

► Universal Credit rollout inquiry

► Evidence submission to the Work and Pensions Select Committee

Summary

The rollout of Universal Credit is creating significant challenges for local authorities in London, which are heightened in areas where full service has been extended. This evidence submission details the following particular concerns in regards to the rollout of Universal Credit:

- The six-week wait before the first Universal Credit payment and seven day waiting period is creating significant financial insecurity for customers and typically resulting in immediate rent arrears that have to be managed through costly interventions by the local authority.
- The processing of Universal Credit claims is often problematic, frequently resulting in customers waiting longer than six weeks for their first payment, while housing costs are often not included in the first payment due to problems with the rent verification process. Restrictions on local authority access to customer information also create an unnecessarily obstacle to correcting problems.
- Customers are not always made aware of the support they may be entitled to that could help them to avoid financial insecurity.
- Particularly in full service areas, Universal Credit has led to dramatic reductions in rent collection. While this is most severe for emergency accommodation cases, rent collection rates among general needs tenants have also fallen under Universal Credit. This is due to policies such as the seven day waiting period and the six-week wait before first payment, which results in many tenants immediately falling into rent arrears due to their lack of financial security.
- Greater flexibility in regards to payment processes would be welcome, and we set out policy recommendations to this end in response to question six.
- Universal Credit has increased the range of interventions and complexity of administrative functions that local authorities now undertake in this area. This is particularly the case for full service boroughs and is increasing the pressure on services and resources at a time when funding and rental income is reducing. Local authorities should be protected from the negative financial consequences of Universal Credit during the rollout and testing period.
- Universal Support should be better targeted at customers that are more likely to benefit the most from support around budgeting. The impact of Universal Support is also diluted by administrative and policy issues associated with Universal Credit.

Thank you for the opportunity to contribute to the Select Committee's inquiry into the rollout of Universal Credit (UC). London Councils represents London's thirty-two boroughs and the City of London; making the case to government, the Mayor and others to get the best deal for Londoners and to ensure that our member authorities have the resources, freedoms and powers to do the best possible job for residents and local businesses.

72,742 London residents now claim UC;¹ while at present eight London boroughs have UC full-service operating in at least some postcodes. These are the four pilot boroughs of Croydon, Hounslow, Southwark and Sutton, which have been followed by Hammersmith and Fulham, Lambeth, Tower Hamlets and the City of London. The rollout of UC is therefore fairly advanced in Greater London. The information contained in this response reflects the feedback that London Councils has received from its member authorities, including those operating full-service and those operating the live service.

1. How long are people waiting for their Universal Credit claim to be processed, and what impact is this having on them?

- 1.1 The six-week waiting period before the first UC payment is putting many residents at financial risk. The vast majority of residents submitting a UC claim start from a position of financial insecurity, and a significant proportion are unable to manage a further six weeks without some form of financial assistance from the local authority. Local authority support will range from a Discretionary Housing Payment (DHP) or a rent in advance payment, to a referral to a local food bank. Such delays in processing is particular challenging for people who have just left low paid, irregular employment, and who do not have savings to support them during the waiting period, and who are also more likely to have higher levels of personal debt.
- 1.2 LB Croydon recently told the Committee that they plan around each case taking twelve weeks before the UC claim is paid to the individual. The experience of other boroughs is similar, with claimants regularly waiting longer (often far longer) than six weeks before their claim is paid. LB Sutton notes that the typical wait in the boroughs is between six and eight weeks before the first UC payment is received, while in one example an individual with severe health needs did not receive their first payment for three months.
- 1.3 Such processing times are unacceptably long and are proving to be detrimental to the financial position of local authorities, as well as both the finances and wellbeing of the individuals affected. The financial impact on local authorities is detailed later in this submission.
- 1.4 A particular outcome of processing delays has been the negative impact on private landlords' confidence in UC. With little financial security prior to making a UC claim, by the time the tenant receives their first payment they are already sufficiently in arrears to be evicted and the result is costly and time consuming interventions by the local authority to try and sustain the tenancy. Many boroughs note that a significant number of private landlords have decided to retreat from this section of the market as a consequence, and that securing private rented accommodation in which to discharge their homelessness responsibilities is increasingly difficult.
- 1.5 While an advance payment could be available to support those who do not have enough money to support themselves through the initial six-week wait before their first UC payment, we note the evidence given during the committee's meeting on 23 January that advance payments are not well advertised. This supports previous evidence published by the committee that customers are routinely not told about the availability of an advanced payment, and that raising the possibility is left to the discretion of Jobcentre staff.² The boroughs also note that the advance payment itself can often cause further financial problems for individuals, given the higher likelihood that recipients will already have high levels of debt, particularly those leaving insecure employment.
- 1.6 The processes behind UC are also problematic from the local authority perspective, particularly in regards to data sharing and access to information. Under UC, the local authority is removed from the process of administering the benefit claim and will often have little indication as to whether the claimant has made a claim for UC (in some instances the local authority will receive a rent verification request where they are the landlord). This differs from the very streamlined process that typically exists under Housing Benefit, where the local authority administers the benefit and is therefore aware of the individual's circumstances. In instances where the individual has presented themselves to the council's homelessness or benefits team for assistance, the Housing Benefit process also ensures that the claim is made at the outset. This is unlike UC, where the

