



Proposals on Universal Credit (UC): How to make it better

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Advice NI believes that now is the time for a fundamental review of the purpose of Universal Credit with a view to rebalancing the focus on meeting the needs of claimants as opposed to delivering value for money; focusing on the needs of the most vulnerable as much as it focuses on getting people back to work.

This paper assumes faultless performance in terms of technology and UC staff – obviously any problems in either area need to be addressed as a matter of urgency.

Strategic Changes to Universal Credit

- Abolish the 2 child cap: Universal Credit will not pay an additional amount for a third or subsequent child
- Abolish the benefit cap: The benefit cap is a limit on the total amount of Universal Credit that most people aged 16-64 can get
- Abolish the bedroom tax/social sector size criteria: The bedroom tax is the amount Universal Credit housing element is reduced if someone in social housing has spare bedroom(s)
- Abolish the uprating freeze: The freeze refers to most elements of Universal Credit being frozen for four years from 2016
- Reverse the remaining Budget cuts 2015 cuts to Universal Credit:
 - Reductions in the Universal Credit work allowances
 - The removal of the family element in Universal Credit for new claimants;
 - Universal Credit parent conditionally from when the youngest child turns 3 (previously from when turns age 5);
- Run the first Universal Credit assessment period over the last month of legacy benefit: (in terms of managed migration) ensuring people land immediately on to fortnightly UC payments with no delay, no hardship
- Revert back to using implied consent: where independent advice sector advisers are acting on behalf of, or making enquiries for, the claimant
- Simplify and improve 'passporting' arrangements: where entitlement to Universal Credit triggers assistance with another service, for example Free School Meals

Operational Changes to Universal Credit

Making a claim

- Protect claimants so that their 'date of claim' is their first day of entitlement, avoiding 'self-disconnection' for example if struggling with the online process;
- Clarify and publish the criteria and guidance as to when a Universal Credit application will / will not be taken by telephone;
- Put in place follow-up mechanisms (including sign-posting for independent advice) to address the issue of 1 in 5 claimants 'dropping out' of the claim process, apparently due to the complexity of the process;
- Address the problems associated with the online identity verification system (Verify) or terminate the requirement to use Verify;

Claimant Commitment

- A guidance document should be made available setting out how the claimant commitment can be tailored to take into account individual circumstances, without jeopardising entitlement to UC;
- There should be a particular section of the claimant commitment which focusses on potential vulnerabilities for example disabilities and health problems (regardless of 'limited capability for work status'); / childcare responsibilities / needs of older claimants / English not first language;
- Put in place a rigorous process for enabling a claimant to challenge aspects of their claimant commitment without jeopardising their entitlement;
- Allow short scheduled breaks from the claimant commitment for example for holidays (mirroring the world of work);

Determinations / Decisions / Challenging Decisions

- Ensure that all Universal Credit determinations / decisions on a case (award, disallowance, case closure, mandatory reconsideration) are communicated to claimants in writing;
- Protect digitally excluded claimants by giving the choice to receive decisions by post as well as uploading to the journal;
- Provide clarification on the process for requesting a mandatory reconsideration;
- Stop the practice of closing the journal when a case is closed as this in turn prevents the claimant from triggering a mandatory reconsideration of the decision to close the case;

Payments / Payment History

- It is critical that payments are made faster and in full for all Universal Credit claimants: 4 weeks + 1 day;
- Claimants need access to a payment calendar so that they can see exactly when their payment (whether fortnightly or monthly) is due to arrive;
- Provide the choice to nominate two accounts should a couple choose to avail of split payments;
- Introduce more scope for backdating an award – in particular where the claimant struggled with the digital platform;

