support Officers and Work Coaches, invaluable for the tenants. So if you take anything away, I would encourage other organisations to do that. (Staff 10)*

Establishing an 'escalation route' to resolve entrenched issues or 'payment blockers' on behalf of clients also helped. Improving awareness of mental health, learning disabilities and complex needs among DWP staff proved beneficial. Support staff with relevant expertise from voluntary organisations had been invited by DWP to provide training and workforce development opportunities for staff. In Newcastle, since 2014, the City Council's Active

Inclusion Service and Jobcentre Plus have provided joint quarterly benefit sanctions training. In 2017/18, as a result of Newcastle Advice Compact, the City's advice services helped 19,069 residents to secure £30,000,543 in benefits. Further examples of multi-agency partnerships underway in Newcastle and Gateshead are described in the boxes below.

#### Box 2 'Homeless Prevention Trailblazer' in Newcastle

The Homelessness Prevention Trailblazer multidisciplinary team, in Newcastle, provides an integrated approach to residents who are most adversely affected by the welfare reforms. The composition of the team is based on the Active Inclusion Newcastle partnership approach of supporting residents to have the foundations for a stable life: somewhere to live, an income, financial inclusion and employment opportunities. It includes a Your Homes Newcastle Income Recovery Officer, a Newcastle City Council Welfare Rights Officer and Debt Advisor and a Jobcentre Plus Work Coach. The team uses a data-informed approach to proactively target advice and support to residents affected by the benefit cap and the "bedroom tax" who are still suffering from the cut to their income and are at risk of homelessness, and to other residents identified through predictive analytics as being at financial risk. This approach is based on case finding rather than waiting for residents to contact services when they are near to, or in, financial or housing crisis.

More details can be found in the latest report to Newcastle City Council's Cabinet in October 2018: <http://democracy.newcastle.gov.uk/ieListMeetings.aspx?CIId=857&Year=0>

More details on this and other work to prevent homelessness and promote financial inclusion, mitigating the impact of the welfare reforms:  
[www.newcastle.gov.uk/homelessnesspreventionforprofessionals](http://www.newcastle.gov.uk/homelessnesspreventionforprofessionals) and  
[www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)

#### Box 3. A holistic approach to debt recovery

Gateshead Council is working in partnership with a number of agencies, including CAB, DWP, Police, Gateshead Housing Company, NHS and many not-for-profit organisations. This partnership is seeking to reform services to the public such that they are more aligned to the needs of those people and communities that need them the most.

The early prototype sees a small team made up of Council, Housing Company and DWP officers working full time to help people whose Council Tax debt is about to induce a visit from the bailiff. Instead of undertaking recovery proceedings with a focus on the debt, the team are holding off the bailiff and asking more fundamental questions about the person, their life and the context of the debt. By working with people on what matters to them, the team aim to help them holistically and sustainably to not only remove the debt but its causes and in doing so, reduce demands into other services whilst improving outcomes.

Source: Personal communication from Mark Smith, Director of Public Sector Reform, Gateshead Council.

#### Box 4. Gateshead Housing Company and the Landlord Portal

At the end of October 2017, Gateshead Housing Company were given access to the Landlord Portal developed by DWP to allow landlords to verify rent information via an online portal. Landlords can also apply for Alternative Payment Arrangements (APA's) for UC claimants. The system is straightforward and simple to use and replaced what was previously a paper based, unreliable, inefficient and very labour-intensive method. Initially, the portal was a basic system both in the way it looked and the amount of information which could be processed. The Housing Company were allocated a landlord portal manager who was in frequent contact to make sure that everything was working as it should and to help housing managers work through any technical issues they encountered.

The approach was described as “*very refreshing*” in that the portal manager actively encouraged housing managers to suggest possible improvements to the system, which were then taken forward, discussed with other portal managers, and, where possible, implemented promptly. Approximately every fortnight, the changes/upgrades to the system took place. A manager at Gateshead Housing Company commented “*This experience was a positive one, I certainly felt that my opinion was sought and valued and a suggestion I made was implemented within weeks. It was very interesting to see just how quickly positive changes could be made that benefited ourselves, the DWP and our customers*”.

Unfortunately, as the rollout of UC continued, it was not possible to retain the landlord portal manager that had been allocated. Instead, a spreadsheet and a central email address was made available and improvements to the system slowed down as the UC rollout continued. Landlords have been asking for claimants actual claim date to be included in the portal for instance but it is unclear when this will happen.

## The impact of claiming and managing on Universal Credit

### Financial impact

*Universal Credit is definitely not a benefit to be lived on...It's not really a liveable income as a personal element. (Staff 2)*

*It seems to be government policy at the moment to punish people for being poor. (Staff 12)*

Participants described the financial insecurities caused by regular delays in UC payments, difficulties managing a monthly budget after deductions, including for hardship payments or historical tax credit overpayments:

*The impact has been horrendous. (Staff focus group 5)*

The financial impact of Universal Credit described by participants included fuel and food poverty, problem debt, increased arrears, sanctions, threats of eviction and homelessness. Some claimants could be defined as destitute according to Joseph Rowntree Foundation's definition as they lacked enough money to afford absolute essential items that people need;

shelter, food, heat or light for their home, appropriate clothing, footwear and basic toiletries (JRF 2018).

*I know one lass, her kids had to have shoes to go back to school and she had the rent money, so she spent some of the rent money to get her kids shoes. (Claimant 7)*

The uncertainty of waiting for the results of mandatory reconsiderations and appeals processes and reliance on Discretionary Housing Payments (DHP) to cover bedroom tax<sup>29</sup> on their property added to the pressures:

*If DHP was scrapped, I'd have to fork that out of my Universal Credit and that's £12 per week. (Claimant 21)*

*You really feel as if you're on the bottom and there's only one way to go. (Claimant 22)*

Claimants commented on the sense of injustice at being financially worse off under UC compared with legacy benefits. One participant who was transferred onto UC from Employment and Support Allowance (ESA) following a house move commented:

*I don't know why some people should be on Employment and Support Allowance and some people should be on Universal Credit, and yet, there is £100 disparity between the two. (Claimant 28)*

The change in entitlement under UC, as a result of the loss of Severe Disability Premium,<sup>30</sup> adversely affected another claimant:

*When you feel like, I can't feed myself. I can't pay my electric bill, I can't pay my rent, well all you can feel is the world collapsing around you. It does a lot of damage, physically and mentally ... there were points where I did think about ending my life, but I managed to fight my feelings, because I knew, at some point, it was going to come right. (Claimant 29)*

This participant was among others who saw UC as a government “*bullying tactic*” to reduce unemployment figures. He successfully applied for Personal Independence Payment with support. He described regaining control of his life, despite his experiences on UC:

*I'm proud of myself in a way because I could have let it beat me. I could have ended my life. I didn't and now I'm getting control back in my life ... I went through a very bad time, and I'd rather nobody else had to go through that. It did nearly break me, being polite, unfortunately. (Claimant 29)*

The effects of managing on a low income left people with impossible choices between social isolation, sanctions, heat or hunger:

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<sup>29</sup> A study by Moffatt et al (2016) reports the negative impact of the under occupancy charge or bedroom tax on health and wellbeing which undermines Marmot's recommendations for a minimum income for healthy living.