¹ Stat-xplore (accessed 10 March 2017)

² 'Benefit Delivery', Fourth Report of Session 2015-16, Work and Pensions Select Committee, 16 December 2015, p.26

local authority has to rely on the individual to make their own claim. Given the multiple pressures often facing individuals when they present for support from local housing services, it is not always realistic that an online claim for UC will be completed promptly.

- 1.7 Unjustifiable and counter-productive rules put in place by the Department for Work and Pensions (DWP) prevent local authority officers from receiving information about the status of an individual resident's claim; rules that Ministers have recently agreed to remove for elected councillors and Members of Parliament.³ These overly cautious rules have resulted in avoidable delays in the processing and receipt of UC payments as local authorities are unable to effectively represent individuals – particularly those that find the online application process particularly challenging to navigate. A particular issue that arises from this is that local authorities are restricted in the information and – by extension – assistance they can provide to local residents who are experiencing difficulties with the processing of their claims, while also bearing the financial risk associated with processing delays (for example, through rent arrears and homelessness responsibilities in case where the individual is evicted as a consequence of delayed benefit payments).
- 1.8 Boroughs further note that the efficiency of the administrative processes behind UC is highly variable. Administrative problems have included rent verification requests being sent to the wrong landlord address or being sent to the landlord late, meaning that the housing element is missing from the first UC payment. Problems with the processing of Alternative Payment Arrangements (APAs) have also been noted the London boroughs; for instance, applications disappearing, notifications arriving inconsistently and rejections often contain no reasons.

2 How are claimants managing with being paid Universal Credit monthly in arrears?

- 2.1 The monthly payment of UC works adequately for many residents. However, there are a sizeable proportion of claimants for whom the monthly payment model is causing significant problems – particularly people in insecure and low income employment, the long-term unemployed, and those with debt and no savings. Monthly budgeting is proving problematic for this cohort, and boroughs have noted an increase in people being referred to them by the DWP as they have spent their UC payment and require emergency assistance with food and other expenses.
- 2.2 A particular concern is that claimants are not always aware of the support available through policies such as the APA, which strongly suggests that Jobcentre advisors are not sufficiently recognising vulnerability in a way that affectively addresses the problems caused by the monthly payment. Particular consideration should be given to mandating that particularly vulnerable groups are provided with an APA, which London Councils believes would improve household budgeting and better ensure that the claimant can remain in stable accommodation.
- 2.3 For those vulnerable customers that are unable to budget under the monthly system, the work to get them onto a sustainable financial position under UC is being picked up by local authority welfare teams. Local authorities have noted that staffing levels in this area are being increased (against a backdrop of reductions in local government funding) in order to react to, and manage, the impacts of UC.

3 Has Universal Credit improved the accuracy of payments?

- 3.1 The accuracy of the housing element of UC is a particular concern for London local authorities. As noted above, there are often problems and delays in the processing of rent verification requests, as well as instances where claimants are not sending information to the DWP or are unaware of their true rent figure. Housing costs for socially let properties also tend to be disproportionately miscalculated, due to confusion regarding what services charges are eligible to be covered by UC.

³ 'Rules stopping MPs helping benefit claimants to be scrapped', Guardian, 9 March 2017

3.2 These problems have meant that the housing costs of many claims are not paid properly. It also marks a stark contrast to the Housing Benefit model, which is a highly effective and streamlined system for claiming accommodation costs. As a consequence of these administrative issues, we are seeing that many local authority officers are frequently required to support resident's contact with UC officials, which is creating additional burdens for local authorities at a time when funding for benefit administration is reducing dramatically (particularly for those on UC local authorities operating full service).

