**Written evidence submitted by Councillor Jane Corbett, Liverpool City Council**

Thank you so much for the opportunity afforded to me to give oral evidence on behalf of Liverpool City Council to the Work and Pensions Select Committee held on the 13th September in relation to your inquiry on Universal Credit roll out.

I’m submitting this written evidence in my capacity as a Councillor on Liverpool City Council, Assistant Mayor, Mayoral Lead on Fairness and Tackling Poverty and Councillor for the Everton Ward.

This written submission is intended to put on record the serious concerns we have in relation to Universal Credit (UC) generally, to the Government’s current approach to rolling out this new benefit more specifically, and suggest changes to Universal Credit as a way forward.

**Summary:**

 Our understanding is that the stated intention behind Universal Credit (UC) was that it should make claiming benefits more straightforward and provide greater support to those moving into work and in low paid and precarious work. However, the changes which the Government has now made to UC, and the failure to learn lessons from the first phases of implementation, have seriously undermined this intention. It has now been made very clear to the Government that, without some significant changes, UC will have the reverse effect; it will see hundreds of thousands of our citizens, including families with children, forced into deep poverty, including in-work poverty, as a direct result of this Government’s policies. The damage to some people’s health and wellbeing will be irreversible and will therefore not only undermine their life chances, quality and length of life but also place further demands on our already overstretched and underfunded public services including our health services. This is a very high- risk policy which the Select Committee members understand and seem to me to be genuinely concerned about, but which the Government refuses to acknowledge for some reason. This is now beyond “party politics”; this is dangerous.

We would therefore ask the Select Committee to request the Government to

1. examine again the growing body of evidence already made available to them on the impact of UC from a wide range of sources,
2. ‘pause’ the full service roll out of UC immediately,
3. seriously consider the 9 recommendations and changes proposed below
4. carry out a fundamental review and re-evaluation of the approach and systems relating to Universal Credit
5. present their full findings and proposed changes to the Work and Pensions Select Committee for scrutiny, and then to the House of Commons for debate and agreement before full service recommences

**We ask the Government to**:

1. Remove the long mandatory waiting period of 42 days (35 days plus the additional 7 so called ‘waiting days’), which most claimants must endure before entitlement commences and benefit is paid. The policy of payment made monthly in arrears does not reflect the circumstances of most claimants, as the evidence the Government has seen clearly shows; the supposition that most new claimants will have a month’s salary from former employment available to them is not borne out by the evidence. Whilst the Government may argue that advance payments can be made available to most claimants, the fact that such advance payments are known and proven to be needed by such a high proportion of people having to claim UC, shows the Government’s shocking disregard and disrespect for citizens including families with children living on a low income. Personally, I can’t come up with any alternative explanation regarding the Government’s current position on UC as they have been informed time and time again, and over several years now, of the effect of this 6 week wait. Advanced payments, when allowed, are clawed back from the first and subsequent payments (often over a shorter time frame than the 6 months quoted by Government) which, when added to additional third party deductions for priority debts results in terrible and totally avoidable hardship. Previously, third party deductions were calculated as a flat rate, an actual amount. Now they are calculated as a percentage of the benefit…why? The 40% maximum that the Government allows to be deducted from the ‘standard allowance’ (total allowance excluding housing allowance) is often breached by DWP as advance payment clawback is then also applied on top of this. I’m told the Government says that is a mistake when it happens, but it is still happening. Families and friends then often give support so people can at least cover their basic living expenses, but they can’t afford to do that for long, or indeed at all if they themselves are in low paid work and struggling to make ends meet. In Liverpool we have set aside finances from our much diminished revenue budget so we can try and keep people’s head above water, including our children; and of course the Job Centres send people to us knowing we will do just that and presuming we will continue to do so…but at the same time the Government has withdrawn any ringfenced funding for this ‘local welfare scheme’. The Government should therefore allow entitlement to commence from when any payments from previous employment cease, rather than applying an assumption that does not relate to the facts and the reality of people’s circumstances and has already proven to cause desperate hardship and harm.
2. Reverse the cuts in Work Allowances and the Family Premium within UC and amend the benefit such that families making a new claim for UC are at least as well off as counterparts receiving Tax Credits. At a time of low or no increases in earning for increasing numbers of low income households, steps to further reduce support just increases the level of harm to many of our citizens, including our children.
3. Amend UC such that all individuals claiming UC can choose to have the housing element paid directly to their landlord, and include that as a standard part of the application process. Evidence that UC increases rent arrears is very clear, and this pragmatic approach, which supports the principle of choice and helps mitigate the risk of additional debt, would help reduce the related risks to both tenants and landlords. It would also lessen the (now increasing) financial burden placed on local authorities who, quite rightly, have a statutory duty to provide temporary accommodation, but who are continuing to face year on year Government cuts to their general revenue budget (in Liverpool these cuts are currently 58% rising to 68% by the end of financial year 2019/20).
4. Reverse the decision to reduce support to families with more than two children which currently applies to legacy benefits but debars such families from claiming UC until November 2018. It appears this is because the UC system can’t yet cope? If that is true then that is another clear reason for UC to be ‘paused’. The ‘two child policy’ causes unnecessary hardship to families with three children (or more) and is increasing the levels and the intensity of child poverty. The Government’s attempted justification of this becomes null and void in November 2018 as at that point the post April ’17 birth date is no longer relevant. So I would argue that the Government then breaks the law as age is a protected characteristic as defined within the Equality Act 2010.