<sup>30</sup> The Severe Disability Premium is paid to people getting certain means-tested benefits (including ESA) who live alone and who have substantial care needs. It is not available under Universal Credit.

*I'd rather have food than talk credit on me phone. (Claimant 13)*

## **Food insecurity**

*Some of the months, I'm living on £50 a week, and with it being monthly, it's hard because I've got my rent, bedroom tax, Council Tax, TV license, gas, electric. That's before I even get something to eat. I've even started going to the foodbanks. It's so degrading. I used to donate to them. I never thought that one day, in this day and age, I would be using them. (Claimant 27)*

Increased demand had resulted in restrictions being placed on access to emergency food at two of the biggest local food banks. Extended delays in UC payments left people struggling:

*The food banks you're only allowed a certain amount a month ... three days' worth of food out of seven, so in other words, you've got to starve for four. (Claimant 17)*

The impact of food insecurity exacerbated people's long term health conditions. One participant, who was missing meals because he could not afford to eat, had been advised to take his daily medication with food, otherwise he felt nauseous:

*I think the most degrading thing about Universal Credit was that I had to go to food banks. I couldn't afford to eat. I'm only allowed to go to the foodbank once a month, because I'm single. So I was making everything last, so that I could just survive for the month until I could go to the food bank again. (Claimant 30)*

The majority of participants were used to being paid weekly or fortnightly. They struggled to budget over a month and many ran out of money before their next payment was due:

*... monthly payments are a nightmare. And this nonsense of saying, oh well, jobs nowadays only really pay monthly is utter nonsense. (Claimant 15)*

According to DWP figures, three in four employees are paid monthly, but this rises among people whose incomes are under £10,000 per year.<sup>31</sup> Weekly wages and varying shift patterns were the norm for research participants who worked in insecure, low skilled and low wage sectors.

## **Mental health and emotional wellbeing**

### **Deleterious impact of UC on claimant's self-esteem and dignity**

*I never used to suffer anxiety at all ... I just feel like I've been squashed like a bug and any goodness been rung out of us. (Claimant 3)*

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<sup>31</sup> In a study reported by Tomlinson (2018) 40% of UC claimants were paid more frequently than monthly (weekly, fortnightly or four weekly). Volatile pay was more common for the lowest earners, with large negative pay changes more likely. DWP's own briefing on UC stated that half of all workers earning under £10,000 per year are paid weekly, two weekly or four weekly <http://webarchive.nationalarchives.gov.uk/20130125102853> These workers are more likely to be claiming UC (Field 2018 [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom))

It was clear that the process of claiming UC, and managing on a low income, had a hugely negative impact on claimants, as well as on the staff supporting them. The system as currently operating was viewed amongst those we interviewed as:

*... dysfunctional and punitive and in no way supportive ... which really, if you're trying to get to work, you need support ... because you want to get to work. (Claimant 16)*

Participants described a hostile system which was difficult to navigate. Some felt they were not trusted or believed by DWP staff, when they tried to explain their situation, resulting in a profound sense of helplessness and despair. An armed forces veteran explained:

*I ended up being treated for depression and anxiety, anyway, as well as the insomnia, still on medication now. I'm a lot better than I was then. I really was at the lowest ebb that I've ever been in my life I think ... Universal Credit was the straw that broke the camel's back. It really did sort of drag me really, really to a low position, where I don't want to be sort of thrown into again. (Claimant 1)*

A number of the research participants had experienced major life events, such as loss of job or home, bereavement or relationship breakdown and the UC claims process was felt to add to their difficulties:

*It's like insidious brutality, this Universal Credit thing. I don't know who dreamed it up, because on paper I can see some bits of it could be really good. Maybe it's just the way it's being implemented. (Claimant 16)*

Asked how the process of applying for UC has impacted on him, one participant reported:

*It was very, very stressful. I mean I suffer quite bad depression and anxiety anyway and it certainly didn't help. I mean I've had to re-start my medication, because I managed to wean myself off it ... I had to go and see about anti-depressants and sleeping tablets ... just this morning I've been to the doctors, it's just the whole thing of having to deal with it. (Claimant 15)*

The process was reported to be particularly challenging for people with mental health problems, many of whom felt there was limited understanding of the effects of their condition. More alarmingly, UC was reported to have caused such anxiety and distress among six of the research participants, that they had considered suicide:

*I got to a stage where I'd actually planned taking my life. It gets me upset when I talk about it ... I could've easily done something horrific because these people at the end of the phone ... that anxiety I was put through drove me to a place where nobody should be. (Claimant 28)*

Two participants with mental health conditions described being moved on to Universal Credit from Employment Support Allowance (ESA), following a change of circumstances, which led to them being re-assessed as 'fit for work'. Both cases were overturned on appeal, with support from a local advocacy organisation. Claimant 30 described being transferred to UC after losing his entitlement to ESA because "*they didn't allow any points for my mental health condition.*" His appeal took 7 months, during which time, he struggled to survive on £317 a month, built up significant debts, and his mental health deteriorated badly:



*Because I wasn't socialising. I was keeping myself to myself. I had a dog then, in a sense the only thing that stopped me from committing suicide was the dog. (Claimant 30)*

Two participants knew of others who had taken their own lives, one a close relative. Another participant described the impact of rising debt on her partner's mental health:

*He was in and out of hospital with his depression, like self-harming and that and it was just horrible ... because of bringing no money in, with all these debt letters coming through the door and everything. (Claimant 11)*

Participants described a system which lacked sympathy or compassion. Staff who provide welfare rights advice to people with mental health conditions observed:

*It's just not a safety net any more. It's almost being used as a stick to beat people with, you know, and that support network seems to be going. (Staff 11)*

*The new system is very intrusive. You've got to restore some of that respect and some of that human feeling into the welfare state which the tax credit system did have. (Staff 12)*

### **Impact on physical health**

A number of the UC claimants who participated in the research reported pre-existing health conditions. These included heart conditions, diabetes, hypertension, COPD (chronic lung disease), multiple sclerosis, irritable bowel syndrome, epilepsy, eczema, asthma, allergies, musculo-skeletal conditions, gout, pancreatitis and chronic lower back pain. The impact of UC on people's mental and physical health was inextricably interlinked:

*I've got sleep apnoea, but it's pretty bad. It's [Universal Credit] made things worse ... I've got appointments all over the place for medical reasons. I'm on tablets for like depression and stuff. I'm sick of taking tablets for these problems, but the way things have been going in the last two months, I feel as though I need some stronger tablets just to get my mind off some of what's going on. (Claimant 7)*

*It's [health] affected [by Universal Credit], because I'm on medication for hypertension. I'm on medication because my blood pressure is always, it's not balanced. (Claimant 2)*

Health conditions made it harder for claimants to meet their work related requirements and increased the risks of sanctions. A participant with complex long term health conditions, who had been diagnosed with a serious respiratory condition, was asked how applying for UC had affected him:

*Bad, bad, bad. I couldn't sleep. Just totally stressed out, couldn't eat. I dreaded putting my phone on. (Claimant 24)*

This participant believed UC should be stopped straightaway. He reported the escalating risks facing people he knew on UC, including increased suicides and hospital stays, and had considered drastic measures in protest:

*I've already threatened to go on hunger strike. (Claimant 24)*

These findings suggest that the roll out of Universal Credit is placing additional pressure on all support services, including VCS, local government, housing, primary and secondary health services, accident and emergency and crisis mental health services:

*... health just spirals out of control because of these wider determinants of health. People are being forced to do things that are actually making their health worse, and then that costs the NHS more, and then they reach crisis point, when actually they weren't in too bad a position when they started. (Staff 9)*

### **Universal Credit for those unable to work**

*The claimant commitment on UC is a blanket approach until your vulnerabilities and health conditions and limitations are identified. So sometimes people don't attend their first appointment because they don't quite understand. They might have a literacy problem or learning disability, or they physically can't get out because of their mobility issue. And then the claim is closed and they have to start all over again. (Staff 3)*

Several interviewees were not in a position to work due to long-term health problems, or learning difficulties. Although applicable to everyone claiming out of work benefits, the 'work focus' of Universal Credit meant that applying it to those unable to work was in practice, problematic. This was largely due to the level of proof required to be exempted from seeking work and the ensuing errors and complications arising from the correct documents being processed and accepted by the system, causing payment delays and payment errors (over or under payments).<sup>32</sup>

There appears to be a process underway of re-assessing people who are moving onto UC from ESA as 'fit for work', when they were not previously. This is creating enormous amounts of work for staff supporting people through mandatory reconsiderations and appeals, on top of the level of assistance and support required to claim and manage UC for individuals with complex needs. The impact of UC on support staff is explored later in the report. Services were under significant strain to provide adequate levels of support that ensured vulnerable people were not left without money, food or utilities whilst a claim was being processed:

*I've got a mixture of feelings about Universal Credit, one being very depressive and very angry for the way I was treated. If I hadn't got an advocate, I would be literally drowning now. That's a fact. I would be up the creek. (Claimant 29)*

There were reports of a backlog in the Work Capability Assessment<sup>33</sup> process to determine whether claimants were fit for work, and the kinds of work related activities they were

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<sup>32</sup> The top UC issue reported to CPAG Early Warning System (37% of cases) featured administrative error.

<sup>33</sup> The Work Capability Assessment (WCA) has two parts. The first considers whether the claimant is able to undertake a series of activities with points being assigned accordingly. If the claimant receives sufficient points, they are found to have 'limited capability for work'. The second part of the WCA is about assessing the claimant's ability to undertake 'work-related activity'. Under UC, anyone awaiting WCA falls into the all work search requirements group. Someone found 'fit for work' is considered to be so until their appeal is heard. The results of the WCA assessment are important as they inform the claimant commitment. Cuts to legal aid mean that specialist support for claimants who need help with appeals is scarce (Royston 2017: 198).

required to undertake.<sup>34</sup> The arbitrary nature of the decision making process created additional pressures, as it determines rates of UC entitlement, informs the Claimant Commitment and the potential risk of sanctions:

*Every single time they medically assess, they roll the dice. They might not, and they might just be found fit for work. (Staff focus group 5)*

There were mixed experiences of DWP responses with some work coaches being experienced as sympathetic in this situation and others less so:

*You make a claim for UC and you're waiting for your first assessment, trying to be a job seeker. And it depends on whether you get a nice work coach that's understanding and isn't going to push you to do things, because you can end up being sanctioned before you even get your medical. (Staff 5)*

There were reports of UC claimants being found 'fit for work', despite evidence to the contrary from their general practitioner:

*You're being told that you're not fit for work by the GP, and then someone who is not your GP and doesn't really know you at all, is then telling you, you are fit for work ... and then it gets passed to a nameless, faceless decision maker. (Staff 9)*

### **Managing Universal Credit Claimant Commitments**

*There's this assumption that everyone has a smart phone. Well, they don't, not by any means. (Claimant 15)*

The enhanced conditionality in Universal Credit is characterised by "an extensive tiered system of harsh benefit sanctions and a new range of civil penalty fines" (Dwyer and Wright 2014: 32). Failure to comply with the work related requirements of a Claimant Commitment can lead to benefit payments being reduced or stopped for up to three years in the most serious cases.<sup>35</sup>

These expectations added to the pressures on claimants, who were aware they faced serious consequences for non-compliance. Regular attendance at Job Centre appointments was experienced as stressful by some people:

*I've been medicated for anxiety for the past three year, but for the entire week before I go in, I'm like, just so anxious about it, I don't sleep or anything. (Claimant 10)*

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<sup>34</sup> People claiming limited capability for work are not exempt from full conditionality under UC before their Work Capability Assessment, as was the case under legacy benefits (Royston 2017: 204). 'Those awaiting WCAs will fall by default into the all work search requirements group' (DWP 2012: 28)

<sup>35</sup> Data published by the DWP ([www.stat-explore.dwp.gov.uk](http://www.stat-explore.dwp.gov.uk)) shows that 2.8% of UC claimants were sanctioned in May 2018 compared to 0.3% Job Seekers Allowance claimants in December 2017. National data show the average length of sanction on UC was longer at 31 days compared to 28 on JSA / ESA. Failure to attend or participate in a work focussed interview accounted for 71% of all UC sanctions in the period from May 2017 – April 2018. According to the latest DWP data from the quarter March to May 2018, almost a third (30.6%) of UC sanctions were over three months and one in eight were over six months (Webster 2018).