3.3 A further issue reported by the boroughs is that claimants will often have waiting days applied when they should be exempt. Most commonly, this is where claimants should be exempt on the basis of receiving Housing Benefit in the month before the UC claim.

4 Have claimants reported making a new claim for Universal Credit, and then found that the system has not registered their claim correctly?

4.1 Borough responses note that, at most, this had been their experience in only a small number of cases.

5 What impact is Universal Credit having on rent arrears, what effect is this having on landlords and claimants, and how could the situation be improved?

5.1 UC is leading to significant increases in rent arrears across London, particularly in those areas that are now operating full service.

5.2 Across the full service pilot boroughs there has been a notable reduction in payment rates across the housing stock for UC claimants. Further details of this are outlined in two separate submissions to the committee by (i) the three stock-owning authorities in the pilot (Croydon, Hounslow and Southwark) and (ii) Sutton, which contains information from its arms-length management organisation (ALMO).

5.3 Boroughs operating UC live have also reported that rent arrears are increasing, and that Registered Providers have had to increase the resources they put into collecting rent payments.

5.4 The picture is even worse in regards to the provision of emergency accommodation, which is addressed more fully in response to question seven.

6 Would certain groups benefit from greater payment process flexibility and, if so, what might the Government do to facilitate it?

6.1 Greater flexibility in the payment process would be beneficial to many groups, and would assist in preventing homelessness, and reducing both administrative burdens and rent arrears. A particular concern must be improving the payment mechanism to maximise the opportunities for tenants to sustain their tenancy, thus reducing pressures on other parts of government that materialise when the tenant falls out of secure accommodation.

6.2 *Alternative Payment Arrangements:* The APA should be far easier to apply and widely applicable. In particular, mandating particular groups, such as local authority tenants, would provide a useful means of preventing significant rent arrears that leave financial gaps in the local Housing Revenue Account (HRA). For stock holding authorities on full service in London, a significant proportion of rent arrears are already attributable to the still relatively small proportion of tenants on UC. Introducing a mandatory APA for council tenants, would be a reasonable response to prevent financial shortfalls in the HRA.

6.3 *Seven day waiting period:* Feedback from our member authorities highlights that the seven day waiting period is causing significant financial problems for claimants, particularly in regards to housing costs. Vulnerable clients are finding it difficult to manage this period, during which no financial assistance is provided leaving many with no income to pay housing and other related living costs. Removing this waiting period – as was recommended by the Social Security Advisory Committee in June 2015 – would be a useful first-step in providing greater financial security to UC claimants.

6.4 *Frequency of payments:* As noted in paragraph 1.1, the six-week waiting period prior to first payment is problematic for most households, who do not have the financial security to manage their finances over this period without significant interventions being made by the local authority. The effect of the wait is that most households will begin life on UC already in significant rent arrears. Similarly, a higher frequency of payments (for example, fortnightly) would assist more vulnerable recipients of UC to better manage their finances and prevent arrears developing that could result in avoidable evictions. While direct payments to landlords and fortnightly UC payments are available, claimants are rarely made aware or offered these alternatives, and the eligibility rules governing their application are too narrow.

6.5 *Backdating Universal Credit:* We would recommend that the committee urges the DWP to review its position on backdating UC payments. As the committee will be aware, the rules currently governing backdating payments are strict and only allow backdating for a single calendar month. Given the significant timeframes involved in processing applications, it would be helpful for the regulations to be reviewed and for greater flexibility to be introduced.

6.6 *Housing Benefit run-on:* Introducing a Housing Benefit run-on period for those moving onto UC following a change of circumstances would help recipients to more effectively bridge the financial gap that emerges when transitioning onto UC. We would suggest that this period should be at least two weeks.

7 Does Universal Credit provide people in emergency temporary accommodation with the support they need, and how could this be improved?

7.1 Rent collection rates for emergency accommodation have substantially reduced in areas where UC full service has been introduced. This has severely affected the financial position of those boroughs operating full service, as well as those that have made out of borough placements into full service areas. More detailed responses on this issue are being/have been submitted to the committee by the four full-service pilot boroughs in London.