1. Remove the restriction on young people aged 18 and 21 securing help with housing costs and reinstate immediately the mechanism for this age group being able to be awarded a discretionary housing payment as and when needed. There is a significant risk that the complexity of the rules on exemption (which the relevant JCP staff and support agencies and organisations have not yet received full training on), will result in some young people becoming homeless who are entitled to help with housing costs. It will also expose other young people, who aren’t exempt, to risks such as being deliberately targeted by ruthless criminals involved in the illegal drug trade, money laundering, illegal money lending and may result in modern day slavery as accommodation may be offered in exchange for unpaid ‘work’ and ‘services’. Again, I would argue that the Government is breaking the law with this rule as age is a protected characteristic as defined within the Equality Act 2010. And the Government, along with all of us, have a safeguarding duty.
2. Make available freephone numbers for both mobiles and landlines to those needing assistance with or advice or information on their UC claims. Many claimants do not have landlines due to the cost and/or risk of charges associated with direct debit late payments; the costs of calling the DWP from mobiles is usually 40 pence a minute with an average of 30 to 40 minutes waiting time before being connected to the advice and support they need. This is well known by the Government. Liverpool City Council has had freephone numbers available for both landlines and mobiles for some time now to ensure our citizens can access the advice and information we can provide via our ‘local welfare scheme’. We consider this to be the way to treat our citizens but it is also a safeguarding issue. We’re deeply concerned that the Government don’t have a similar system in place already and we ask this is made available as a matter of extreme urgency.
3. Make available all data to local authorities regarding UC claimants as there are many who may need specific assistance or advice, including those affected by the Benefit Cap and the under-occupation penalty (also known as the ‘bedroom tax’). Without such data Councils cannot always identify those in need of additional help, or help to prevent eviction and homelessness. Not only is this harmful to the people concerned, but is also more costly to support someone when they have been made homeless than support them to remain in their home or move to a more affordable property or more suited to their needs.
4. Commission a full Welfare Reform Cumulative Impact Assessment on the 20 plus Welfare Reforms put in place since 2010, as a matter of urgency, report the findings to the members of the Work and Pensions Select Committee, and ‘pause’ UC until this has been done, until any resultant recommendations have been considered and until the necessary changes have been made. We have produced one for Liverpool which has proved very useful in formulating policy at our local level. Frank Field MP and I shared our report with Edward Timpson, the then Minister for Children and Families, earlier this year, and I would be happy to share this with the Select Committee. It makes sobering reading. The report highlights how certain groups including disabled people and those with a long-term illness, women, people with children, social sector tenants aged 40-59 and young adults are disproportionately affected by the Government’s multiple reforms. It is imperative therefore that the Government ‘pause’ the UC full service roll out until such area based cumulative impact assessments have been completed, learnt from and responded to. I firmly believe it is almost impossible to understand the full impact of all the Government welfare reforms without this, and the Government will be failing in its safeguarding duty if it refuses to do so. It will also be at serious risk of breaking the law in relation to the Equality Act 2010. The Government no longer has a legal duty to carry out a specific ‘Equality Impact Assessment’ as this was removed by the previous Prime Minister. However it does still have a legal duty to “assess the equality implications” of its policies, and that includes the multiple welfare reforms, and before implementation. Liverpool City Council agreed unanimously to 4 separate motions I put to Council between 2012 and 2016 that requested, among other things, our Chief Executive write to the Government raising our deep concerns about the negative impact of the Government’s ‘Welfare Reform’ on many thousands of people in Liverpool. The letters also included requests for a cumulative impact assessment on Liverpool to be carried out by the Government, but this was always refused, and we were told it couldn’t be done; so we carried it out ourselves and presented it to the Minister, with his Ministerial staff and a senior civil servant in attendance and taking notes. He took it seriously and understood our concerns. He is no longer an MP but I’m sure the actions he proposed following on from the meeting could be revisited without much difficulty.
5. When UC was originally designed the Government at the time contended that the new benefit would improve financial support to low income households and increase the rewards of work, but that the costs of a more generous benefits system would be offset by wider economic benefits from stimulating employment when tax receipts and other factors were considered. It is unclear how the changes which the Government has made to UC have amended that calculation. We would therefore ask the Government to revisit and re-evaluate the business case for UC, including the economic and social costs on the citizens, and the short and long term effect on children in families in receipt, or projected to be in receipt, of UC.