Aware of the increased levels of surveillance under UC, this participant expressed uncertainty about how to avoid the ever present threat of sanctions:

*I have so much anxiety around it ... I'm just praying that it's going right and nobody's going to turn round and put me on a list somewhere. (Claimant 10)*

This was not helped by inconsistent advice from DWP staff about what 'counts' as work related activity. For example, voluntary work appeared to be treated differently depending on which work coach was seen.<sup>36</sup> In one case, two friends doing similar amounts of voluntary work for the same organisation were given different advice:

*When she went to the Job Centre, they told her, you can use your volunteering hours as job seeking hours. I was never told that. (Claimant 10)*

Where work coaches showed empathy and understanding about individual circumstances, positive relationships developed:

*He's not putting me under any undue pressure and it's very much a two way agreement between him and I, and we get along well, which helps as well. (Claimant 1)*

It was recognised that in some cases, the design of UC limited opportunities for DWP staff to respond with the flexibility they might have wanted. Sensitive, non-judgemental approaches were unanimously appreciated where they occurred. A number of claimants and staff identified individual work coaches, often working in local Job Centres, who had been proactive and understanding in response to particular circumstances. For example, one claimant with dementia praised the positive support he received from his work coach:

*One lad's kept me going. He's been fantastic, he needs a medal. (Claimant 22)*

One worker described how a claimant with mental health concerns was being supported:

*Sometimes the Job Centre are very good, his work coach is very much, whatever health related stuff you're doing, we can count that as work-related activity, because if you're seeing a counsellor, that is helping prepare you for work ... Having a holistic approach towards finding employment can be really powerful. (Staff 9)*

Appropriate, individually tailored advice and support was welcome but not always apparent, as one participant with profound hearing loss found when he was required to attend mandatory training to work in a call centre; wholly inappropriate work which he was unable to do because of his disability. Through his own efforts, he did successfully find part time work, which was paid cash in hand. He experienced problems over one lost payslip, resulting in UC being stopped for 6 months, despite providing written confirmation of his salary from the employer:

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<sup>36</sup> An information sheet describing the rules for volunteering on UC has been prepared by Newcastle City Council [www.newcastle.gov.uk/benefits-and-council-tax/welfare-rights-and-money-advice/universal-credit-more-detailed-guide#howwilluniversal](http://www.newcastle.gov.uk/benefits-and-council-tax/welfare-rights-and-money-advice/universal-credit-more-detailed-guide#howwilluniversal)

*It was probably the most problematic thing I had. You would think that they would be happy that you'd found some work, some employment, but it just didn't seem like that at all. (Claimant 19)*

The requirement to log in to the UC online journal every day to check updates proved challenging for claimants who were not IT literate, resulting in repeated sanctions for one participant:

*My Universal Credit, which I had stopped four times because I didn't log into my journal. The last time was only a month ago. I didn't have any money for four weeks, nearly. I wouldn't have known, only because I went down to the bank and there was nothing in. (Claimant 24)*

Advice workers reported seeing more sanctions on Universal Credit than on other benefits and questioned their effectiveness, particularly for people with health issues:

*I mean we get people coming to us multiple times because they've been sanctioned multiple times, so that suggests to me that really, whatever the reason for the sanction is, it continues to be happening. (Staff 1)*

Claimants commented on the pressures facing people with complex health conditions:

*If you're already not well, but they haven't spotted that you're not well, it puts a lot of extra strain on you. (Claimant 20)*

### **Universal Credit and employment prospects**

*I want to be back at work. I hate the situation I've been in over these few months, because I've worked all my life. (Claimant 22)*

Many UC claimants wanted to find work and were actively looking, although realistic about the economic climate and shortage of job opportunities in North East England. For some, job searching was more challenging:

*If you haven't got a safe living environment, you can't be looking for work...you need to have those basic needs met ... People spend so much of their time trying to survive that there's nothing left over to look for work. It's just completely counterproductive ... Financially persecuting people is just not going to achieve your aim of getting people into employment. (Staff 9)*

One participant who was successful in securing temporary (fixed term) part time work expressed frustration at not being able to find out the financial implications of accepting the job, leaving him uncertain about the best way forward. UC had not helped him understand his choices better or remove barriers to employment.

Many research participants found it difficult to undertake the required amount of weekly work search activities.<sup>37</sup> Two homeless people with long term health conditions had requested

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<sup>37</sup> UC claimants and partners who are considered to be ready for work are expected to engage in work search activities for a minimum of 35 hours per week, but this can be reduced in certain circumstances such as caring responsibilities, or physical or mental health impairments.

temporary flexibility from their work coaches to give them time to sort out their housing crises, but neither reported any success:

*It's 35 hours of showing what you're, I mean looking for a job is a full-time job anyway. I've got no problems with that. It's the hoops they make you jump through. They make it really, really difficult and they threaten you with sanctions at every turn.*  
(Claimant 16)

Claimant 16 reported spending three hours doing a single job application when job centre computers “*crashed every five minutes*”, hampering her efforts to find work. She felt UC:

*Actually it cuts the feet from under you at a time when you need it most. Rather than encourage you into work, it makes it harder for you to get work. It literally makes it harder for you to get work, because you're hungry, you're at risk of being homeless because of arrears ... you're not able to do what job searching is all about which is focusing your time and energy on being the best possible applicant you can be.*  
(Claimant 16)

Encouraging more people into work is one of the main aims of Universal Credit. Among those who were actively seeking work, the process of claiming and managing Universal Credit had a seriously negative impact on self-worth:

*It's hitting people that can least afford it the hardest ... You know it's destroying people's morale who have little enough as it is. You know that self-esteem may well come from working, but self-esteem also comes from being able to afford to feed yourself, and afford to live. And Universal Credit's only barely scraping by on that point.* (Claimant 15)

*I think it puts you off going to work more ... because of all the mess about with it. Because it gets people in such an emotional state ... I managed to talk to my family and they talked us out of actually self-harming myself as well.* (Claimant 11).

### **Impact on social and family life**

*It's the children that would suffer and I think you would get even more neglected or hungry children.* (Claimant 30).

Living on UC had a palpable effect on relationships with family, friends and wider social networks. The anticipated effects on children were recognised by some workers, who noted particular concerns about the two child limit<sup>38</sup> and its “*hugely anti-family*” impact:

*Children are losing out because of child poverty and because parents are too pre-occupied with putting bread on the table and that's yet another generation of children*

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<sup>38</sup>Most people with three or more children cannot claim UC currently, and are told to claim legacy benefits until 2019. The two child limit is likely to have a substantial impact on child poverty. Families with more than two children will lose £2,780 per year for every child beyond their second. Larger families are more likely to be in poverty, so reducing their income will have a significant impact (Hood and Waters 2017).