7.2 However, London Councils has sought to understand more about the likely pan-London impact of UC full service on emergency accommodation. In total, eleven London boroughs have provided London Councils with data on the number of customers in Cell 12 of their Housing Benefit Subsidy claim form from 2015/16. The total number of customers from these eleven local authorities is 8,286 with an average Housing Benefit claim of £2,065 (average arrears per LA is c.3 per cent). Figures provided by the UC full service boroughs Croydon, Southwark and Sutton show an average rent arrears per customer of £1,415 (average arrears per local authority is 55 per cent). This suggests that if all eleven London local authorities were on full service for all of their customers, then rent arrears could be in the region of £11.7 million per year (based on 2015/16 case numbers). This figure should very much be considered indicative, and further evidence will be collected by London Councils to create an authoritative picture of the pan-London impact of this policy. However, it highlights the extent of the financial difficulties facing the London boroughs as a result of the interaction between UC full service and the provision of emergency accommodation.

7.3 UC contains a number of design features that are problematic for local authorities when considering how they would interact with their responsibility to provide emergency temporary accommodation for homeless households. The key problems are threefold (outlined below), and all potentially incur negative financial implications for local authorities.

7.4 *UC payment method:* UC is paid to households as a single payment on a monthly basis that includes an amount in respect to housing costs, while the first payment is made at least six weeks after the date of the first claim and paid monthly thereafter. Given the responsibility local authorities have to ensure that those with dependent children are not placed in such accommodation for more than six weeks, the design of UC is clearly incompatible with making such placements.

7.5 The Local Housing Allowance (LHA) guidance allows for the first payment of HB to be made to the landlord when “the customer has recently moved to the property and does not have a track record of paying rent to the

landlord so as to safeguard the tenancy” or where “substantial arrears are owing to the customer”.⁴ Similarly, under current rules the Housing Benefit payment must be made direct to the landlord in circumstances where the tenant is in rent arrears by eight weeks or more. DWP circular HB/CTB A26/2009 notes that the intention of this rule “is to provide landlords with the security of direct payment as an alternative to seeking possession on a mandatory ground and so avoid a situation arising where a tenant is evicted under Housing legislation”.⁵ If this position was adopted for UC it would require most private tenancies where the rent is due at intervals of four weeks or more in advance, to be paid direct to the landlord as the rent would be more than eight weeks in arrears by the point of the first UC payment. This could also apply to social tenancies if the UC was not awarded by week eight.

- 7.6 Further issues arise given that the UC payment is assessed by looking at the tenants’ circumstances at the end of the previous month, in some cases includes a seven day waiting period, and many temporary accommodation tenants could have moved several times within one month. Furthermore, households are not always aware that their first payment included a sum for their temporary accommodation, while those who had already moved out of temporary accommodation by the time of their first payment would be even less likely to repay the rent owed to the local authority.
- 7.7 *Administration:* For many emergency accommodation claimants, it is the fact that they have moved into temporary accommodation and require support with housing costs that often serves as the trigger for their UC claim. Unlike with Housing Benefit, the boroughs cannot always be confident that those requiring UC have registered their claim or attended an interview at a Jobcentre and completed a claimant commitment that would make their claim effective. The situation is worsened under full service because the local authority receives no automatic notification when the tenant successfully registers a claim.
- 7.8 In addition, the experience of the London boroughs operating full service is that where a UC claim is completed by an emergency accommodation tenant, information requests from the UC service centre asking the local authority to confirm the claimant’s housing costs are frequently delayed, misdirected or duplicated.
- 7.9 *Perverse incentives for local authorities:* That all UC awards are based on the claimant’s circumstances seven days before the payment is due is particularly problematic in relation to households living in emergency accommodation. The use of temporary accommodation has risen consistently in London over recent years as alternative housing options have become more challenging to secure.
- 7.10 But the design of UC creates a significant risk that the cost of such accommodation – procured at short notice and usually on a short-term basis – will not be reflected in the UC payment received by the claimant (given that the payment is based on the circumstances of the household seven days in advance of the payment). This feature of UC results in two possible outcomes, which are undesirable to local authorities, taxpayers and affected households. The first outcome is that the local authority is left with significant losses as the first UC payment does not include any amount in respect of the temporary accommodation placement. This risk is highest for households placed in short-term temporary accommodation that are asked to leave shortly afterwards when the local authority has concluded that – following an investigation – no homelessness duty is owed. The second potential outcome is that local authorities are incentivised to allow households to remain in unsuitable, nightly paid, emergency accommodation for a longer period until the costs of that accommodation are included in the household’s UC payments.
- 7.11 Given that emergency accommodation tenants are some of the most vulnerable customers a local authority will come into contact with, the processes involved in making a UC mean that this may not be undertaken as promptly as is necessary and that rental arrears can accrue quickly. This risk is heightened by the fact that temporary accommodation rents tend to be higher than general needs housing, meaning that rents can build up more quickly and result in debts that are difficult to repay.