Sanctions

- Introduce Universal Credit 'red flags' for vulnerable people at greater risk of sanctions (for example young people leaving care) so that safeguarding arrangements can be put in place;
- Introduce a 'Yellow Card' warning system for a claimant at risk of a first sanction;
- Introduce a single Assessment Period deduction (set at 25% of the standard allowance) for all claimants following exhaustion of the 'good reason' process;
- There should be a safeguarding visit to any household at risk of a sanction where there are children;
- Remove any financial sanction for people in work;
- Remove any financial sanction for people with Limited Capability for Work (LCW);

Deductions

- There must be a protected minimum amount of the Universal Credit award which is protected from deductions;
- Repayment schedules must be based on priority debts first; non-priority debts (for example repayment of UC advances, overpayments) when affordable;
- Put in place a mechanism for formal consideration by the decision maker of the impact of other third party deductions which also serve to lessen the amount of money available to claimants;
- Produce and publish UC-specific guidance on challenging recovery of alleged UC overpayments;

Housing

- Increase the amount of the housing element (to the 50th percentile) for private rental tenants;
- Improve the communications and flow of information between the Department, tenants and housing providers, in particular when claimants first claim Universal Credit;
- Include an entry in the journal outlining the date and amount in respect of housing costs paid via 'Alternative Payment Arrangements';
- Re-organise Discretionary Housing Payments to sit within Universal Credit, so ensuring that these payments can be accessed and processed effectively and efficiently;

Employed / Self-Employed

- Improve the taper rate to 50% and improve the work allowance to show an absolute commitment to supporting people to move into work;
- Correct the fundamental flaw where 2 monthly pay packets can be included in a single UC assessment period;
- Abolish the Minimum Income Floor anomaly which means that self-employed people whose earnings fluctuate are penalised financially;
- Move to a system of annualised reporting for the self-employed in light of both the enormous administrative difficulties in producing real-time accounts and the irregular nature of earnings amongst the self-employed;

Children

- Reinststate the higher child element in respect of the eldest child; triggering the higher child element (£277) as opposed to the lower generic child element (£231);
- Reinststate the higher disabled child addition (£383) for all children as opposed to the lower disabled child addition (£126);
- Introduce flexibilities for families with children (much like previous JSA Regulations in relation to the jobseekers agreement which contained a specific requirement for staff to have regard to it's impact on the well-being of any child affected by it);
- Introduce an 'economic reasonableness' test for families with children for refusing an offer of work (precedent has been set as there was past provision within JSA flexibilities for parents as a model for this);
- Provide upfront payment of childcare costs, to help parents move into work and improve children's chances in life;

Vulnerable People

- Reinstate an amount equivalent to the Work Related Activity Group (£126), in addition to the Limited Capability for Work & Work Related Activity (£328);
- Exclude sick and disabled people from conditionality and sanctions while they are awaiting a Work Capability Assessment;
- Exclude disabled students getting DLA/PIP from the Limited Capability for Work requirement;
- Enable claimants to dispute Work Capability Assessment determinations immediately;
- Increase the temporary absence from the claimant commitment for occasional sickness to 2 x Assessment Periods (currently allow x 2 periods of sickness of up to 14 days at a time);
- Protect older people by abandoning plans to make couples claim Universal Credit where one of the couple is aged under retirement age;
- Improve access to and the range of support available for vulnerable people to make and maintain their Universal Credit claim;
- Introduce a 'clinical judgment' approach as opposed to a rigid prognosis of six months or less where a claimant is terminally ill; and, introduce a fast-track approach to dealing with these applications;
- Safeguarding arrangements should be strengthened within Universal Credit, with clear guidance provided to all stakeholders regarding the safeguarding measures in place and how they operate;

Universal Credit staff

- Engender a culture and learning & development environment driven by a purpose of helping often vulnerable claimants as opposed to meeting top-down targets;
- Put in place specialist training and support for staff dealing with specific client groups, for example the long term unemployed, people in work, self-employed people, EU citizens living in the UK, people with disabilities in particular mental health problems;
- Allow a claimant to choose a different work coach, if the claimant-work coach relationship breaks down;
- Put in place a simple and effective complaints process specifically for Universal Credit;