*losing out....it's been fuelled by the austerity agenda...there's no question at all, it impacts on the bottom 20%. (Staff 12).*

Birthdays and Christmas were particular pressure points. Many participants were aware their own families were under pressure living on low incomes, which added to the embarrassment and shame:

*I shouldn't have to go to my daughters and depend on her for something to eat. It should be the other way round. (Claimant 27)*

A participant in his 60s who had worked all his life, owned a car and was used to a regular income, was forced to take a break from work because of a major health crisis resulting in a hospital admission. He described the impact of his move on to Universal Credit in stark terms:

*It's horrendous. If I hadn't had me family around us, I don't know what state I would be in. I mean I used to take me grandkids out ... It has a huge impact. You cannot do things. It's so frustrating. I want to cry sometimes because like me grandkids, you know, I cannot give them what they want. (Claimant 22)*

Another participant who had to stop work following an acute cardio-vascular incident, talked about the impact of managing on a considerably reduced income. His hospital consultant had recommended continued social and physical activity to maintain his health and independence:

*I would put some petrol in my little van and get one of the other older guys, like myself. We used to just go fishing or we'd go to the beach. I'd go to the pictures and take my granddaughter or my daughter or one of the family. They don't let me out on my own, you know ... I don't do it now because it's not economically viable. (Claimant 28)*

The adverse effects of increased social isolation and loneliness have been well documented (Crossley et al 2018). Conversely, maintaining positive social relationships can improve health and wellbeing, build independence and self-reliance, one of the aims of UC.

### **Impact on advice and support staff and the wider health and social care system**

*We have people who ring us up and say, I'm going to kill myself, you know. We get suicide threats a lot. People who, we're unable to help them. (Staff 2)*

*I really do worry for the future of the clients. (Staff 11)*

Advice and support workers, many with years of experience in welfare advice work, described their exasperation at the impact of the roll out of UC on claimants and colleagues. Staff in LA, housing and VCS organisations outlined numerous examples of the chaos caused by the 'nightmare' of Universal Credit.

The deepening impact of cuts in public services, reducing resources, organisational and personal pressures and increasing workload as a result of an "unworkable and cruel" (Staff 8) UC system, were said to be creating additional costs to the health and social care system:

*It's probably costing more money than it's saving because of the impact it's having on society. (Staff 6).*

*How much pressure is there on the NHS if let's say a sanction saves the DWP £1,000, how much is that costing the NHS? Is it costing them £10,000 because you have a hospital admission because of it ... it's very short sighted. (Staff 12)*

The substantial time taken to help people through the UC claims process (up to 1 hour and fifty minutes), was just the start. Once the claim was submitted, advice workers supporting UC claimants described inconsistent, inaccurate and contradictory advice from DWP staff, difficulties correcting mistakes and failure to secure backdated UC payments, even when claimants had health issues or disabilities. The apparently arbitrary nature of UC decision making and lack of transparency, led to frustrations for advice workers:

*You're banging your head against a brick wall to get to the bottom of it. It's made worse by the fact that there isn't a recognised way for an intermediary to access the system (Staff focus group 5).*

Lack of capacity, unmanageable caseloads, and staff training issues among overstretched UC call centre staff complicated the situation. Difficulties were further aggravated because of the challenges of managing the explicit consent process introduced under UC.<sup>39</sup> Claimants seeking advice are required to give permission for someone to act on their behalf for each separate query. Staff 5 described how responses from DWP staff may not be immediate and a call back goes to the claimant who may not understand the response. Staff supporting people with learning disabilities faced particular dilemmas over the level of support to provide, which may suggest the claimant is managing their online journal independently:

*You just don't know what you're doing for the best. Do you leave them penniless without any money, or do you help them, but then it looks like they're managing. It's really difficult. (Staff focus group 4)*

Staff talked about the emotional impact of supporting UC claimants, who had failed their Work Capability Assessment:

*You've got the added emotional strain of trying to explain that to somebody and people do get angry, people do get frustrated, and you realise it's not personal but it's very debilitating ... we're all exhausted and I just don't know how much longer we can carry on with this workload. (Staff 3)*

Staff anticipated a 'bleak outlook' as the roll out of UC gathered momentum with claimants being found 'fit for work' and then sanctioned because they cannot cope with their claimant commitment. A negative impact on staff turnover was predicted as a result of the relentless demands of UC:

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<sup>39</sup> Under explicit consent, a claimant can give explicit consent via their online account, on the phone or in person with a third party, at the job centre, inviting welfare advisors to support them with a particular query or piece of business. Consent does not last indefinitely (Neil Couling, Director General Universal Credit Programme, DWP in an open letter on explicit consent and personal data 20<sup>th</sup> January 2017)



*It's just never ending. It's just continuous. There is a burnout, I think in a support role, but I think it's going to be shorter now that Universal Credit is having such a huge impact on client's lives. (Staff 3)*

In addition, staff reported a significant increase in numbers of EU nationals who had been found ineligible for UC because of changing right to reside regulations, despite living and working in the UK for many years in some cases. DWP staff did not always appear clear about relevant guidance in these circumstances:

*You have to actually tell them [DWP] which bit [of the guidance] they should have looked at. (Staff focus group 5)*

There were other cases of UC claimants falling foul of maladministration, bureaucratic incompetence or ignorance about policy changes. Participants reported requests for official letters from DWP confirming their UC entitlement from healthcare professionals, hospital staff, dentists, and pharmacies, despite UC being an online system.<sup>40</sup> Even access to free prescriptions for UC claimants was not straightforward:

*Health costs is another thing because they still don't have Universal Credit on the back of free prescriptions ... We've seen an increase in the number of people getting penalty charges from NHS Business Services. (Staff focus group 5)*

The research suggests that UC is not only failing to achieve its stated aim of moving people into employment, it is punishing people to such an extent that the mental health and wellbeing of claimants, their families and of staff is being undermined, as this staff focus group discussed:

*R1 Well, if you can't feed yourself, you're not going to be wanting to do a job search. If you can't afford the bus fare to get somewhere*

*R2 Well that's what that lad said to me. He said, you know, "they want you down at the Job Centre to do job searches or to go to interviews, how am I supposed to do that when I've got £100 to live on?" There's no compassion, no mercy, nothing.*

*R1 It does feel like they're punishing people.*

*R2 It's as if, you're on benefits, you don't deserve any quality of life.*

*R1 It's not unnoticed that people are telling us that they want to kill themselves, saying that they're going to hand their children in to social services because they can't feed them.*

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<sup>40</sup> UC claimants are exempt from various health charges such as prescription charges, sight tests, wigs and glasses, and receive help with travel to NHS treatment if their earnings are below £435 in the assessment period in which the cost was incurred (CPAG Early Warning System report 2018). There has been a fall of 23% in visits to the dentist by low income people over 4 years, representing 2 million fewer treatments in 2017-18 compared to 2013-2014. The number of fines increased more than 10 fold across these 4 years, according to Webster (2018).