⁴ ‘Local Housing Allowance Guidance Manual’, Department for Work and Pensions, April 2014, p.47

⁵ ‘Housing Benefit and Council Tax Benefit Circular (HB/CTB A26/2009)’, Department for Work and Pensions, December 2009, p.5

7.12 To respond to this, it would be prudent of the DWP to remove emergency accommodation from UC altogether and return to the legacy Housing Benefit system for emergency accommodation. Housing Benefit is flexible enough to respond to the realities of short-term accommodation, and has a proven track record of delivering high levels of rent collection.

8 What impact is Universal Credit having on the income and costs of local authorities, housing associations, charities and other local organisations?

8.1 As noted above, UC is having a detrimental impact on the financial position of local authorities in London; increasing administrative burdens while rising arrears reduce the council's rental income. This is particularly the case in those areas where full service has been extended.

8.2 An impact that has not so far been addressed in this evidence paper is the impact on revenue and benefits teams. While the overall year-on-year reductions in funding for Housing Benefit Administration (HBA) subsidy have resulted in insufficient funding for benefits services, the funding formula has been particularly punitive for those local authorities that have transitioned onto full service. The additional reductions for full service authorities reflects the anticipated reductions in caseloads that will be experienced by those authorities as UC is phased in and the administration of caseloads transfer to the DWP.

8.3 Between 2013/14 and 2016/17, HBA subsidy reduced by 39 per cent in London,⁶ while government data shows that the Housing Benefit caseload was just 6 per cent lower in April 2016 compared to April 2013.⁷ The disparity between these figures is due in part to delays in implementing UC, which has meant that the numbers transitioning onto UC have not been as high as were anticipated. The DWP will implement a further 5.55 per cent reduction in HBA funding for the next financial year (2017/18), which would mean a 42.2 per cent reduction in funding since 2013/14 across London.

8.4 An additional £11.3 million of national funding reductions will be made on top of this in 2017/18 to reflect anticipated changes in caseloads as a result of UC and the transition of administrative responsibilities from the local authority to the DWP. This reduction has particularly affected the funding allocations for those already operating, or those that will soon roll onto, full service. However, the evidence from London boroughs is that the transition to UC is (i) not resulting in the caseload reductions anticipated by the DWP and (ii) not reducing administrative burdens on local authorities.

8.5 These problems are particularly acute in areas where full service has been extended, due to the additional funding cuts that are being introduced in their administration subsidy. For example, figures provided to LB Croydon by the DWP forecasted that the borough's Housing Benefit caseload would reduce by 7,224 between April and November 2016. In reality, it fell by 4,491 (just 62 per cent of the anticipated reduction).⁸ A significant part of this reduction is also due to trend reductions in the claimant count rather than UC migration.

8.6 The administrative burdens on full service authorities have also increased, as customer contact has remained relatively static and the tasks being undertaken have become more complex and time consuming. For instance:

- Full service is not fully automated, leaving a number of processes to still be undertaken by the local authority (such as the retained administration of Local Council Tax Reduction schemes).
- Customers requiring assistance with using the digital system.
- Added difficulty in securing privately rented accommodation due to changes in welfare policy (such as UC) that have become a disincentive to landlords.
- Operational issues such as problems with the processing of SRS and APAs, poor data sharing and problems as a result of UC policy design (such as the six-week period before first payment).
- Increased pressure on homelessness prevention functions.

⁶ Housing Benefit Circular S7/2013 (October 2013) and Housing Benefit Circular S9/2015 (December 2015)

⁷ Stat-xplore

⁸ Figures provided by LB Croydon

- Greater demand for Discretionary Housing Payments and local welfare assistance funds.

8.7 Even in arrears where UC live is operating, administrative burdens are increasing as a result of the impact on rent collection, increased pressure on homelessness services and prevention activity, administering DHP, signposting claimants to other services, rising evictions, chasing up rent arrears and requests for direct payment to landlord and supporting claimants to request that their UC is corrected.