Liverpool City Council has taken a proactive approach to supporting those negatively affected by welfare reform including providing a strong ‘local welfare scheme’ which we call our Liverpool Citizens Support Scheme. We also provide additional funding to the Discretionary Housing Payments budget again from our own resources, and a fair Council Tax Support Scheme as it seeks to avoid exacerbating the financial pressures on low income households. We also have provided targeted support and advice to those affected by the Reduced Benefit Cap and we collaborate closely with colleagues and partners to ensure, as far as possible, efficient, streamlined, accessible and responsive wrap around support where and when needed. The aim of this is to provide a strong safety net that acts as a springboard out of poverty.

Given the growing pressures caused by the Government’s multiple welfare reforms and the additional hardship resultant from UC, the ability of the Council and its partners to support those most affected and protect vulnerable households is not likely to be affordable for much longer, or ultimately sustainable. We, along with many other local authorities, are now in what I consider to be ‘dangerous and unchartered waters’, but not of our own making, nor of the making of the people public servants and politicians are here to serve and protect from harm.

We therefore ask the Work and Pensions Select Committee to request the Government to ‘pause’ the full service roll out of Universal Credit immediately, and until the systems and the approach has been fundamentally reviewed and reverts back to its original intention. This crisis, now unfolding before our eyes, is completely avoidable. The Government created it; and the Government can prevent it.

In November 2010, Theresa May, as Home Secretary and Minister for Equality, removed the duty placed on public bodies to ‘tackle socio-economic inequality’. She stated in her speech at that time that equality would still be on the agenda. “It matters morally, it is important to our wellbeing as a society and it is crucial to our economy“.

If Government is in agreement with that statement then the full service rollout of Universal Credit must be ‘paused’ as a matter of extreme urgency, the time taken to carry out a full review, the damage already done to the thousands of people negatively impacted must be repaired, and the changes so desperately needed put in place.

Thank you for helping our people’s voices and concerns be heard by your Select Committee members and raised with the Government. We hope you can help ensure urgent, positive and decisive Government action, before it’s too late.