*R2 How does the government expect these clients to survive if our support services are not here, because people are too tired and exhausted or ill to be able to deliver the service? (Staff 3).*

Staff described the effects of being on the receiving end of claimants stress and frustrations, when they felt powerless to intervene:

*R1 Getting shouted at for something you've got no control over sometimes can get a bit wearing.*

*R2 More awkward phone calls ... people are more annoyed, more angry than we used to have. (Staff focus group 2).*

*You can feel the stress ... It's upsetting cos you want to try and help. (Staff focus group 3)*

Claims by DWP to pilot, test and learn from the early, phased roll out of UC in other areas were questioned, with staff feeling that they were effectively picking up the pieces from a poorly designed and managed system:

*Nothing on the ground level has changed, we still see the same problems coming back, just with different clients. (Staff 11)*

The apparent lack of responsiveness was further frustrated by a perception that DWP were not listening until negative stories about UC hit the headlines:

*I would like the DWP to listen more ... It seems to be that unless the media get hold of something and really, really run with it, nothing changes. (Staff 10)*

Advocacy workers described being “fearful for clients” (Staff 8) and concerned especially about how people with learning disabilities and/ or mental health issues would manage once the managed migration was fully underway:

*Everyone's scared to death: it's just horrific. It's setting people up to fail. (Staff 6).*

*It's absolutely life changing for some people ... and the terror around that. (Staff focus group 4)*

*I think they should scrap it. I don't think it works. I don't think it's legal. I think it's against human rights. And I think they've just tried to, to, to cut benefits below the breadline, which is illegal. They're not allowed to do that. (Claimant 34)*

## **Discussion**

This research set out to understand the impact of Universal Credit, as it was being implemented in two localities in North East England. It focused on the experiences of vulnerable people and staff supporting them. The accounts make deeply uncomfortable reading, suggesting UC is not working for those who participated in this study. UC claimants reported being confused, struggling to manage the online UC claims process, meet the

claimant commitments required on Universal Credit system and maintain sufficient income for basic necessities.

The experience appears particularly challenging for people with health issues and disabilities, including those affected by the 'vulnerabilities' identified by DWP. Adverse effects were reported for the following groups in particular: disabled people, people with mental health issues, long-term health conditions, learning disabilities, dementia, literacy issues, refugees and asylum seekers, people with cognitive, hearing, communication or memory impairment, ex-offenders, homeless people, large families, lone parents, people who need interpreters and/or help to navigate the benefit system. This suggests an urgent need for DWP to monitor and review the impact of UC on its equality objectives, which have not been updated since the roll out began (DWP 2011).

The main aims of UC are to simplify the benefit system and encourage people into work (DWP 2010). The findings from this study raise fundamental questions about the extent to which these ambitions are currently being achieved, reinforcing concerns raised elsewhere in the UK about the rights of vulnerable citizens (Dwyer and Wright 2014, Fletcher et al 2016, Dwyer and Wright 2017, Patrick 2017, Hardy and Lane 2018, Jeffrey 2018). Our findings reinforce and add to a growing body of research describing the profoundly negative impacts of the roll out of UC on claimants (Drake 2017, Tomlinson 2018, Trussell Trust 2018, Child Poverty Action Group 2018, Institute for Fiscal Studies 2017, House of Commons Department for Work and Pensions Select Committee Report 2018). Another important finding of this research is the significant workload implications of UC for staff supporting claimants.

### **Simplifying the benefit system?**

It was anticipated that *"the simpler system will reduce the scope for fraud, error and overpayments thus ensuring that the right benefit is paid to the right people at the right time"* (DWP 2012: 7).

Participants described a labyrinthine, dysfunctional UC system prone to administrative errors, experienced as impersonal, hostile, punitive and difficult to navigate. Staff and claimants experienced a technical, bureaucratic system that was unresponsive to personal circumstances and lacked the flexibility to deal with individual needs.

The research team heard no accounts from either claimants, or staff supporting them, that UC was experienced as a simpler system. In fact, claiming Universal Credit was seen as a truly distressing process, with profoundly negative consequences for claimants<sup>41</sup>. Claimants reported being passed from pillar to post in efforts to resolve delays, manage deductions and harsh repayments, which left them with unacceptably low levels of income, leading to hardship and destitution. The monthly assessment process left claimants *"to financially absorb the unpredictable results of a system which is ill-equipped to support them"* (Tucker and Norris 2018: 4). The design and current implementation of UC appears to be

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<sup>41</sup> The findings appear to undermine DWP's claim that *"under UC, the complexity of dealing with many agencies is reduced. Claimants will have a single relationship with a single organisation. There will be a single assessment, which will result in a single payment"* (DWP 2012: 27).

destabilising the safety net required for claimants with long term health conditions and disabilities.

### **Smoothing the transition into employment?**

The findings suggest the negative financial, health and social impact of UC is effectively undermining its aim of moving people into employment.<sup>42</sup> The overcomplicated claims process and payment delays cause financial hardship, hunger, poverty, debt, stress and social isolation. Questions remain about the effects of higher rates of sanctioning on wider public spending (NAO 2016) and on the likelihood of UC claimants finding work (Keen 2018:13). Our findings suggest the ominous threat of sanctions has such a damaging effect on mental and physical health, that it creates barriers to seeking and securing employment opportunities especially among vulnerable people.<sup>43</sup>

### **Housing**

Concerns raised about rising debt and arrears in research by the Northern Housing Consortium (2017) are echoed in our study. Direct payments to claimants put greater responsibility on tenants to manage their finances, which many struggle to do. This presents a new risk to individuals and families, facing rising rent arrears and the possibility of eviction and homelessness. It also presents a new risk to landlord's income, which resulted in one local charitable housing trust refusing to accept UC claimants. If this continues, the housing options for people claiming UC will be significantly reduced.

### **Poverty and inequalities**

Claimants and staff saw UC as a costly, ineffective, complicated system which does little to correct the inefficiencies of the legacy benefits and tax credits system it replaces. In fact, participants repeatedly called for a return to the 'old' system. The risk is that the continuing roll out of UC will contribute to increasing poverty and inequality in an area where fuel

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<sup>42</sup> DWP envisaged that *“Universal Credit will lead to an increase in employment due to improved financial incentives, a simpler and more transparent system, and changes to the requirements placed on claimants”* (DWP 2012: 3 Universal Credit Equality Impact Assessment).