9 How well is Universal Support working, and how could it been improved?

9.1 Universal Support is the collaborative process involving local authorities, Jobcentres and others, aimed at “identifying, engaging and supporting claimants that may have transitional personal budgeting or digital support needs under Universal Credit”.⁹

9.2 Feedback from our member authorities suggests that Universal Support works well for those that would otherwise have received Jobseekers Allowance (JSA), but should be better targeted. Offers of budgeting support, provided at the beginning of the UC claim, are usually not taken up by customers. The programme could be more successful if it were focussed on customers who are more likely to struggle with budgeting, such as:

- long-term claimants,
- people in need of mental health support and learning disabilities,
- people with a track record of rent arrears and indebtedness,
- customers living in temporary accommodation, and
- young care leavers.

9.3 A further obstruction to the success of Universal Support is the flaws in the UC model itself, which are addressed throughout this response. In particular, these include the lengthy processing times and delays in processing, the seven-day waiting period, payment in arrears, direct payment to the customer and the time taken to process APAs. Furthermore, the one-size-fits all approach to UC is often too rigid for claimants, such as those that are digitally excluded. Concerns have also been raised about the DWP’s ability to identify vulnerable claimants, and the difficulty claimants and local authorities experience in contacting the DWP to address problems in a customer’s application (for example, authorities have highlighted that the UC website has previously quoted unobtainable phone numbers, while the problems with information sharing are addressed in response to question one).

9.4 The problems outlined regarding the policy design and administration of UC has an obvious impact on the ability to support vulnerable claimants through the UC process through Universal Support.

10 What impact has the introduction of full Universal Credit service had in areas where it has replaced the live service?

10.1 Full service has led to a number of outcomes that are either not present in the live service, or has dramatically heightened many of the impacts experienced by live boroughs. These are highlighted throughout this evidence submission, and the key points are summarised as follows:

10.2 *Rental income:* The full service has led to dramatic reductions in rental income compared to UC live, particularly in relation to emergency accommodation, but also for those in general needs housing. This is placing unsustainable pressures on local authority finances and action needs to be taken immediately (outlined in response to question six and seven) to remove the financial risk posed to authorities as a consequence.

⁹ ‘Evaluation of the Universal Support delivered locally trials: final report’, Department for Work and Pensions, July 2016, p.3

- 10.3 *Administrative burdens:* As noted in response to question eight, full service has heightened the complexity of work undertaken by local authority benefits and housing teams at a time when funding is reducing. For example, following rollout of UC full service, Southwark has found it necessary to increase resources devoted to collecting rent income from those placed in emergency temporary accommodation by 15% over planned budget for 2016-17. Rent income for those placed in emergency accommodation and claiming UC full service has fallen significantly in spite of this increase in resources.
- 10.4 *Lack of information:* The loss of intelligence in regards to customers, with little information being provided to the local authority regarding the claimant, with no notifications being provided when a claimant begins a UC claim or in regards to the rejection of an APA. This affects the local authority's ability to prevent homelessness and effectively deliver proactive interventions that may be helpful.
- 10.5 *Impact on customers:* Typically, the policy design of UC will result in customers falling into rent arrears from to outset of their claim, leaving them in a position of financial insecurity. While the policy design of UC leads to greater insecurity, many customers will usually be able to navigate the online system over the long-term (many issues exist short-term, for instance, the rent verification process is often beset by delays). However, vulnerable customers – such as those who are sick or disabled, suffer with addition, mental health and other factors that may inhibit their ability to access the online system – face particular challenges in navigating and using the system that can worsen their situation. Similar problems exist for those who have entered temporary accommodation, and whose priority, understandably, may not be completing the online UC application process. Unlike under the legacy system, local authorities had a much more streamlined process for handling such claimants, which would much more efficiently and dependably ensure that the customer would receive the benefits that they are entitled to. As highlighted throughout this evidence submission, more support needs to be available to assist customers with the UC process.
- 10.6 It is in the long-term interest of the London boroughs that UC works effectively and efficiently, and helps to realise the many benefits for customers and local authorities that it could bring about. Local authorities recognise that this will involve live testing the system in the real world. However, the experience to date is that the system is resulting in significant financial pressures for local authorities, either through deteriorating rent collection rates or additional unfunded administrative burdens. Local authorities should be protected against this financial risk by the DWP to ensure they do not lose significant sums as a result of assisting the department with its trials of the new system.

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