<sup>43</sup> The ESRC funded a £2 million research project from 2013 – 2018 to understand the role and impact of welfare conditionality (<http://www.welfareconditionality.ac.uk/about-our-research/what-is-welfare-conditionality/>). In 2015, DWP advised Job Centre staff Work Programme providers not to take part in focus groups for this project, citing concerns about the scope (NAO 2018: 41).

poverty,<sup>44</sup> food insecurity<sup>45</sup> and child poverty<sup>46</sup> are already higher than the national averages. Individuals and families who are 'just about coping' are being pushed into hardship and crisis as a result of moving onto UC. Findings from analysis of changes to taxes, benefits, tax credits and Universal Credit since 2010 found that by the 2021/22 tax year, the largest impacts will be felt by those with lower incomes and that the changes will have a disproportionately negative impact on several groups including households with more disabled members and low income lone parents households (Portes and Reed, 2017).<sup>47</sup> Furthermore, low income groups are more likely to have unreliable or unstable access to digital technology, suggesting they may be further disadvantaged by the digital requirements of Universal Credit

### **Health impact / pressures on wider services**

These findings suggest that the roll out of Universal Credit is contributing to the pressures on a health and social care support system which is already under severe strain given the high levels of mental health conditions which exist.<sup>48</sup> Staff who participated in this study anticipated increases in survival crime, theft, and shoplifting with associated costs to the criminal justice system. They expressed concerns about the impact on UC claimant's welfare, but also described the adverse effects on their own health, wellbeing and stress levels. The start of managed migration will see many more people with complex claims and multiple disadvantages moving on to UC and needing additional support to adapt to it (House of Commons Work and Pensions Committee 2018: 33). Staff in this study anticipated

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<sup>44</sup> 13.3% of households in North East England experience fuel poverty compared to 11% in England (accessed 15.10.18) <https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/0/gid/1000041/pat/15/par/E92000001/ati/6/are/E12000001>

<sup>45</sup> The Trussell Trust is an anti-poverty charity that runs a network of over 420 foodbanks in the UK. National analysis has found an increase in demand for foodbanks in areas of full UC roll out. Gateshead Trussell Trust foodbank distributed 6021 food parcels from November 1<sup>st</sup> 2017 to October 31<sup>st</sup> 2018, up from 6000 for the same period 2016-2017. Benefit changes, benefit delays and low income are the most common reason for referrals.

<sup>46</sup> Child poverty is an important issue for public health. The Marmot Review (2010) suggests there is evidence that childhood poverty leads to premature mortality and poor health outcomes for adults. Reducing the numbers of children who experience poverty should improve adult health outcomes and increase healthy life expectancy, which is in decline]. In Gateshead, 22% of children live in low income families, that is % of children in low income families (children living in families in receipt of out of work benefits or tax credits where their reported income is < 60% median income).

<sup>47</sup> For households with at least one disabled adult and a disabled child, average annual cash losses are just over £6,500 – over 13% of average net income (Portes and Reed, 2017) <https://www.equalityhumanrights.com/en/publication-download/britain-fairer-2018> accessed 25.10.18

<sup>48</sup> GP Patient Survey data estimates that the proportion of the adult population in Newcastle and Gateshead with both depression and anxiety is 17.3%, which is significantly higher than the estimated England average of 13.7% <https://www.gatesheadjsna.org.uk/article/6047/Headline-data> accessed 15.10.18. Both the rate of emergency psychiatric admissions and the rate of admissions for self-harm are significantly higher in Gateshead than in England overall. In Gateshead emergency admissions for self-harm were 244.9 per 100,000 people in 2016/17 <https://www.gatesheadjsna.org.uk/article/6047/Headline-data> (accessed 15.10.18).

increased demands on the voluntary and community sector, local government and NHS (particularly primary care, mental health and emergency services) as well as the police and criminal justice system.

## Conclusions

Overall our findings reinforce and contribute to a growing body of research evidence documenting the profoundly detrimental effects of the roll out of UC on claimants with vulnerabilities, disabilities and health conditions. Rather than making substantial savings for the UK economy, our findings suggest that UC in its current form is inflicting huge damage on claimants, their families and communities. The human and financial costs are significant. Supporting people affected by UC is having a major impact on VCS, local government and the wider health and social care system. Our research amplifies calls for a halt, wholesale review and radical overhaul of UC policy and practice by the UK government. Otherwise UC will change the role of government from, “*representing a line of defence against destitution, to becoming an active agent in its creation*” (Field 2018: 30).

## Recommendations for the UK government

1. A comprehensive review of UC and its impact on vulnerable groups is required as a matter of urgency, drawing on evidence submitted by organisations with relevant expertise, including Brewer et al (2017), Child poverty Action Group (2018), Drake (2017), Dwyer and Wright 2017, Foley (2017), Gingerbread (2017), House of Commons Work and Pensions Committee (2018), Howard (2018), Leary et al (2016), Money Advice Trust (2018), National Audit Office (2018), Northern Housing Consortium (2017) Trussell Trust (2018), and the Welfare Conditionality Project (2018).
2. Universal Credit should be appropriately resourced before managed migration begins.
3. The 5 week delay in payment needs to be removed as a matter of priority.
4. DWP need to identify, monitor and respond to Universal Credit claimants who require additional support, before managed migration starts.
5. An updated Equality Impact Assessment for Universal Credit to be undertaken urgently.
6. A full, independent cost benefit analysis of the impact of UC be immediately undertaken. Longitudinal research is needed to examine the effects of UC on claimants, the effectiveness of sanctions, and understand the wider impact of UC on public sector spending.

7. A response by government to the recommendations by the UN special rapporteur on extreme poverty and human rights during his visit to the UK is required  
<https://www.ohchr.org/EN/Issues/Poverty/Pages/UKVisitSubmissions.aspx>

## **Recommendations for Local Government**

### **UC Claims process**

1. Actively engage with DWP staff to ensure the needs of people with multiple and complex needs, learning disabilities, mental and physical health conditions are understood.
2. Facilitate provision of independent advice, targeted to areas and people in higher need to ensure correct entitlement to benefit, help to avoid sanctions and support with challenges and appeals.
3. Support professionals with information and training about UC, so they can support vulnerable people.
4. Ensure people with low digital literacy are offered different options to claim and manage UC to reduce delays and minimise the risk of sanctions.
5. Explain Alternative Payment Arrangements to potential UC claimants, including the option of direct payments to landlords, split payments and fortnightly payments.
6. Provide non-judgmental, skilled interpreters with understanding of UC to support claimants where required.
7. Provide appropriate support to claimants in distress.
8. Consideration should be given to monitoring and supporting GP practices with the increased burden to supply medical evidence to DWP.

### **Monitoring and responding to the impact of UC**

9. A multi-agency, integrated poverty reduction plan is required, tailored to local needs, to galvanise and co-ordinate collective action and lobby government.
10. Access to local crisis support needs to be monitored and reviewed for UC claimants (see criteria below<sup>49</sup>), to ensure it does not further marginalise people who are sanctioned.
11. The stigmatising depictions of UC and out of work benefit claimants, which continue to dominate public discourse, need to be challenged.
12. Residents experiencing problem debt need to be offered holistic support and fair collection practices.
13. Voluntary and community sector organisations require support to monitor and respond to the impact of UC, for example by using the JRF criteria for destitution

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<sup>49</sup> Gateshead Council's Crisis Support leaflet states that no award will be made under the following conditions: Lost/ stolen money; cash advances for benefit payments; benefit spent; lost income through benefit sanctions or disallowances; the crisis defined is a repeat occurrence so that whilst within the allowable framework as detailed above, may highlight a maintenance concern rather than an incident or crisis; the applicant has made more than 2 applications within a rolling 12 month period. It also notes that there may be a requirement to repay the amount awarded in part or in full via the council or the applicant may be required to repay the monetary value of an award.

14. Learning could usefully be shared from Council-led pilots, which suggest the main causes of problem debt are structural rather than individual. Early findings show solutions centre on income maximisation and benefit advice.
15. The impact of UC on workload for general practice needs to be assessed and consideration given to ways in which it can be minimised.
16. The significant effects on the mental health of claimants needs to be recognised alongside the resulting pressures on general practice and wider services.

### **Areas for further research**

General practitioners, other primary care practitioners and health care professionals did not participate in this research. Their experiences provide important, yet missing, perspectives on the impact of UC. Other areas for further research include studies to understand the experiences of parents with children under 18, and of employed people who are subject to increased conditionality under UC (including those employed part-time, full time or self-employed in receipt of tax credits). Further investigation is also needed on the potential role that digital technology plays in influencing socio-economic and health inequalities.

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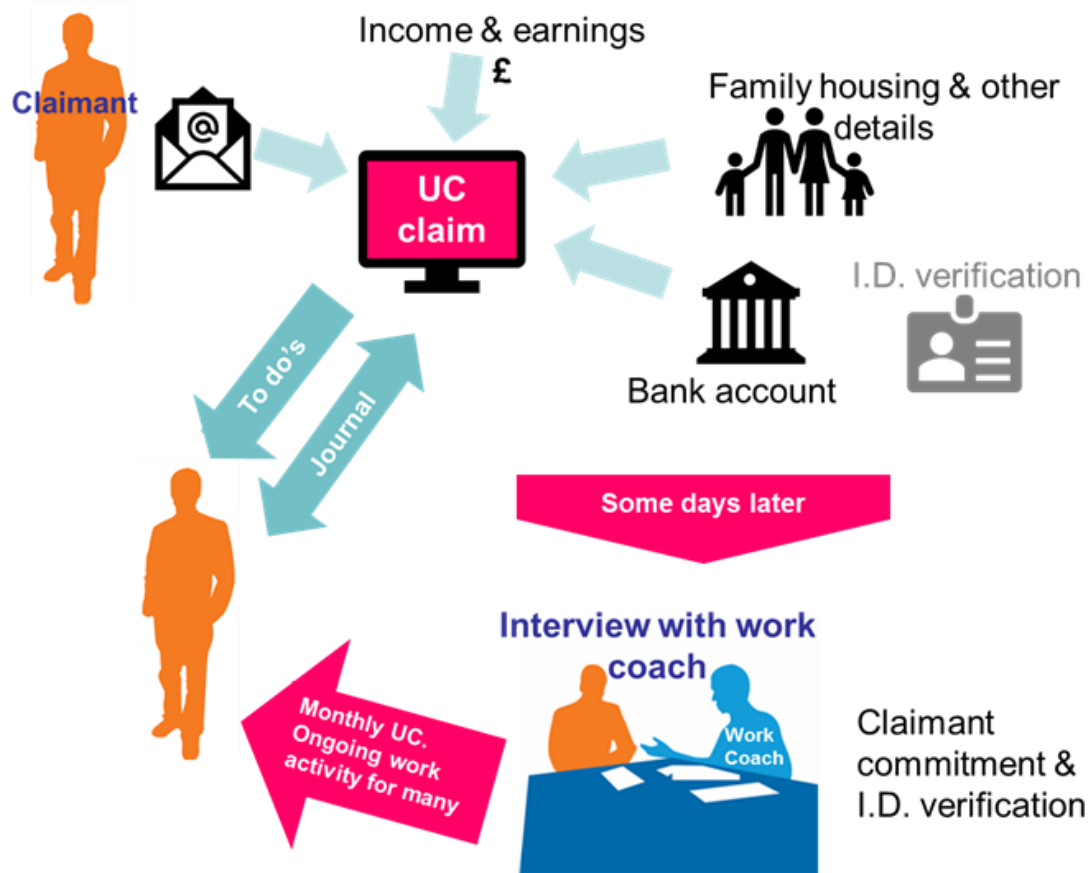
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Appendix 1.



Acknowledgement: Clive Davis, Welfare Rights Officer, Active Inclusion Unit, People Directorate, Newcastle City Council.



## Appendix 2.

### A note on changes announced in the budget

Changes announced in the budget of November 2018, include some increased costs to the treasury and managed migration regulations. These draft regulations are going through Parliament and may be subject to further amendment. Further detail is available from [gov.uk](http://gov.uk) [Draft Universal Credit \(Managed Migration\) Regulations 2018: SSAC report and government statement](#)

Published alongside the government's response, a revised set of [draft Universal Credit \(Managed Migration\) Regulations 2018](#) is available.

Esther McVey statement on the changes announced to Universal Credit in the Budget last week and on the draft Universal Credit (Managed Migration) Regulations 2018, <https://www.theyworkforyou.com/debates/?id=2018-11-05a.1246.5>

The key changes announced in the budget include -

- the amount that households with children and people with disabilities can earn before their Universal Credit award begins to be withdrawn – the Work Allowance – will be increased by £1,000 from April 2019 (paragraph 5.32);
- an additional two week payment of income support and the income-related elements of jobseeker's allowance and employment and support allowance at the start of a Universal Credit claim effective from July 2020 (paragraph 5.34);
- for all gainfully self-employed people transitioning to Universal Credit, extending the 12 month grace period before the Minimum Income Floor applies, from July 2019 for those moved to Universal Credit under managed migration, and from September 2020 for those moving to Universal Credit as a result of a change in circumstances (paragraph 5.35);
- reducing the maximum rate for debt deductions from a Universal Credit award from 40 per cent to 30 per cent (paragraph 5.36);
- extending the period over which advance payments are recovered from 12 to 16 months with effect from October 2021 (paragraph 5.36);
- providing for the 'relevant threshold' for calculating surplus earnings to remain at the Universal Credit nil threshold plus £2,500 until April 2020 (paragraph 5.38); and
- delaying the transfer of rent support from housing benefit to pension credit by three years to October 2023, to ensure that the transfer aligns with the full implementation of Universal Credit (paragraph 5.39).

The government confirmed in the policy costings that funding is made available for previously announced measures including -

- enhancements to transitional protection for people moving onto Universal Credit and preventing natural migration for those in receipt of the severe disability premium (the latter effective from January 2019);
- extending existing support for non-parental carers and adopters in tax credits and Universal Credit (effective from November 2018);
- retaining funding for supported housing within the welfare system; and
- reinstate automatic entitlement for housing support under Universal Credit for 18 to 21 year olds (effective from December 2018).